

# FINANCIAL ACCOUNTS REPORT

DATA GOVERNANCE AND STATISTICS  
DEPARTMENT

2023-IV



## What Are Financial Accounts?

- Financial Accounts are statistics that show the level of assets and liabilities in an economy based on sectors and financial instruments in line with international standards. In addition to the financial assets and liabilities of households, non-financial corporations, financial corporations and the general government arising from their economic activities, these statistics also show relations of sectors with each other and the rest of the world. The from-whom-to-whom matrices produced as part of financial accounts portray inter-sectoral relations on the basis of financial instruments such as loans, deposits and securities, and thereby provide indicators for how sources are distributed across sectors.
- Financial accounts are prepared for quarterly periods using sectoral balance sheets and are issued by a breakdown of consolidated/non-consolidated stock and transaction data.
- Some of the definitions and classifications used in financial accounts are given below:
  - **Total economy (residents):** It consists of the total of resident sectors (non-financial corporations, financial corporations, general government, households, non-profit institutions serving households).
  - **Rest of the World (non-residents):** It contains all persons and legal entities residing abroad more than one year. In the context of financial accounts, it shows the assets and liabilities the rest of the world acquire by engaging in transactions with residents.
  - **Stock:** It denotes the level of financial assets and liabilities at quarter-ends.
  - **Flow (periodic change):** It shows the stock difference between two quarters by transaction and revaluation breakdowns.
  - **Transaction:** It is calculated by subtracting the valuation effect driven by changes in exchange rates and prices from the flow figure computed for a relevant quarter, and shows adjusted net changes between two quarters.
  - **Valuation:** It refers to the change in the relevant quarter, which stems from the exchange rate and price effects.
  - **Consolidated/Non-Consolidated:** In consolidated data, financial relations are netted at sector and sub-sector levels. In non-consolidated data, all transactions are shown on a gross basis. The rest of the world is the only sector that is not subject to consolidation.
  - **Financial net worth (net financial position):** It is calculated by subtracting total liabilities from total financial assets (stock). A positive value denotes that the sector is a net creditor, whereas a negative value denotes that the sector is a net debtor.
    - **Net lender/net borrower:** It is calculated by subtracting the use of external financing from acquisition of financial assets. A positive value indicates that the sector is a **net lender**, whereas a negative value indicates that the sector is a **net borrower**.
    - **Acquisition of financial assets:** It is the sum of transaction amounts calculated for financial asset items by sectors for the relevant quarter.
    - **Use of external financing:** It is the total transaction amount calculated for liabilities by sectors for the relevant quarter.

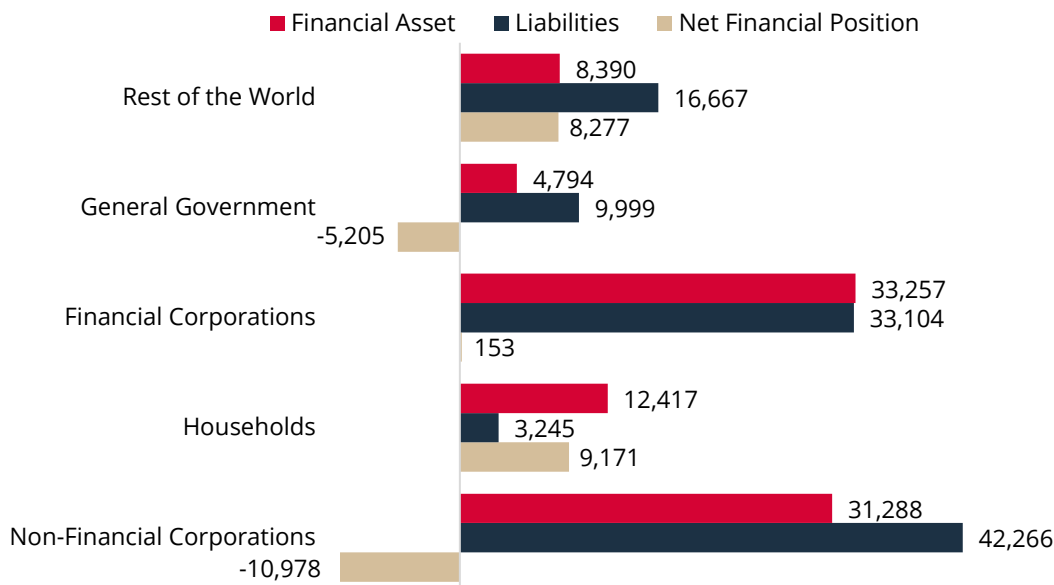
For detailed methodological information on definitions, classifications and calculation methods used in financial accounts: [Metadata](#)

## 2023Q4 Developments - Summary

According to sectoral financial balance sheets, resident sectors' total financial assets and liabilities at end-quarter amounted to TRY 81.8 trillion and TRY 88.6 trillion, respectively. Below is a summary of developments pertaining to the fourth quarter of 2023:

- The ratio of the difference between the total financial assets and liabilities (financial net worth) of the Turkish economy to gross domestic product (GDP) increased by 4.2 points quarter-on-quarter to 26.1%.
- 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 0.4% of GDP in the fourth quarter.

**Chart: Net Financial Position by Sectors, Stock (TRY Billion)<sup>1</sup>**



Source: CBRT

Last Observation: 2023-IV

- An analysis of the domestic economy's financial balance sheets by sectors reveals that the total economy was a financial borrower, 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 net financial position.
- Among households' financial assets, currency and deposits stand out with a share of approximately 66%, and almost all liabilities are composed of loans.
- Financial assets and liabilities of non-financial corporations were driven by other accounts receivable and other accounts payable items, which are composed of corporates' commercial transactions with each other, with 65% and 50% shares, respectively.
- A cross-country comparison of indebtedness ratios for all sectors reveals that the total debt of resident sectors was low in Türkiye. In the last quarter of 2023, the ratio to GDP of total debt in the form of loans and debt securities was 105%, down from the previous quarter.

