

# FINANCIAL ACCOUNTS REPORT

DATA GOVERNANCE AND STATISTICS  
DEPARTMENT

2022-IV



## Summary

According to sectoral financial balance sheets, the financial net worth of the Turkish economy as a percentage of GDP decreased by 1 point in the final quarter of 2022 compared to the previous quarter. As of the end of the fourth quarter, sectors' total financial assets and liabilities amounted to TRY 56 trillion and TRY 61.7 trillion, respectively.

In this quarter, non-financial corporations' debt to GDP ratio decreased to 54.7%, while the ratio of households' debt to GDP ratio decreased to 10.9%, placing Türkiye among countries with low indebtedness levels in terms of both households and corporations.

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## I. Overview

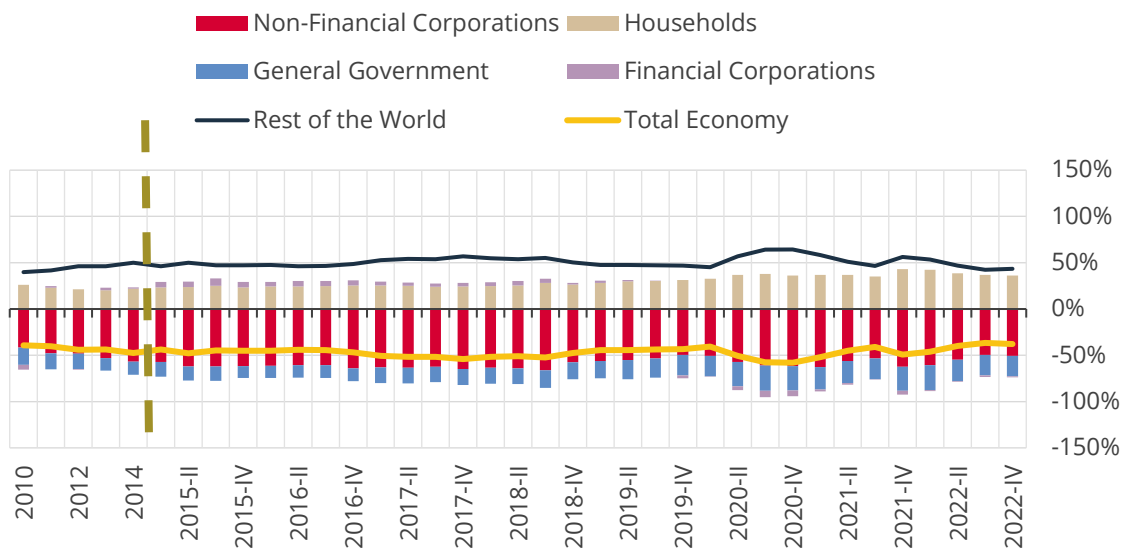
**Table 1: Financial Net Worth by Sectors (TRY Billion)<sup>1,2</sup>**

	Total Economy	Non-Financial Corporations	Financial Corporations	General Government	Households	Rest of the World
Financial Assets	56,017	25,506	20,583	2,649	7,279	5,103
Liabilities	61,671	33,120	20,722	5,971	1,858	11,614
Net Financial Worth	-5,654	-7,614	-139	-3,322	5,421	6,511

Source: CBRT

An analysis of the domestic economy's financial balance sheets by sectors as of 2022Q4 reveals that the total economy was a financial borrower, while households and the rest of the world were creditors, and non-financial corporations and the general government were debtors. Meanwhile, due to their financial intermediation activities, financial corporations generated a near-balanced financial net worth (Table 1, Chart 1).

**Chart 1: Ratio of Financial Net Worth (Stock) to GDP, by Sectors (%)<sup>2</sup>**

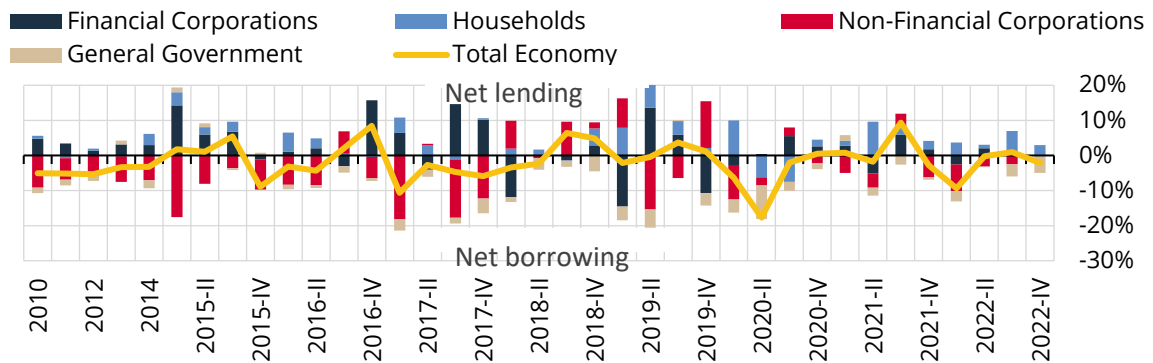


Sources: CBRT, TURKSTAT.

Last Observation: 2022-IV

<sup>1</sup> Pursuant to the methodology, there is a difference between the financial net worth of total domestic economy and rest of the world, since there is no counterpart sector for monetary gold. The rest of the world has been reported based on residency, so as to be compatible with the International Investment Position Statistics.

