

# Turkey-Cash Balance

12.05.2022  
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## April 2022 - Cash account utilization continues

According to the cash budget data of the Ministry of Treasury and Finance, the budget deficit yoy rose significantly to TRY43.7bn in April 2022. The accelerated expenditure growth had led to this widening. In the Medium Term Program (MTP), announced in September 2021, the budget deficit/GDP ratio target for 2022 was set at 3.5%. However, the measures announced within the framework of the new economy model beyond September could cause the budget deficit to be higher than anticipated in the MTP.

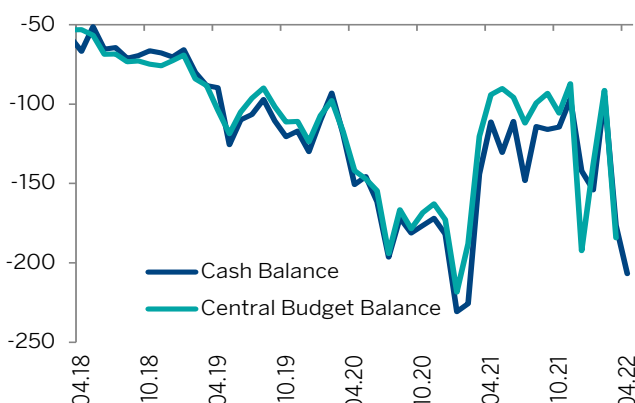
### Cash account continued to be utilized in April

- In April, revenues rose fast by 87% yoy. However, expenditure growth was 103% yoy, even above revenues. On a 3 month average basis, both revenue and expenditure growth accelerated.
- Domestic borrowing in April was TRY9.0bn above the Ministry program. The domestic debt roll-over ratio realized at 159%, while the target was 119% for April. The 12-month domestic debt roll-over ratio rose from 91% to 94%. According to the Ministry program, this ratio is estimated at 129% in May-Jul22 as domestic borrowing is expected to rise. The Ministry has kept its May domestic borrowing estimate at TRY59bn.
- Even though net borrowing was higher than targeted in April, as net borrowing was not sufficient to finance budget deficit the cash account continued to be utilized as in March. According to CBRT data, the FX deposits of the Ministry rose by TRY4.1bn (c.USD0.2bn) while TRY deposits fell by TRY22.3bn in April. The Treasury's cash account was at TRY235.1bn (FX and TRY in total) as of end-April, of which FX deposits were at c. USD11.3bn.

### Domestic debt payment is heavy in May

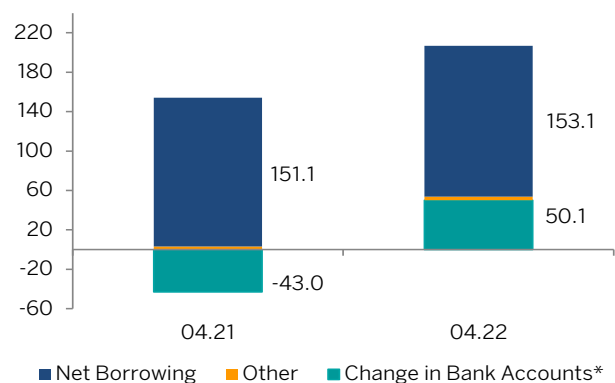
- Domestic debt payment is at c.TRY53bn in May, significantly above the 12 month average. The domestic debt payment schedule will be loaded for August and October in 2022 and January 2023.
- The share of non-TRY domestic debt in total domestic debt remained at 29% as of March 2022. The FX-protected TRY deposit scheme will raise the FX sensitivity of the domestic debt stock.
- External debt redemption is low at USD0.5bn in May. External debt payment is high in September 2022 (USD3.3bn) and March 2023 (USD2.3bn). According to the Ministry's Program, external debt borrowing from international markets is targeted at USD11bn in 2022. Total external borrowing has reached USD5bn ytd. Thereby, 45% of the 2022 target was achieved.

Cash & Central Budget Balance (12-month)



Source: Ministry of Treasury and Finance, Garanti BBVA Securities

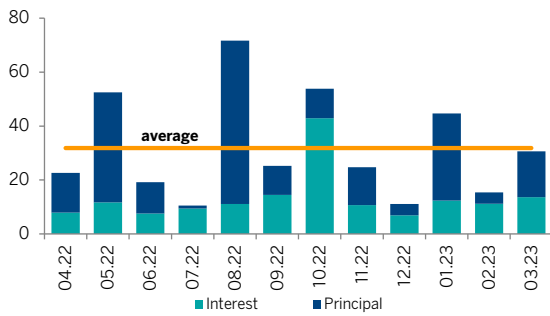
Cash Balance Financing Sources (12 month-TRY bn)