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## I. Overview

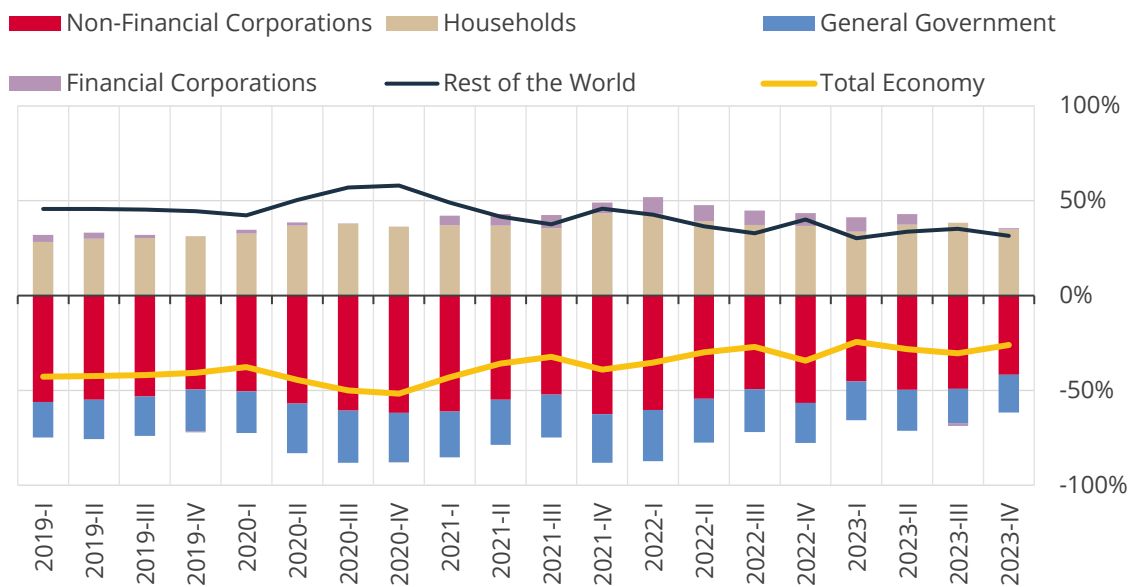
**Table 1: Net Financial Position by Sectors (TRY Billion)<sup>2</sup>**

|                        | Total Economy | Non-Financial Corporations | Financial Corporations | General Government | Households | Rest of the World |
|------------------------|---------------|----------------------------|------------------------|--------------------|------------|-------------------|
| Financial Assets       | 81,756        | 31,288                     | 33,257                 | 4,794              | 12,417     | 8,390             |
| Liabilities            | 88,615        | 42,266                     | 33,104                 | 9,999              | 3,245      | 16,667            |
| Net Financial Position | -6,859        | -10,978                    | 153                    | -5,205             | 9,171      | 8,277             |

Source: CBRT

An analysis of the domestic economy's financial balance sheets by sectors for 2023Q4 reveals that the total economy was a financial borrower, 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 Net Financial Position (Stock) to GDP, by Sectors (%)<sup>3</sup>**



Sources: CBRT, TURKSTAT.

Last Observation: 2023-IV

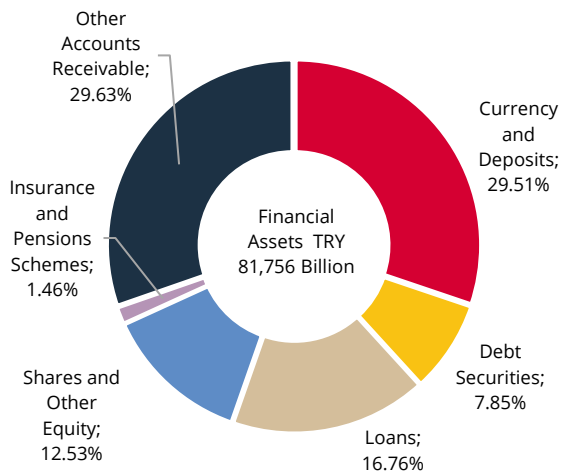
<sup>2</sup> Pursuant to the methodology, there is a difference between the financial net worth of total domestic economy and rest of the world, since there is no counterpart sector for monetary gold. The rest of the world has been reported based on residency, so as to be compatible with the International Investment Position Statistics.

<sup>3</sup> The households sector also covers non-profit institutions serving households.

## II. Total Economy

In 2023Q4, financial assets of the total economy rose by TRY 7,210 billion over the previous quarter to TRY 81,756 billion (Chart 2). This quarterly rise stemmed from the TRY 6,707 billion increase in transactions and the TRY 502 billion increase in valuation. Currency and deposits recorded an exchange rate-driven valuation of TRY 718 billion, loans recorded TRY 326 billion valuation and debt securities recorded TRY 270 billion price and exchange rate-driven valuation while equities recorded a negative price-driven valuation of TRY 1,265 billion (Chart 3).

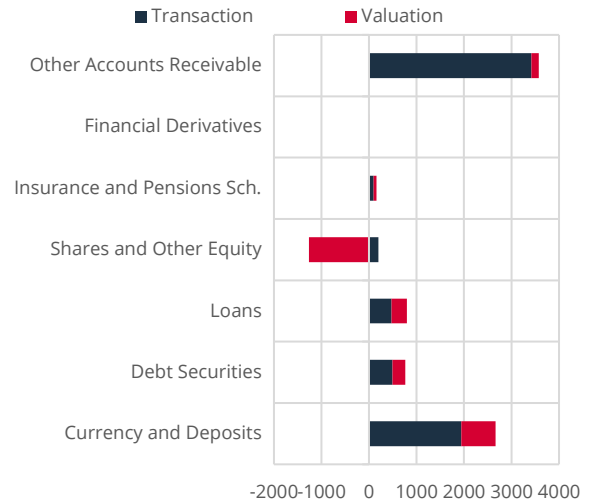
**Chart 2: Breakdown of Financial Assets by Instruments, Stock (%)**