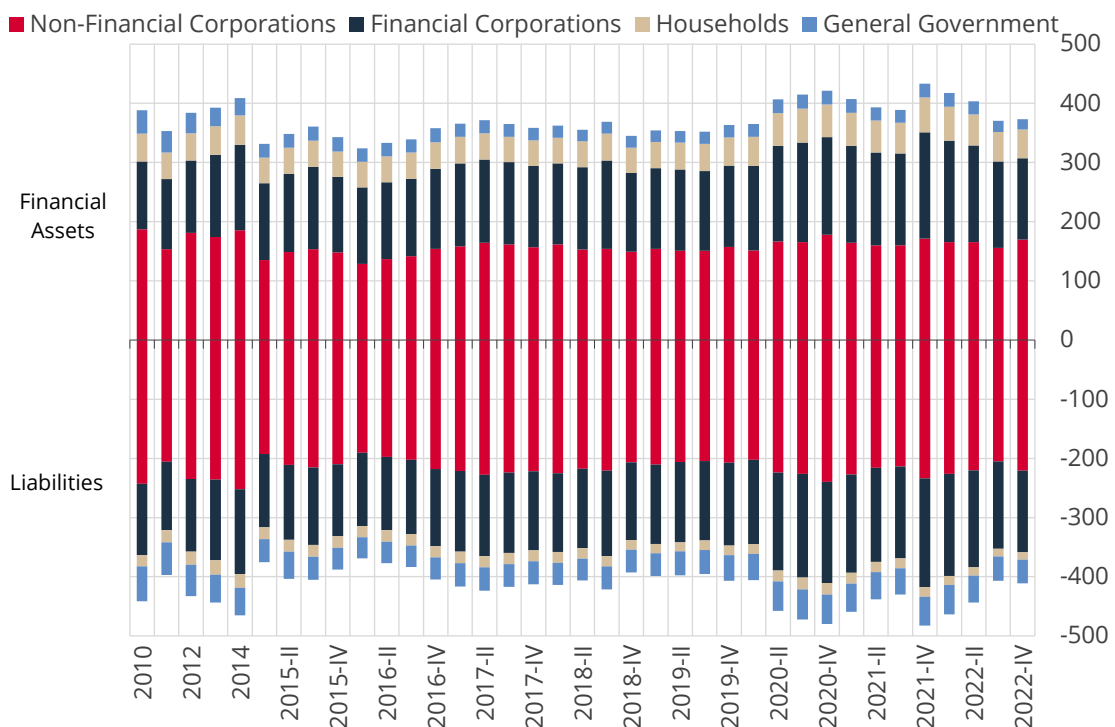
<sup>2</sup> The households sector also covers non-profit institutions serving households.

**Chart 2: Net Lending/Borrowing (Transaction), Ratio to GDP, by Sectors (%)**

Sources: CBRT, TURKSTAT.

Last Observation: 2022-IV

According to net financial transactions conducted by sectors, the total economy, which was a net lender of 1% of GDP in the previous quarter, became a net borrower of 2% of GDP in the fourth quarter of 2022. In terms of contributions to this ratio, households stood as the biggest lender in this quarter with 2.8% of GDP. The general government, on the other hand, was a net borrower of 5% of GDP (Chart 2).

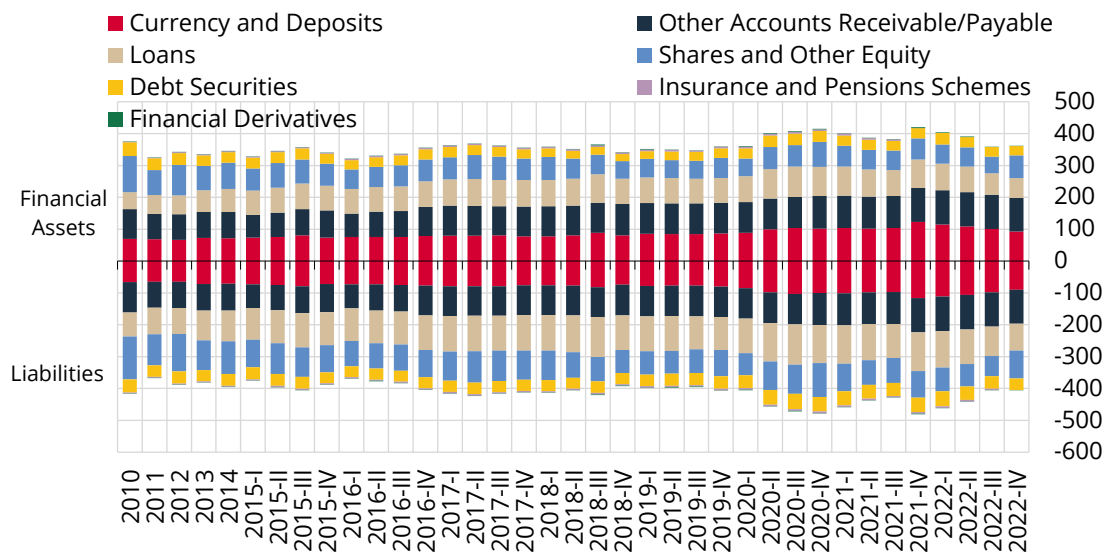
**Chart 3: Financial Assets and Liabilities to GDP by Sectors (%)**

Sources: CBRT, TURKSTAT.

