Turkey Corporate Financing: When Bank Funding Shortens

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Turkish bank lending is growing.

But for corporates, access is becoming both more selective and shorter in tenor.

That combination creates a risk that is not yet fully recognised: refinancing risk.

Growth That Misleads

At an aggregate level, the banking system continues to expand. Total loans are approaching TL 25 trillion as of early 2026, based on the latest data from the Banking Regulation and Supervision Agency (BDDK). On the surface, this suggests a supportive financing environment.

In practice, it does not translate into corporate access.

Headline credit growth masks a shift in allocation and maturity that is more relevant for corporate financing.

From Availability to Allocation

The shift in bank lending is not only about selectivity. It is about allocation.

Banks are operating under multiple constraints:

- macroprudential measures shaping credit growth
- rising non-performing loans increasing caution
- capital adequacy pressures limiting balance sheet capacity
- return on capital considerations favouring faster-turning assets

Together, these factors are reshaping how bank balance sheets are deployed. Banks are not only becoming more selective — they are also lending differently.

In a capital-constrained environment, balance sheet is increasingly directed toward segments that offer higher returns and faster turnover, such as consumer credit and credit cards. Corporate lending — particularly longer-dated financing — competes less effectively under these conditions.

The Compression of Maturity

The maturity profile of lending is also shifting. Short-term loans have increased materially as a share of total lending — rising from approximately 31% to nearly 47% since 2021. The direction of travel is unmistakable.

While longer-dated lending remains meaningful in absolute terms, the system is increasingly reliant on shorter maturities.

The issue is no longer just access to funding — but access to duration.

At the same time, foreign currency lending continues to represent a significant portion of corporate borrowing, accounting for approximately 51% of total corporate loans. This adds a further dimension of risk. The refinancing risk is not only about tenor. It is also about currency.

Why It Matters for Corporates

Turkish corporates rely on banks for the majority of their funding.

That model becomes more fragile when:

- access to lending becomes more selective
- allocation shifts away from corporate segments
- funding tenors shorten

The consequence is not immediate dislocation. It is gradual compression — of access, duration, and flexibility.

Shorter maturities increase refinancing frequency. Foreign currency exposure increases refinancing sensitivity.

A Structural Gap

The risk is not that capital is unavailable. It is that it is not being accessed effectively.

Domestic capital markets are growing, but remain underutilised by corporates.

International markets are active, but accessed only selectively.

Private credit is available, but still largely unfamiliar to many borrowers.

The system is evolving. Corporate financing strategies are not.

Conclusion

Bank lending remains central to Turkish corporate financing. But it is no longer sufficient on its own.

The shift is not only in how much banks lend — but to whom, for how long, and on what terms.

The risk is not that funding disappears.

It is that it shortens.

That is how refinancing risk builds.

NN Capital Advisory provides independent advice on capital structure and financing transactions across Turkey, CEEMEA and the GCC, working with banks, private credit funds and institutional investors. Readers interested in the broader financing toolkit available to Turkish corporates may refer to our earlier note: Turkey Corporate Financing: An Underutilised Toolkit (April 2026), available at nncapitaladvisory.com/insights.