Source: CBRT

Last Observation: 2023-IV

**Chart 3: Financial Assets, Flow (TRY Billion)**

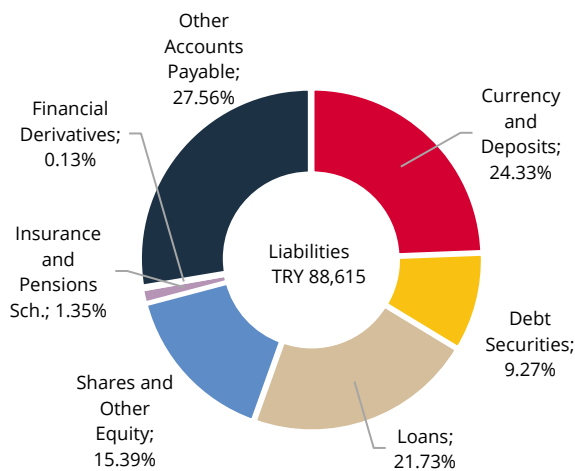


Source: CBRT

Last Observation: 2023-IV

Financial liabilities of the total economy increased by TRY 7,197 billion quarter-on-quarter to TRY 88,615 billion in 2023Q4 (Chart 4). This quarterly increase was driven by the TRY 6,741 billion rise in transactions and the TRY 456 billion rise in valuation. The valuation effect was TRY 525 billion in deposits due to the exchange rate, TRY 726 billion in loans, TRY 305 billion in debt securities due to prices and the exchange rate, and a negative TRY 1,362 billion in shares and other equity due to prices (Chart 5).

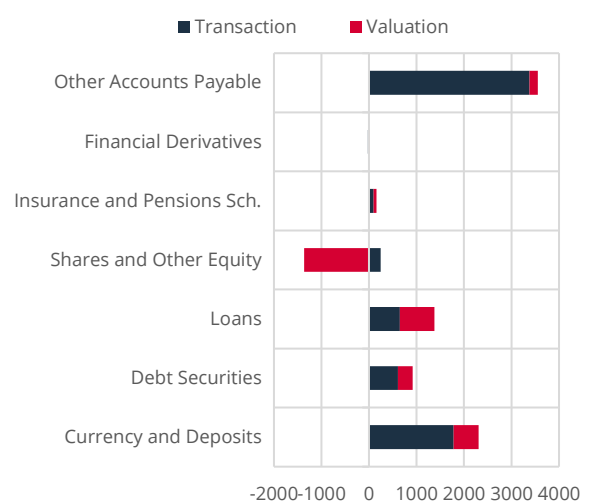
**Chart 4: Breakdown of Liabilities by Instruments, Stock (%)**



Source: CBRT

Last Observation: 2023-IV

**Chart 5: Liabilities, Flow (TRY Billion)**

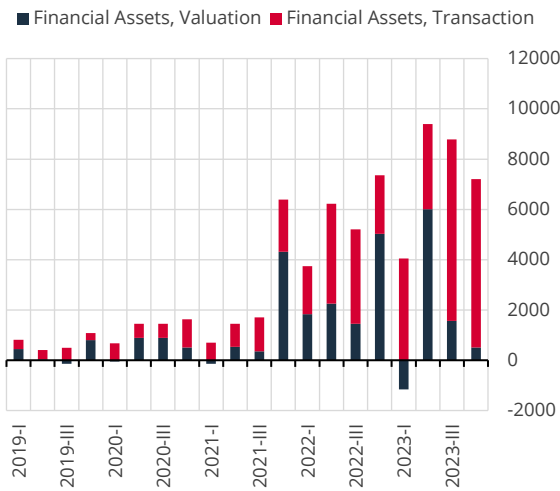


Source: CBRT

Last Observation: 2023-IV

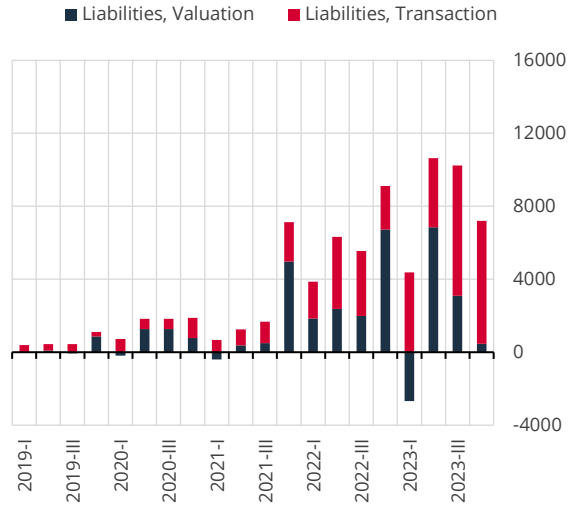
The change in assets and liabilities was largely driven by transactions in the last quarter of the year, while the valuation effect was stronger particularly in the second and third quarters, weakened in the final quarter (Charts 6 and 7).

**Chart 6: Quarterly Change in Financial Assets of the Total Economy (TRY Billion)**



Source: CBRT Last Observation: 2023-IV

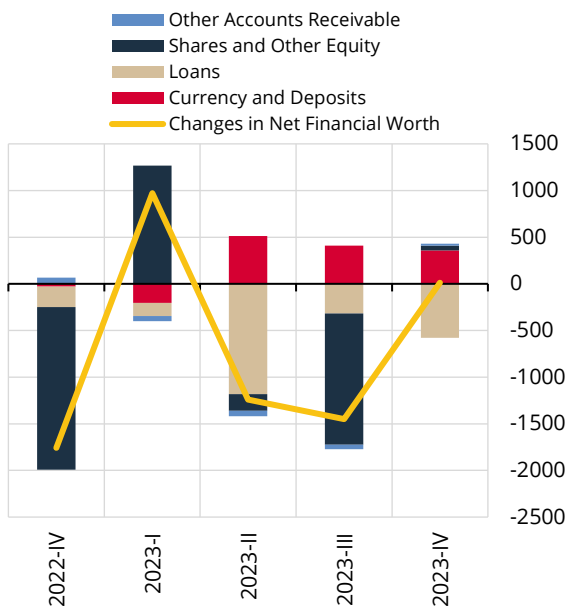
**Chart 7: Quarterly Change in Liabilities of the Total Economy (TRY Billion)**