Last Observation: 2022-IV

An analysis of financial assets and liabilities by sectors over the recent period reveals that non-financial corporations constituted the largest sector on both assets and liabilities sides (Chart 3).

**Chart 4: Distribution of Financial Instruments-Total Economy, Ratio to GDP\* (%)**



Sources: CBRT, TURKSTAT.

Last Observation: 2022-IV

(\*) Monetary gold and SDR are excluded.

In 2022Q4, other accounts receivable, and currency and deposits had the largest weight in assets, while shares and other equity and other accounts payable items had the largest weight in liabilities (Chart 4).

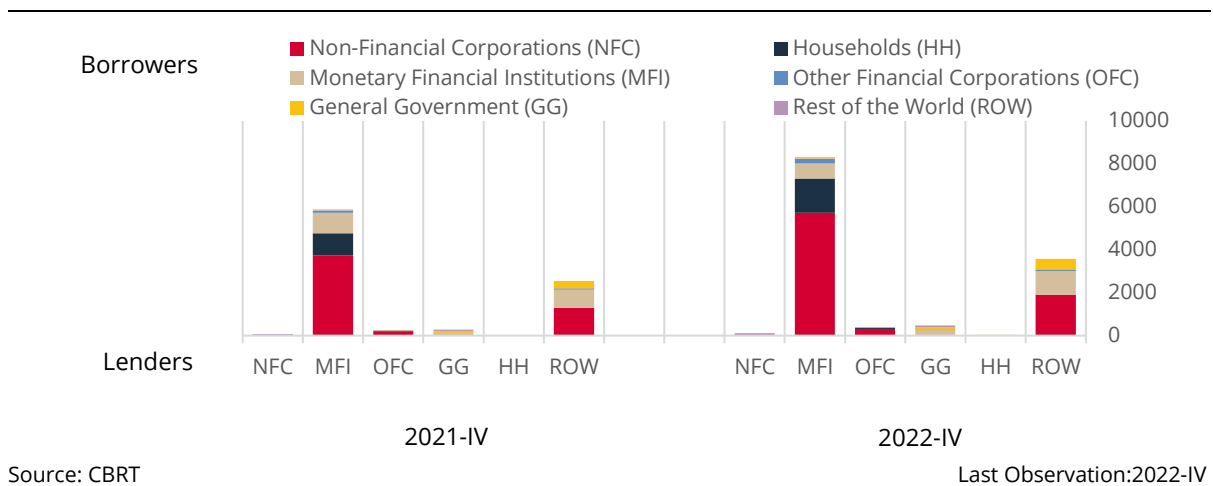
## II. From-Whom-to-Whom (Deposits and Loans)

Below is the breakdown of relations among economic sectors compiled as deposits and loans according to from-whom-to-whom matrices.

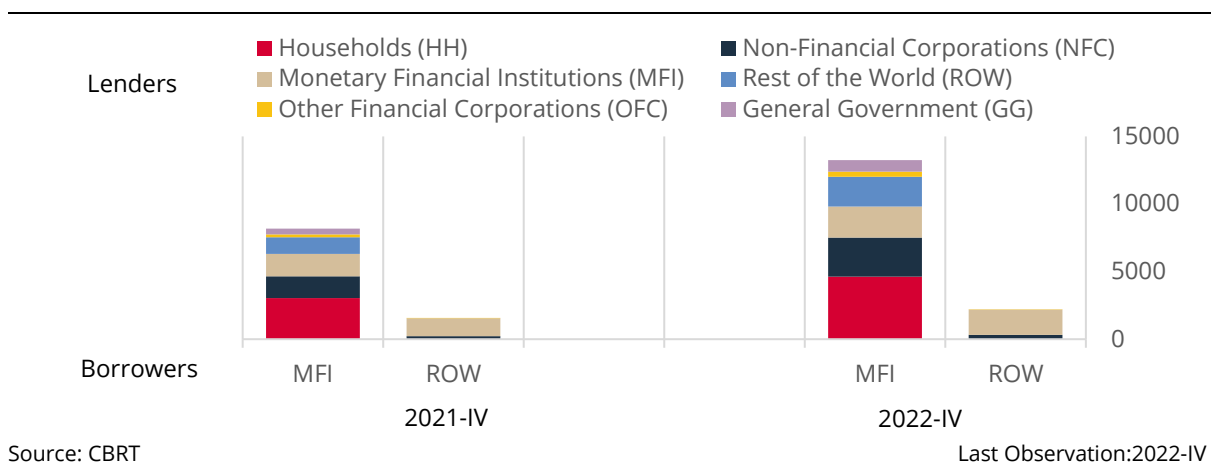
From-whom-to-whom matrices of loans indicate no major change in inter-sectoral connections in 2022Q4 compared to the same period of the previous year. The strongest connection occurred between non-financial corporations and monetary and financial institutions. The latter extended a total of TRY 8,308 billion worth of loans, of which TRY 5,720 billion was granted to non-financial corporations and TRY 1,598 billion to households. Domestic sectors borrowed TRY 3,577 billion from the rest of the world, out of which non-financial corporations received TRY 1,912 billion, and monetary and financial institutions received TRY 1,098 billion (Chart 5).

In 2022Q4, of the total TRY 15,447 billion worth of deposits, TRY 13,257 billion were taken by monetary and financial institutions and TRY 2,189 billion by the rest of the world. A large portion of deposits taken by monetary and financial institutions belongs to households (TRY 4,640 billion), non-financial corporations (TRY 2,888 billion), and other monetary and financial institutions (TRY 2,297 billion). Meanwhile, the majority of deposits taken by the rest of the world (TRY 1,874 billion) were opened by monetary and financial institutions (Chart 6).

