



Current account deficit was 25.2 billion USD in 2025.

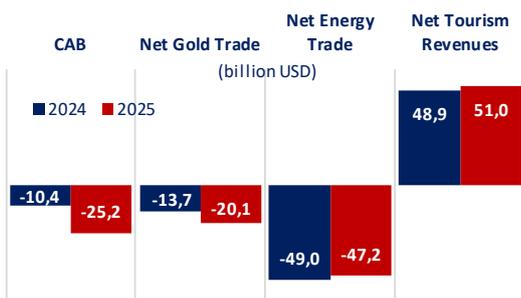
In December, the current account balance posted a deficit of 7.3 billion USD, exceeding market expectations of 5.2 billion USD. This development was driven by the decline in service revenues alongside falling travel revenues, the expansion in the primary income deficit, and the widening in balance of payments-defined trade deficit to its highest level in the last eight months.

Despite the increase in tourism revenues in 2025, the current account deficit widened by 142% yoy to 25.2 billion USD, in line with the rapid rise in trade deficit.

Trade deficit widened by 24.5% in 2025.

In December, the balance of payments-defined trade deficit widened by 19.4% yoy to 7.4 billion USD. During this period, non-monetary gold imports remained parallel to its level in December 2024, while net energy imports declined by 10% yoy to 4.9 billion USD. In December, the current account balance excluding gold and energy posted a deficit of 691 million USD for the first time in seven months. Thus, the core current account balance posted a deficit for the third time in the last three years, following May 2023 and April 2025.

The balance of payments-defined trade deficit widened by 24.5% yoy to 69.7 billion USD in 2025. Net non-monetary gold imports amounted to 20.1 billion USD and net energy imports to 47.2 billion USD. Thus, in 2025, the current account surplus excluding gold and energy declined by 19.5% compared to the previous year and became 42.1 billion USD.



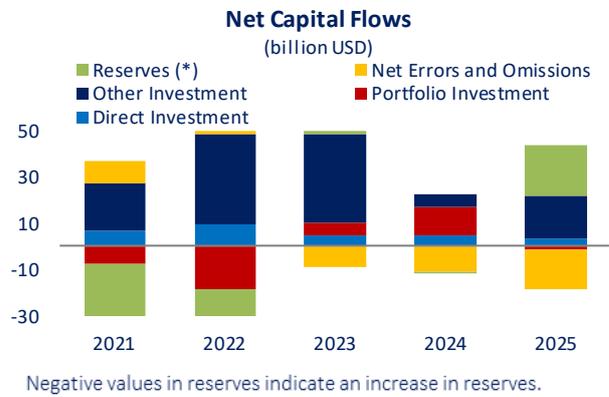
Net service revenue was 63.5 billion USD in 2025.

Net travel and transportation revenues in December were at their lowest level since March. In parallel, net service revenues declined by 12.5% yoy to 2.7 billion USD, the lowest level in the last 10 months. On the other hand, in 2025, net service revenues increased by 3.5% compared to the previous year, reaching its historical high at 63.5 billion USD. During this period, net travel revenues increased by 4.3% yoy to 51 billion USD, while net passenger transportation revenues rose by 11.7% yoy to 21.8 billion USD.

Net direct investments are at their lowest level in 20 years...

In December, net direct investments recorded an outflow of 465 million USD. During this period, domestic residents made capital investments of 838 million USD abroad, while non-residents made capital investments of 593 million USD in Türkiye. On the other hand, real estate purchases of domestic residents abroad and by foreign residents in Türkiye amounted to 252 million USD and 287 million USD, respectively, remaining at similar levels.

In the whole of 2025, net direct investments decreased by 36% yoy to 3.3 billion USD, the lowest level in the last 20 years.



Limited capital outflow in portfolio investments in 2025...

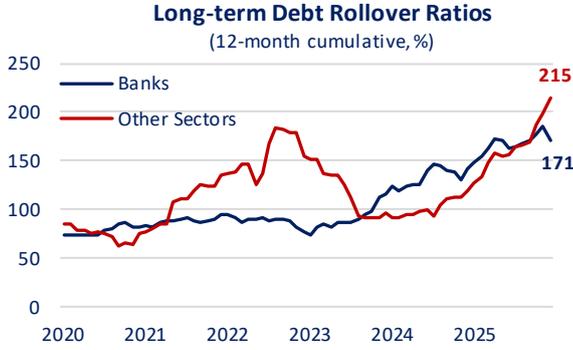
Following two consecutive months of capital outflow, there was a limited capital inflow of 73 million USD in portfolio investments in December. During this period, portfolio investments by domestic residents abroad amounted to 1.7 billion USD, while portfolio investments by foreign residents in Türkiye amounted to 1.8 billion USD. Foreign residents purchased 839 million USD in the stock market and continued to purchase 501 million USD in the government bond market.