Source: CBRT Last Observation: 2023-IV

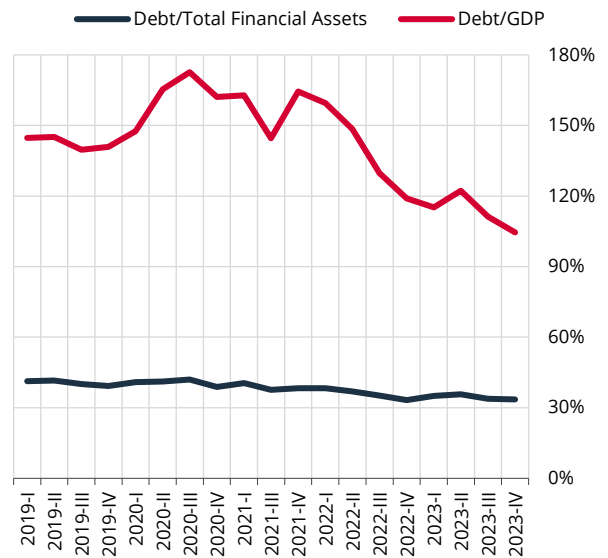
In 2023Q4, the net financial position of the total economy rose by TRY 13 billion over the previous quarter. This rise was driven by the net change in the total economy's currency and deposits, shares and other equity, and other accounts receivable items in favor of assets side and by the net change in the loans item in favor of liabilities side (Chart 8). The ratios of the sector's debts to GDP and to total financial assets stood at 105% and 34%, respectively (Chart 9).

**Chart 8: Change in Net Financial Position of the Total Economy (TRY Billion)**



Source: CBRT Last Observation: 2023-IV

**Chart 9: Total Economy's Debt\* (%)**

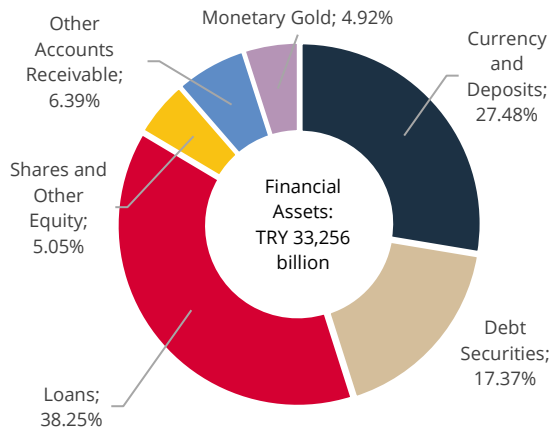


Source: CBRT Last Observation: 2023-IV

### III. Financial Corporations

In 2023Q4, financial assets of financial corporations rose by TRY 3,327 billion over the previous quarter to TRY 33,256 billion (Chart 10). This rise originated from the TRY 1,257 billion increase in valuation as well as the TRY 2,071 billion increase in transactions (Chart 11).

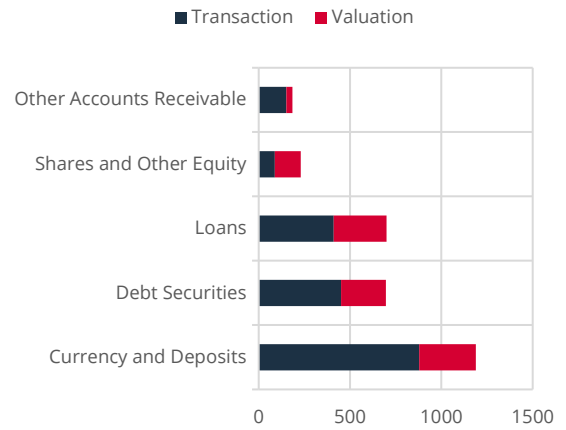
**Chart 10: Breakdown of Financial Assets by Instruments, Stock (%)**



Source: CBRT

Last Observation: 2023-IV

**Chart 11: Financial Assets, Flow (TRY Billion)**

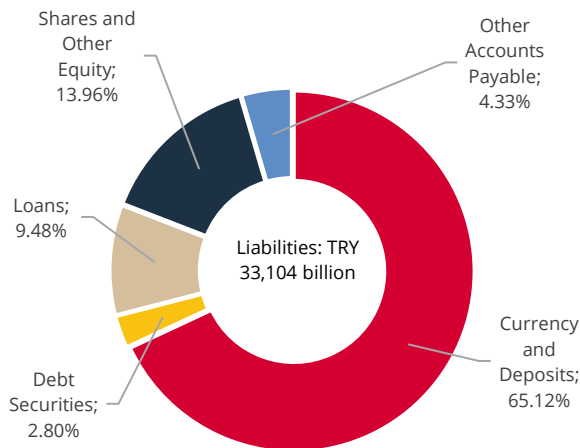


Source: CBRT

Last Observation: 2023-IV

During the same period, liabilities of financial corporations increased by TRY 2,809 billion to TRY 33,104 billion (Chart 12). This increase was driven by the TRY 894 billion rise in valuation and the TRY 1,915 billion rise in transactions (Chart 13).