**Chart 5: Loans, From-Whom-to-Whom (TRY Billion)**



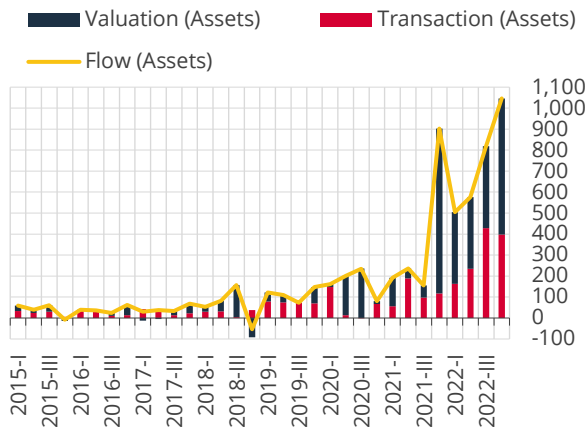
**Chart 6: Deposits, From-Whom-to-Whom (TRY Billion)**



### III. Households

In 2022Q4, household financial assets increased by TRY 1,046 billion quarter-on-quarter, TRY 649 billion of which was driven by valuation and TRY 397 billion by transactions (Chart 7). Meanwhile, household financial liabilities recorded a quarter-on-quarter rise of TRY 236 billion, almost all of which resulted from an increase in transactions (Chart 8).

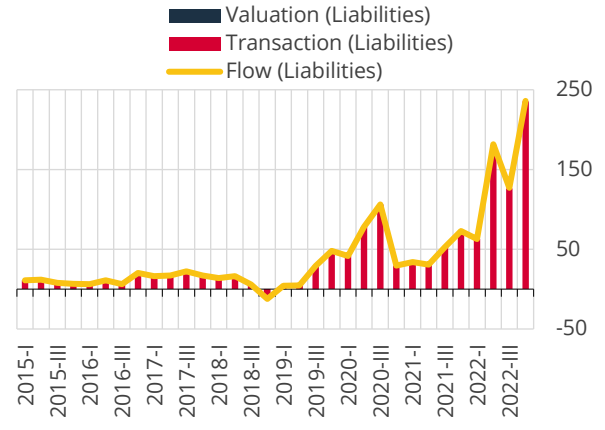
**Chart 7: Financial Assets, Flow (TRY Billion)**



Source: CBRT

Last Observation:2022-IV

**Chart 8: Liabilities, Flow (TRY Billion)**

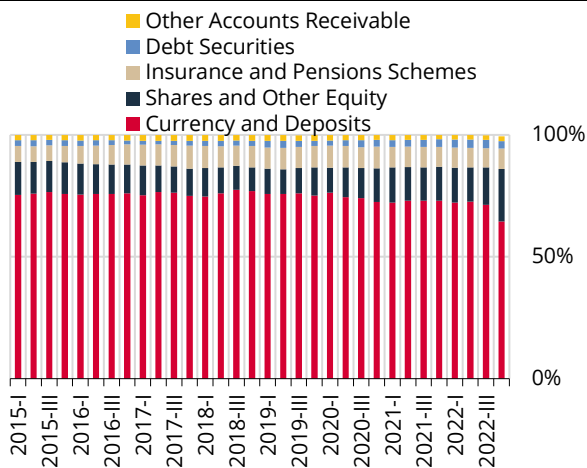


Source: CBRT

Last Observation: 2022-IV

In 2022Q4, the distribution of household financial instruments did not change significantly. The leading instrument in household financial assets was currency and deposits with a share of about 64%, followed by shares and other equity (Chart 9). As for household liabilities, almost all were composed of loans (Chart 10).

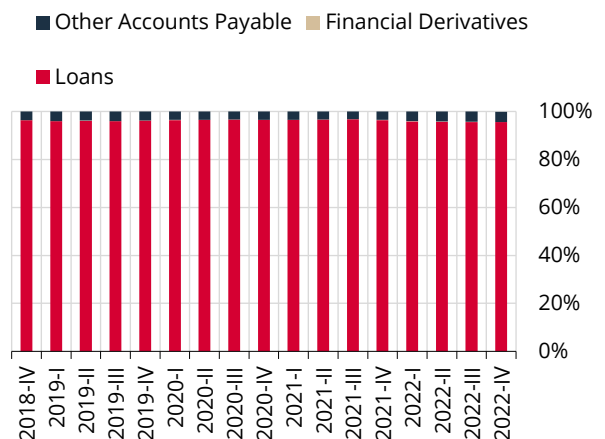
**Chart 9: Breakdown of Financial Assets by Instruments (%)**



Source: CBRT

Last Observation:2022-IV

**Chart 10: Breakdown of Liabilities by Instruments (%)**



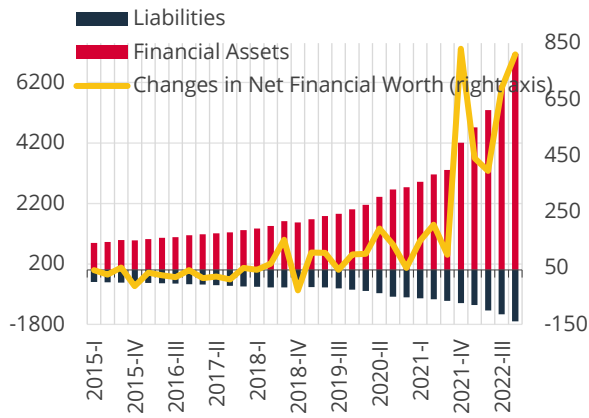
Source: CBRT

Last Observation: 2022-IV



In 2022Q4, household financial net worth increased by TRY 811 billion (Chart 11). Household indebtedness indicators suggest that the ratios of household debt to GDP, to total financial assets, and to disposable income remained very close to the previous quarter with 11%, 23%, and 40% on a quarterly basis, respectively (Chart 12).