In 2025, a net capital outflow of 1.7 billion USD was recorded from portfolio investments, due to the net acquisition of 14 billion USD in domestic residents' assets abroad, compared to 12.3 billion USD in non-residents' investments in Türkiye. In 2024, there was a net capital inflow of 12 billion USD in this category.

Other investments surged by 244% yoy.

In December, capital inflows into other investments continued for the third consecutive month with 2.5 billion USD. During this period, the 5.4 billion USD outflow in this category, due to the increase in domestic residents' foreign currency deposits abroad, limited capital inflows into other investments. In December, other sectors utilized net credit of 4.3 billion USD, while banks used 1.3 billion USD.

In 2025, net capital inflows in other investments increased by 244% compared to the previous year, reaching 18.5 billion USD. While banks' credit usage decreased by 25% yoy in this period, the 7.4 times surge in credit usage of other sectors was noteworthy,. In 2025, the long-term debt rollover ratios of banks and other sectors continued to exceed their long-term averages, at 171% and 215%, respectively.



Reserves and net errors and omissions...

Reserve assets continued to decline in December (by 4.1 billion USD), and decreased by 22 billion USD over the whole of 2025. In the net errors and omissions item, where a capital inflow of 1 billion USD was recorded in the last

month of the year, an outflow of 16.6 billion USD occurred in 2025.

Expectations...

In 2025, the current account deficit reached 25.2 billion USD due to the increase in the foreign trade deficit and the expansion in the primary income balance, despite the positive effect from the services balance. Thus, the current account deficit was above the MTP estimate of 22.6 billion USD as a result of net gold imports exceeding expectations. Assuming that there will be no additional pressure from energy prices in 2026, we think that domestic demand conditions and gold demand as well as gold prices will continue to be the main risk factors on the headline current account deficit. On the financing side, we evaluate that the foreign inflows in the government securities and stock markets in January and the improvement in Türkiye's rating outlook support positive expectations, especially regarding portfolio inflows, for the rest of the year.

Balance of Payments	(million USD)			
	Dec. 2025	Jan. - Dec. 2024	Jan. - Dec. 2025	% Change
Current Account Balance	-7,253	-10,415	-25,207	142.0
Foreign Trade Balance	-7,439	-55,987	-69,688	24.5
Services Balance	2,651	61,369	63,508	3.5
Travel (net)	2,533	48,920	51,028	4.3
Primary Income	-2,368	-15,869	-18,499	16.6
Secondary Income	-97	72	-528	-
Capital Account	-3	-126	-148	17.5
Financial Account	-6,215	-21,838	-42,002	92.3
Direct Investment (net)	465	-5,050	-3,255	-35.5
Portfolio Investment (net)	-73	-11,977	1,739	-
Net Acquisition of Financial Assets	1,685	9,532	14,048	47.4
Net Incurrence of Liabilities	1,758	21,509	12,309	-42.8
Equity Securities	839	-2,481	2,080	-
Debt Securities	919	23,990	10,229	-57.4
Other Investment (net)	-2,471	-5,369	-18,459	243.8
Currency and Deposits	5,367	13,898	15,602	12.3
Net Acquisition of Financial Assets	3,039	12,367	13,171	6.5
Net Incurrence of Liabilities	-2,328	-1,531	-2,431	58.8
Central Bank	-505	-11,866	-11,808	-0.5
Banks	-1,823	10,335	9,377	-9.3
Foreign Banks	-1,940	6,725	9,186	36.6
Foreign Exchange	109	2,565	3,396	32.4
Turkish Lira	-2,049	4,160	5,790	39.2
Non-residents	117	3,610	191	-94.7
Loans	-7,315	-19,603	-36,243	84.9
Net Acquisition of Financial Assets	-1,098	2,261	2,726	20.6
Net Incurrence of Liabilities	6,217	21,864	38,969	78.2
Banking Sector	1,317	17,994	13,469	-25.1
Non-bank Sectors	4,333	3,191	23,630	640.5
Trade Credit and Advances	-521	402	2,212	450.2
Other Assets and Liabilities	-2	-66	-30	-54.5
Reserve Assets (net)	-4,136	558	-22,027	-
Net Errors and Omissions	1,041	-11,297	-16,647	47.4

Source: Datastream, Ministry of Trade, CBRT

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