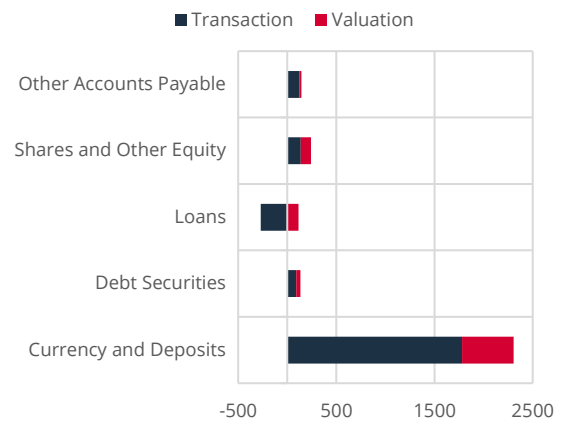
**Chart 12: Breakdown of Liabilities by Instruments, Stock (%)**



Source: CBRT

Last Observation: 2023-IV

**Chart 13: Liabilities, Flow (TRY Billion)**



Source: CBRT

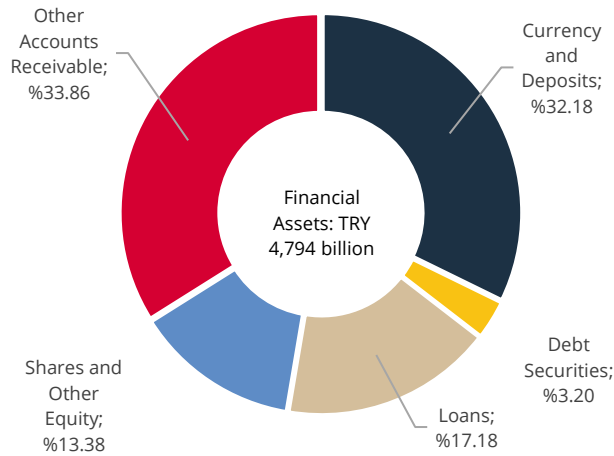
Last Observation: 2023-IV



## IV. General Government

Financial assets of the general government increased by TRY 773 billion over the previous quarter to TRY 4,794 billion in 2023Q4 (Chart 14). This increase was due to the TRY 121 billion rise in valuation in addition to the TRY 652 billion rise in transactions (Chart 15).

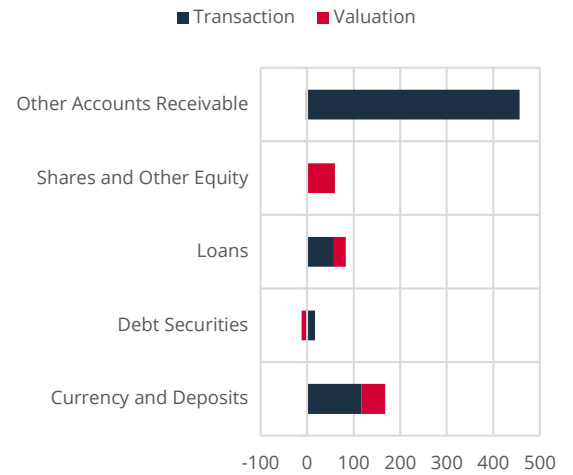
**Chart 14: Breakdown of Financial Assets by Instruments, Stock (%)**



Source: CBRT

Last Observation: 2023-IV

**Chart 15: Financial Assets, Flow (TRY Billion)**

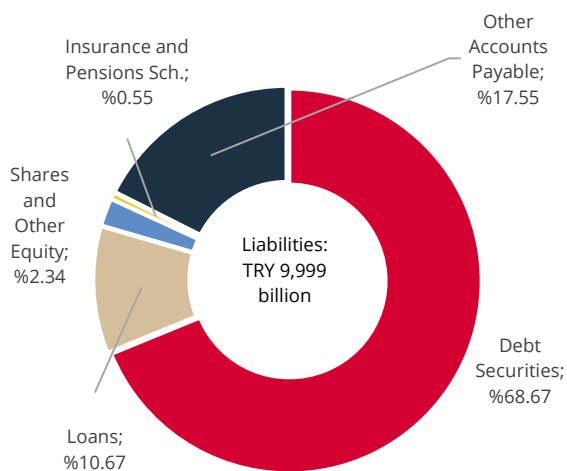


Source: CBRT

Last Observation: 2023-IV

During the same period, liabilities of the general government rose by TRY 1,880 billion to TRY 9,999 billion (Chart 16). This rise resulted from the TRY 380 billion increase in valuation and the TRY 1,499 billion rise in transactions (Chart 17).

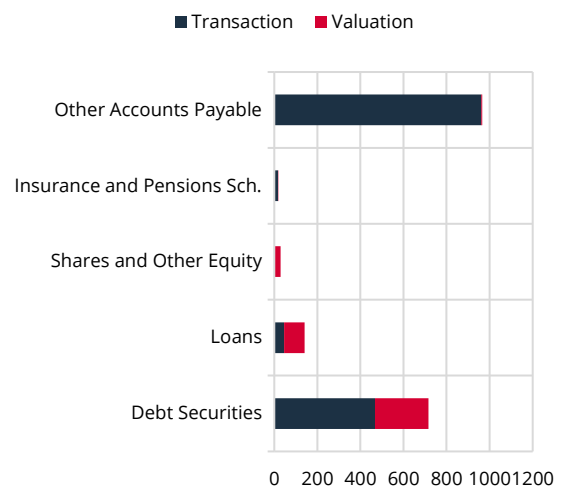
**Chart 16: Breakdown of Liabilities by Instruments, Stock (%)**



Source: CBRT

Last Observation: 2023-IV

**Chart 17: Liabilities, Flow (TRY Billion)**



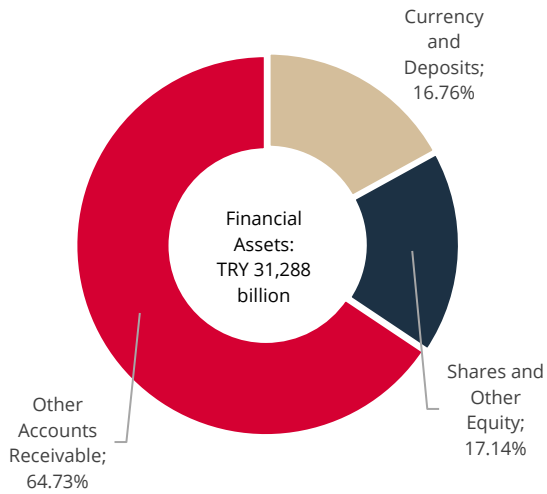
Source: CBRT

Last Observation: 2023-IV

## V. Firms (Non-Financial Corporations)

In 2023Q4, financial assets of non-financial corporations grew by TRY 2,285 billion quarter-on-quarter to TRY 31,288 billion (Chart 18). This growth was due to the TRY 1,054 billion decrease in valuation and the TRY 3,338 billion rise in transactions (Chart 19).