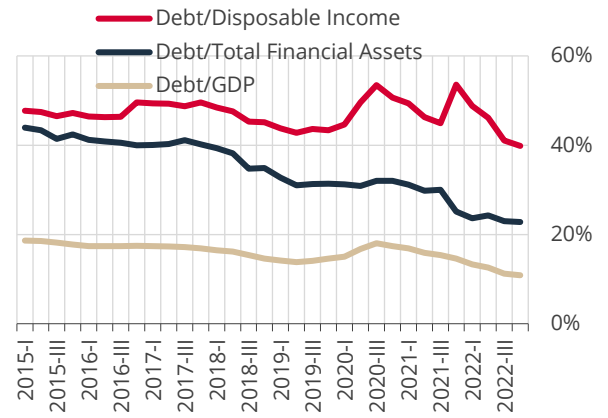
**Chart 11: Change in Financial Net Worth of Households (TRY Billion)**



Source: CBRT

Last Observation: 2022-IV

**Chart 12: Household Debt\* (%)**



Sources: CBRT, TURKSTAT.

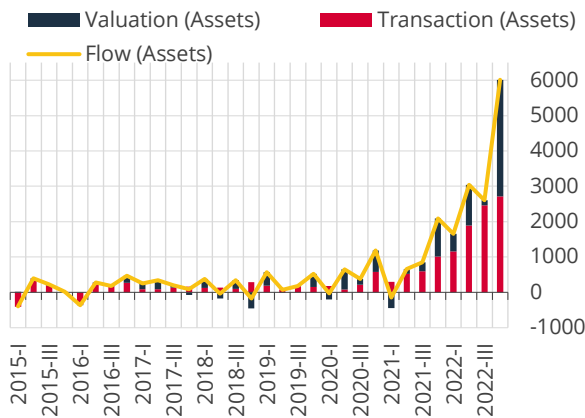
Last Observation: 2022-IV

\* Household debt is composed of loans.

## IV. Non-Financial Corporations

In 2022Q4, financial assets of non-financial corporations increased by TRY 6,013 billion quarter-on-quarter. There were positive contributions from transactions growing by TRY 2,716 billion due to the increase in other accounts receivable in particular, and from the TRY 3,297 billion increase in valuation (Chart 13). Meanwhile, liabilities of non-financial corporations increased by TRY 7,418 billion, which was driven by the TRY 2,713 billion rise in transactions and the TRY 4,705 billion rise in valuation (Chart 14).

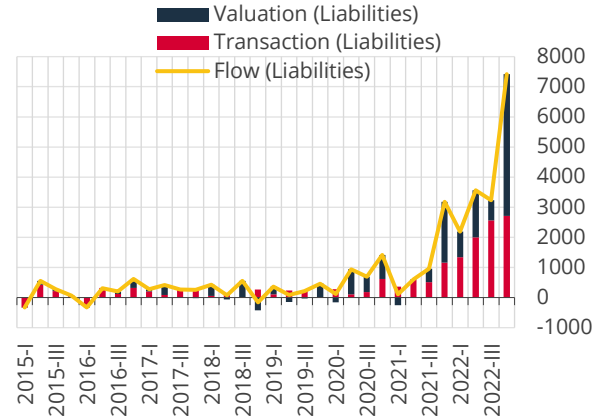
**Chart 13: Financial Assets, Flow (TRY Billion)**



Source: CBRT

Last Observation: 2022-IV

**Chart 14: Liabilities, Flow (TRY Billion)**

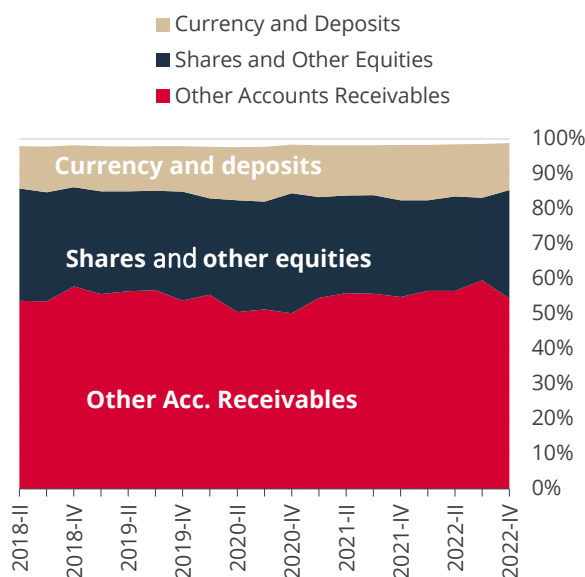


Source: CBRT

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In 2022Q4, the most important item of non-financial corporations on the assets side was the other accounts receivable item (54%) composed of the sum of trade credits and advances and other items. The share of the shares and other equity item was 31%, and that of currency and deposits was 13% (Chart 15). On the liabilities side, the share of other accounts payable stood at 44% while the share of loans was 24%. The share of financing through the shares and other equity item was 31% (Chart 16).