Source: Ministry of Treasury and Finance, Garanti BBVA Securities

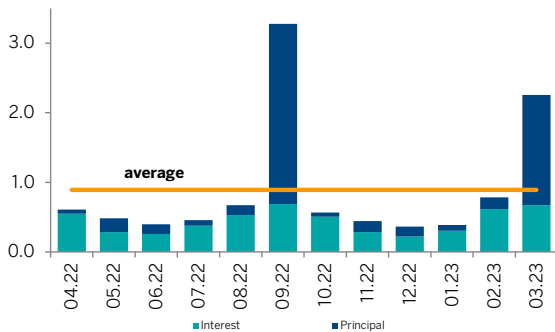
\*Negative data means the rise

Domestic Debt Payment Projection\* (TL bn)



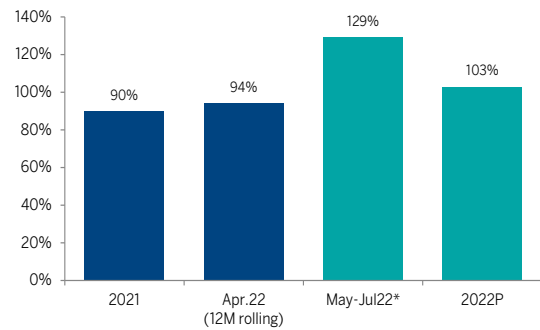
Source: Ministry of Treasury and Finance  
Garanti BBVA Securities \*Central Government as of 21.03.22

External Debt Payment Projection\* (USD bn)



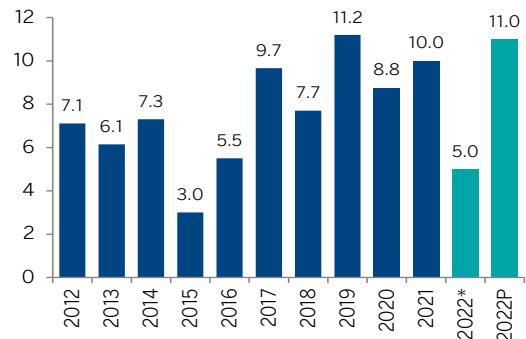
Source: Ministry of Treasury and Finance,  
Garanti BBVA Securities \*Central Government

Treasury's Domestic Debt Roll-over



Source: Ministry of Treasury and Finance, \* Treasury Program  
Garanti BBVA Securities P: Program

Eurobond&Lease Certif. Issuance (USD bn)



Source: Ministry of Treasury and Finance  
Garanti BBVA Securities P: Ministry Projection \*ytd

Treasury's Cash Balance and Its Financing

TL Bn	Monthly			12-Month		
	Apr.21	Apr.22	Yoy	Apr.21	Apr.22	Yoy
Revenues	97.4	182.1	87%	1153.3	1790.5	55%
Expenditures	111.6	226.4	103%	1269.6	2003.6	58%
Primary Balance	-1.5	-29.0	1867%	14.9	-17.8	-220%
Privatization and Funds Income	0.9	0.6	-31%	5.0	6.3	26%
Cash Balance	-13.3	-43.7	228%	-111.3	-206.9	86%
Financing	13.3	43.7	228%	111.3	206.9	86%
Borrowing (Net)	3.9	20.7	431%	151.1	153.1	1%
Frgn. Borrow. (Net)	-0.9	-0.6	-37%	-7.6	37.9	-602%
Borrowing	0.0	0.0		64.8	128.6	98%
Payment	0.9	0.6	-37%	72.4	90.6	25%
Dom. Borrow. (Net)	4.8	21.3	344%	158.6	115.1	-27%
Borrowing	33.5	36.0	8%	402.5	419.1	4%
Payment	28.7	14.7	-49%	243.9	304.0	25%
Other	0.9	0.3	-68%	3.1	3.7	18%
Chg. in Bank Accounts	8.5	22.7	167%	-43.0	50.1	-217%
Effect of FX	-0.2	-0.2	-10%	23.4	79.7	241%
Net Chg. in Bank Accounts	8.7	22.8	163%	-66.3	-29.6	-55%

Source: Ministry of Treasury and Finance, Garanti Securities

Treasury's Financing Program

TL Bn	Realization		Treasury Financing Program	
	2021	Jan-Apr 22	May-Jul 22	2022P
Total Debt Service	525.1	257.6	104.0	505.9
Dom. Debt Service	420.1	170.0	83.0	385.5
Principal	301.3	105.9	54.0	222.6
Interest	118.8	64.0	29.0	162.9
Frgn. Debt Service	105.0	87.6	21.0	120.4
Principal	63.5	58.7	6.1	70.8
Interest	41.4	28.9	14.9	49.6
Financing	525.1	257.6	103.9	506.0
Borrowing	462.5	246.9	107.0	498.1
Frgn Borrowing	83.4	70.9	0.0	101.0
Dom. Borrowing	379.1	176.1	107.0	397.1
Other Sources	62.6	10.7	-3.1	7.9
Dom. Debt Roll-Over Ratio*	90%	104%	129%	103.0%

\*According to Ministry of Treasury and Finance data,  
Garanti BBVA Securities' calculation P: Program

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