

Republic of Turkey

This annex refers to the rating action release of 6 November 2020

Annex I.I: Summary of core variable scorecard, reserve currency adjustment and qualitative scorecard¹

Implied rating of core variable scorecard (CVS)		bb+
Reserve currency adjustment		0
Weight	Qualitative scorecard (QS) for long-term foreign currency ratings	
20%	Growth potential of the economy	Neutral
	Monetary policy framework	Weak
	Macro-economic stability and sustainability	Weak
20%	Fiscal policy framework	Weak
	Debt sustainability	Weak
	Debt profile and market access	Weak
20%	Current account resilience	Weak
	External debt structure	Weak
	Resilience to short-term shocks	Weak
20%	Banking sector performance	Strong
	Banking sector oversight	Weak
	Financial imbalances	Weak
20%	Environmental risks	Neutral
	Social risks	Neutral
	Institutional and political risks	Weak
QS adjustment (notches)		-3
Additional considerations (notches)		-1
Final rating		B STA

¹ The weighting and explanation of all rating factors are described in Scope's 'Sovereign Ratings' methodology, available on www.scoperatings.com

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Annex I.II: Summary of core variable scorecard, reserve currency adjustment and qualitative scorecard²

Implied rating of core variable scorecard (CVS)		bb+
Reserve currency adjustment		0
Weight	Qualitative scorecard (QS) for long-term local currency ratings	
20%	Growth potential of the economy	Neutral
	Monetary policy framework	Weak
	Macro-economic stability and sustainability	Weak
20%	Fiscal policy framework	Weak
	Debt sustainability	Weak
	Debt profile and market access	Weak
20%	Current account resilience	Weak
	External debt structure	Weak
	Resilience to short-term shocks	Weak
20%	Banking sector performance	Strong
	Banking sector oversight	Weak
	Financial imbalances	Weak
20%	Environmental risks	Neutral
	Social risks	Neutral
	Institutional and political risks	Weak
QS adjustment (notches)		-3
Additional considerations (notches)		0
Final rating		B+ STA

Annex II: Selected indicators

	2016	2017	2018	2019	2020E	2021F
GDP per capita (USD, '000s)	10.9	10.6	9.5	9.2	7.7	7.7
Real GDP, % change	3.3	7.5	3.0	0.9	-1.4	7.2
CPI, % change	7.8	11.1	16.3	15.2	11.9	11.9
General government balance, % of GDP	-2.3	-2.2	-3.7	-5.6	-9.3	-7.7
General government debt, % of GDP	28.0	28.0	30.2	33.0	46.3	50.8
Current account balance, % of GDP	-3.1	-4.7	-2.7	1.2	-3.7	-0.9
Gross external debt, % of GDP	46.9	52.8	55.5	57.1	-	-

Source: Macrobond, IMF, Turkish Ministry of Treasury and Finance, Scope Ratings GmbH

Annex III: Economic development and default indicators

IMF Development Classification ³	EMDE
5y USD CDS spread (bps) as of 6 November 2020	540

² The weighting and explanation of all rating factors are described in Scope's 'Sovereign Ratings' methodology, available on www.scopeeratings.com

³ AE = advanced economy; EMDE = emerging market and developing economy