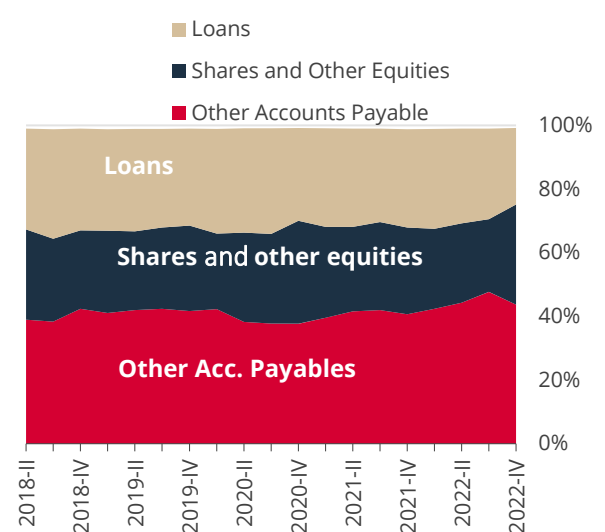
**Chart 15: Breakdown of Financial Assets by Instruments (%)**



Source: CBRT

Last Observation: 2022-IV

**Chart 16: Breakdown of Liabilities by Instruments (%)**

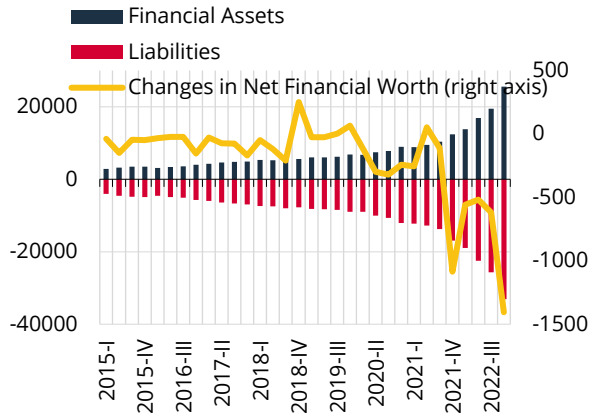


Source: CBRT

Last Observation: 2022-IV

In 2022Q4, the financial net worth of non-financial corporations decreased by TRY 1,405 billion quarter-on-quarter (Chart 17). The ratio of debts to GDP and to total financial assets dropped to 55% and 32%, respectively (Chart 18).

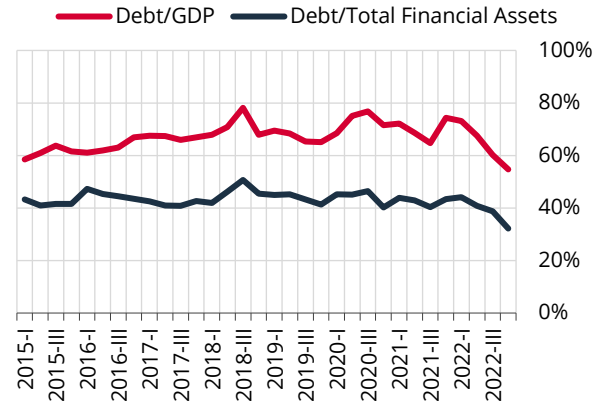
**Chart 17: Change in Financial Net Worth of Non-Financial Corporations (TRY Billion)**



Source: CBRT

Last Observation:2022-IV

**Chart 18: Non-Financial Corporations' Debt (%)**



Sources: CBRT, TURKSTAT.

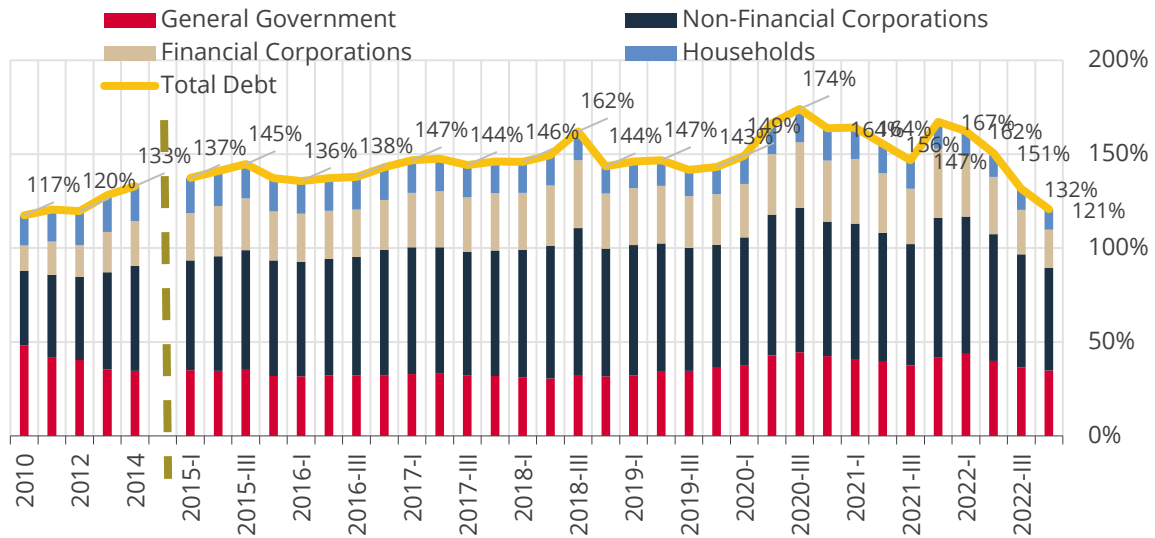
Last Observation: 2022-IV

Note: Debts are composed of loans and debt securities.