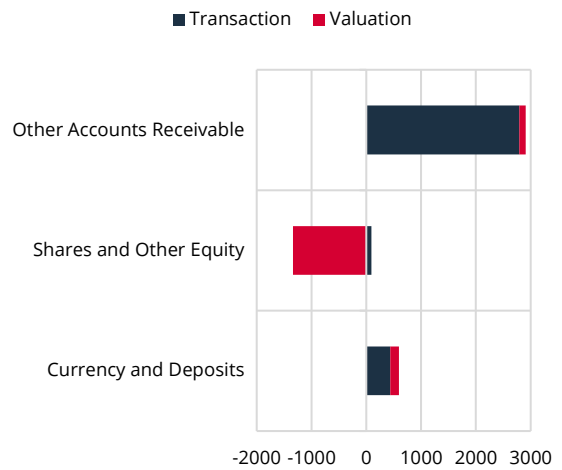
**Chart 18: Breakdown of Financial Assets by Instruments, Stock (%)**



Source: CBRT

Last Observation: 2023-IV

**Chart 19: Financial Assets, Flow (TRY Billion)**

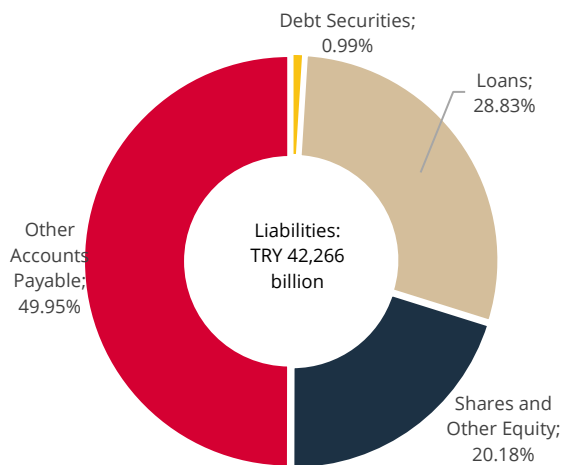


Source: CBRT

Last Observation: 2023-IV

During the same period, liabilities of non-financial corporations went up by TRY 2,144 billion to TRY 42,266 billion (Chart 20). Of this increase, TRY 819 billion stemmed from the decrease in valuation and TRY 2,964 billion from the rise in transactions (Chart 21).

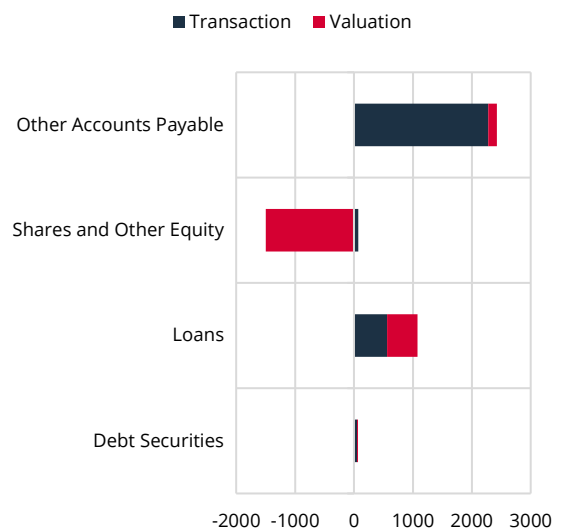
**Chart 20: Breakdown of Liabilities by Instruments, Stock (%)**



Source: CBRT

Last Observation: 2023-IV

**Chart 21: Liabilities, Flow (TRY Billion)**

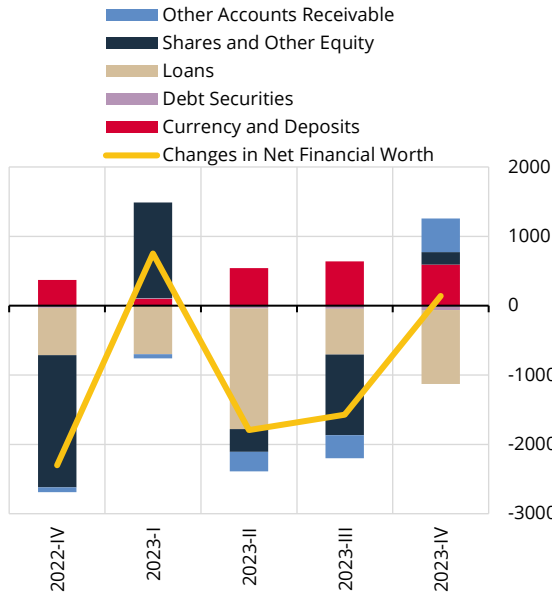


Source: CBRT

Last Observation: 2023-IV

In 2023Q4, non-financial corporations' net financial position increased by TRY 140 billion over the previous quarter. This increase was driven by the net change in currency and deposits, other accounts receivable, and shares and other equity items in favor of the assets side and by the net change in the loans item in favor of the liabilities side (Chart 22). The ratios of the sector's debts to GDP and to total financial assets were 48% and 40%, respectively (Chart 23).

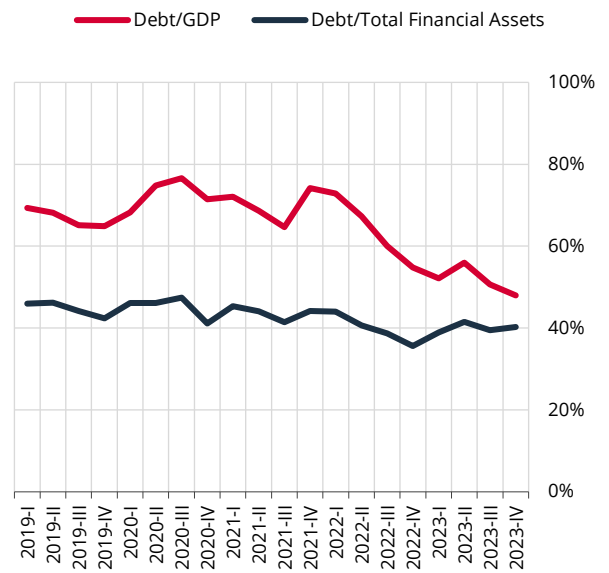
**Chart 22: Change in Net Financial Position of Non-Financial Corporations (TRY Billion)**



Source: CBRT

Last Observation: 2023-IV

**Chart 23: Non-Financial Corporations' Debt (%)**



Sources: CBRT, TURKSTAT.