## V. Total Debt and Country Comparisons

The ratio of resident sectors' financial accounts-defined total debt, which is the sum of loans they utilize and the debt securities they issue, to GDP stood at 121% in 2022Q4 (Chart 19).

**Chart 19: Total Debt of Resident Sectors/GDP\* (%)**



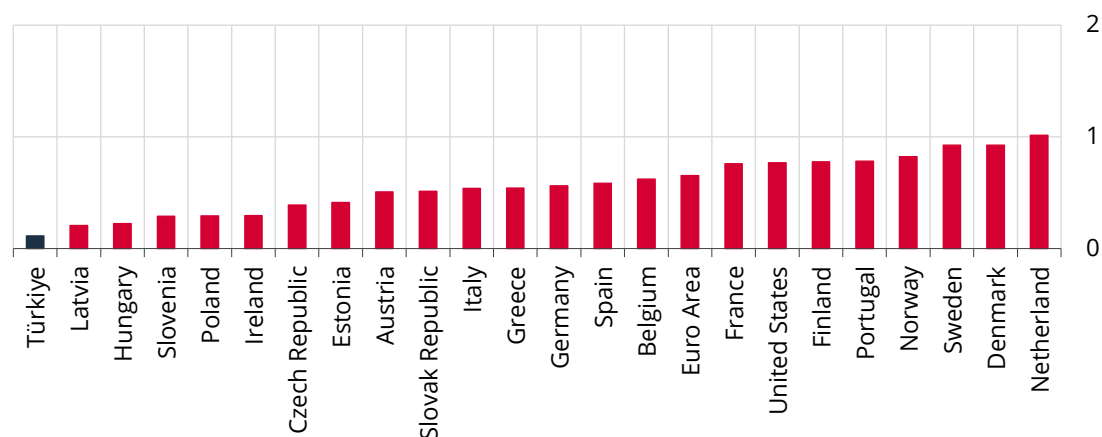
Sources: CBRT, TURKSTAT.

Last Observation: 2022-IV

(\* ) Debts are composed of loans and debt securities.

The ratio of household liabilities to GDP indicates that Türkiye stood out as the country with the lowest level of indebtedness among the countries compared in 2022Q4 (Chart 20).

**Chart 20: Household Liabilities/GDP, Comparison**



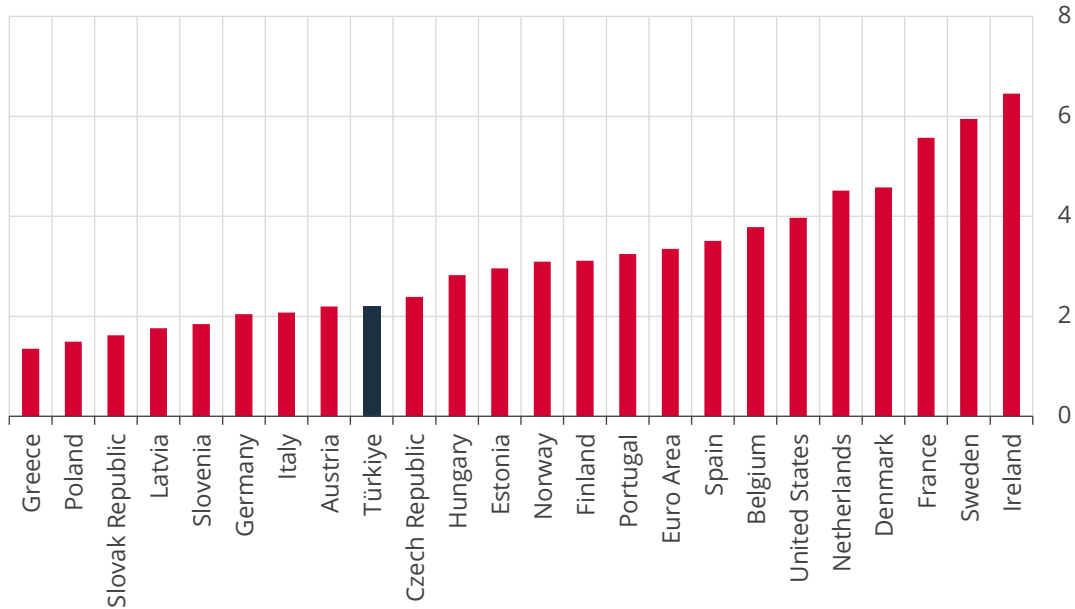
Sources: CBRT, TURKSTAT, OECD.

Last Observation: 2022-IV

Note: Other country data is as of 2022Q3.

A cross-country comparison of non-financial corporations' liabilities to GDP ratios shows that in 2022Q4, Türkiye was among the countries with low indebtedness levels (Chart 21).

**Chart 21: Non-Financial Corporations' Liabilities/GDP, Comparison**



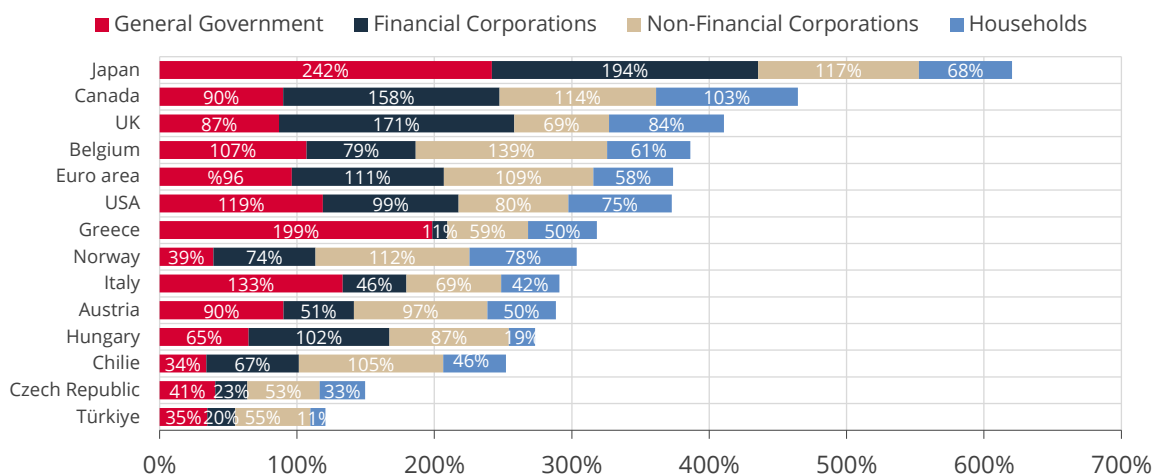
Sources: CBRT, TURKSTAT, OECD.

Last Observation: 2022-IV

Note: Other country data is as of 2022Q3.

A cross-country comparison of indebtedness ratios for all sectors reveals that the total debt of resident sectors in Türkiye was low in 2022Q4 (Chart 22).

**Chart 22: Cross-Country Comparison of Debt/GDP, by Sectors\* (%)**



Sources: CBRT, TURKSTAT, OECD.

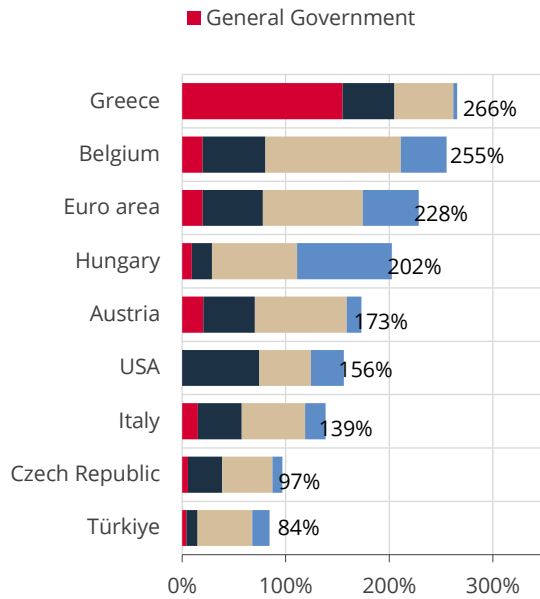
Last Observation: 2022-IV

(\*) Debts are composed of loans and debt securities.

Note: Other country data is as of 2022Q3.

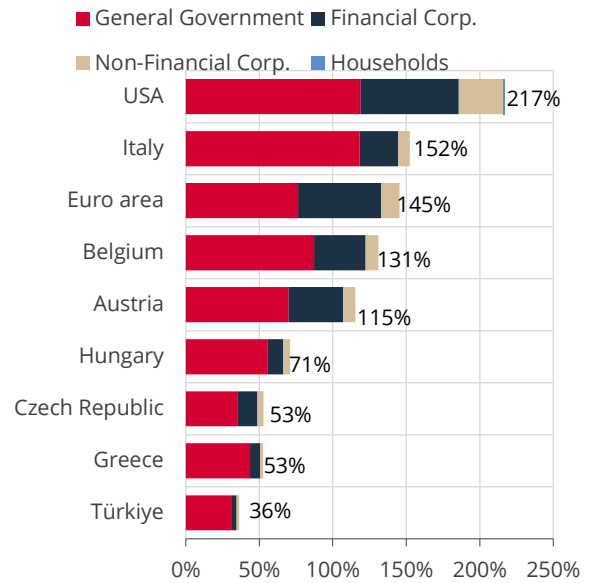
A cross-country comparison of indebtedness ratios by financial instruments shows that Türkiye had relatively low levels of loan/GDP and debt securities/GDP ratios in 2022Q4. While non-financial corporations constituted the largest sector in terms of loan indebtedness with a ratio of 53% of GDP, the general government stood as the leading sector in debt securities with a ratio of 31% (Charts 23 and 24).

**Chart 23: Cross-Country Comparison of Loan/GDP Ratio by Sectors (%)**



Sources: CBRT, TURKSTAT, Last Observation: 2022-IV OECD.  
 Note: Other country data is as of 2022Q3.

**Chart 24: Cross-Country Comparison of Debt Securities/GDP Ratio by Sectors (%)**



Sources: CBRT, TURKSTAT, Last Observation: 2022-IV OECD.  
 Note: Other country data is as of 2022Q3.