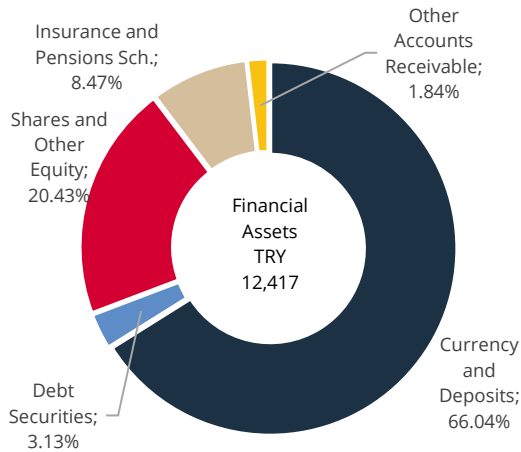
Last Observation: 2023-IV

Note: Debts are composed of loans and debt securities.

## VI. Households

In 2023Q4, household financial assets increased by TRY 813 billion quarter-on-quarter to TRY 12,417 billion (Chart 24). This quarterly increase was due to the TRY 632 billion rise in transactions and the TRY 181 billion rise in valuation. FX deposits recorded an exchange rate-driven valuation of TRY 197 billion and TRY 498 billion worth of transactions (Chart 25).

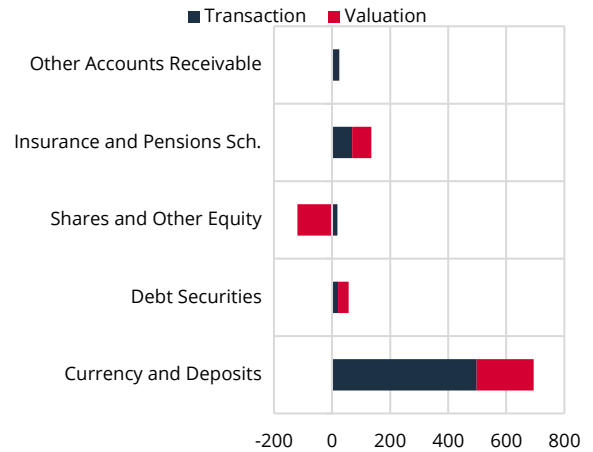
**Chart 24: Breakdown of Financial Assets by Instruments, Stock (%)**



Source: CBRT

Last Observation: 2023-IV

**Chart 25: Financial Assets, Flow (TRY Billion)**

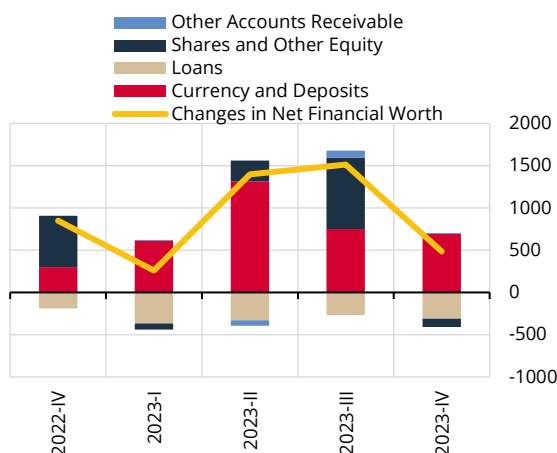


Source: CBRT

Last Observation: 2023-IV

In the same period, household liabilities posted a quarter-on-quarter rise of TRY 327 billion, almost all of which resulted from transactions. Accordingly, household net financial position was up by TRY 485 billion in 2023Q4 due to the increase in currency and deposits (Chart 26). Household indebtedness indicators suggest that the ratio of household debt to GDP (11%) remained flat, while the ratio of debt to total financial assets (24%) slightly increased over the previous quarter, and the ratio of debt to disposable income (28%) continued to decline (Chart 27).

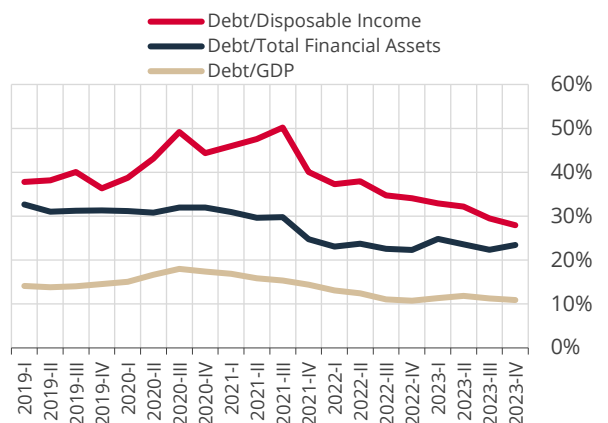
**Chart 26: Change in Net Financial Position of Households (TRY Billion)**



Source: CBRT

Last Observation: 2023-IV

**Chart 27: Household Debt\* (%)**



Source: CBRT

Last Observation: 2023-IV

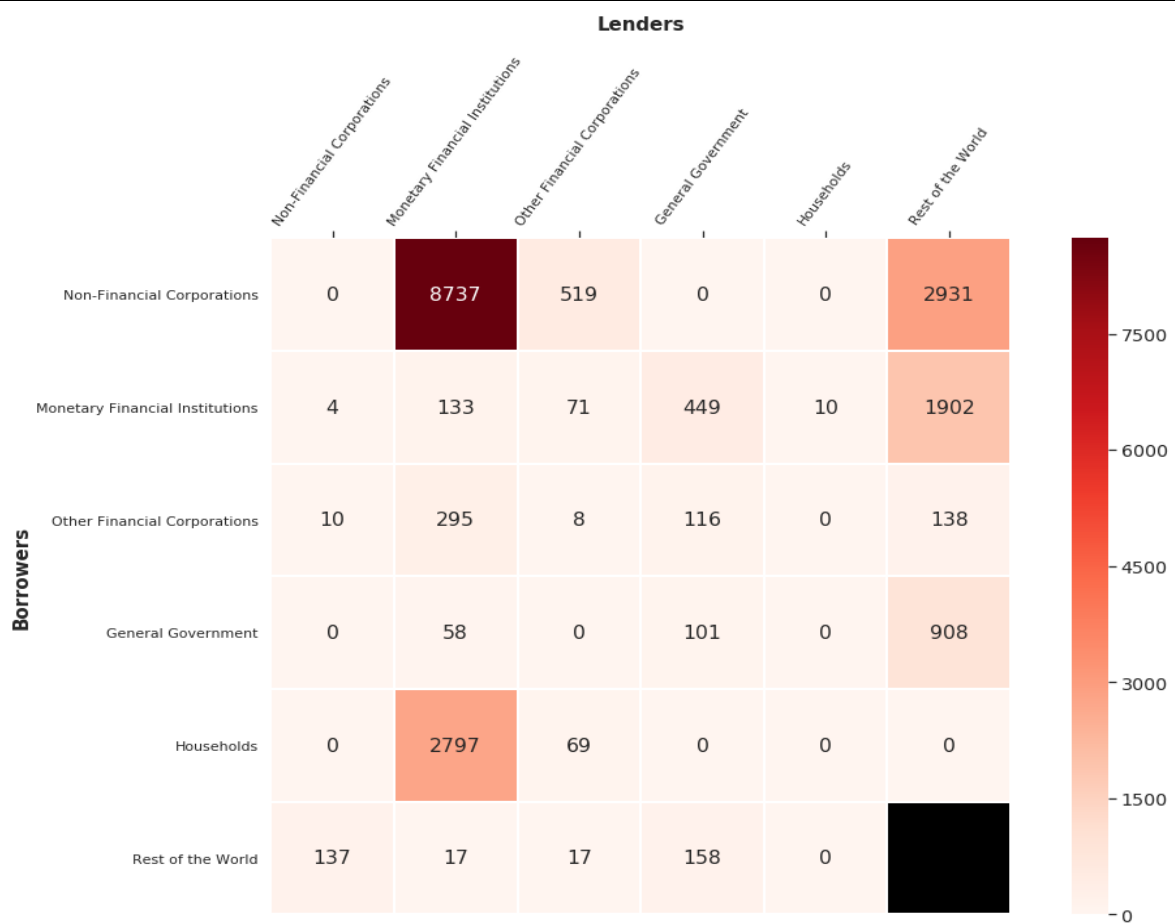
## VII. From-Whom-to-Whom Tables

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

### VII.I. Loans

An analysis of from-whom-to-whom matrices of loans reveals that the strongest connection occurred between non-financial corporations and monetary and financial institutions in 2023Q4. The latter extended a total of TRY 12,037 billion worth of loans, of which TRY 8,737 billion was granted to non-financial corporations and TRY 2,797 billion to households. Domestic sectors borrowed TRY 5,878 billion from the rest of the world, out of which non-financial corporations received TRY 2,931 billion, and monetary and financial institutions received TRY 1,902 billion (Chart 28).

**Chart 28: Loans, From-Whom-to-Whom (TRY Billion)**

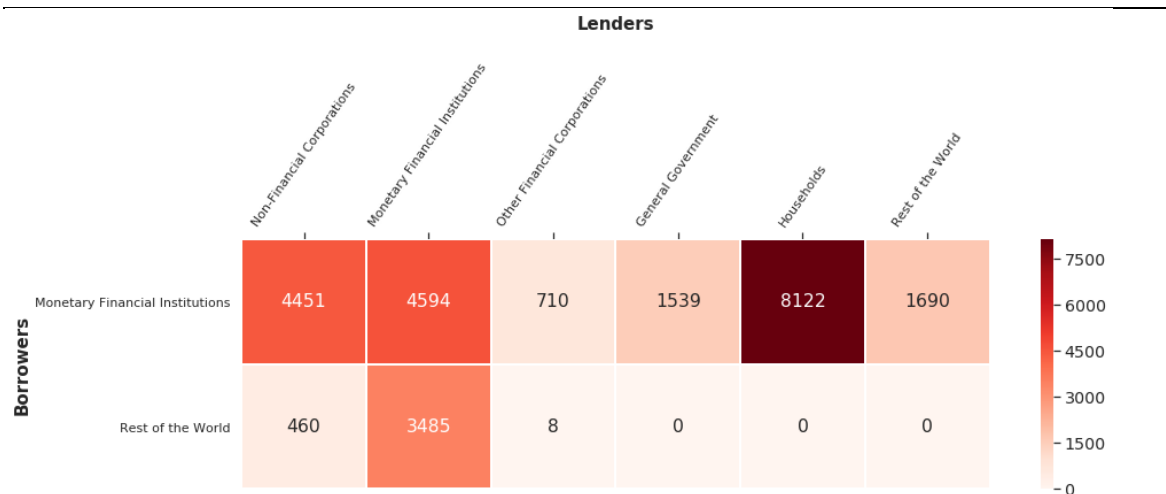


Source: CBRT

Last Observation: 2023-IV

### VII.II. Deposits

In 2023Q4, of the total TRY 25,060 billion worth of deposits, TRY 21,107 billion were taken by monetary and financial institutions and TRY 3,953 billion by the rest of the world. A large portion of deposits taken by monetary and financial institutions belongs to households (TRY 8,122 billion), non-financial corporations (TRY 4,451 billion), and monetary and financial institutions (TRY 4,594 billion). On the other hand, the majority of deposits taken by the rest of the world (TRY 3,485 billion) was held by monetary and financial institutions (Chart 29).

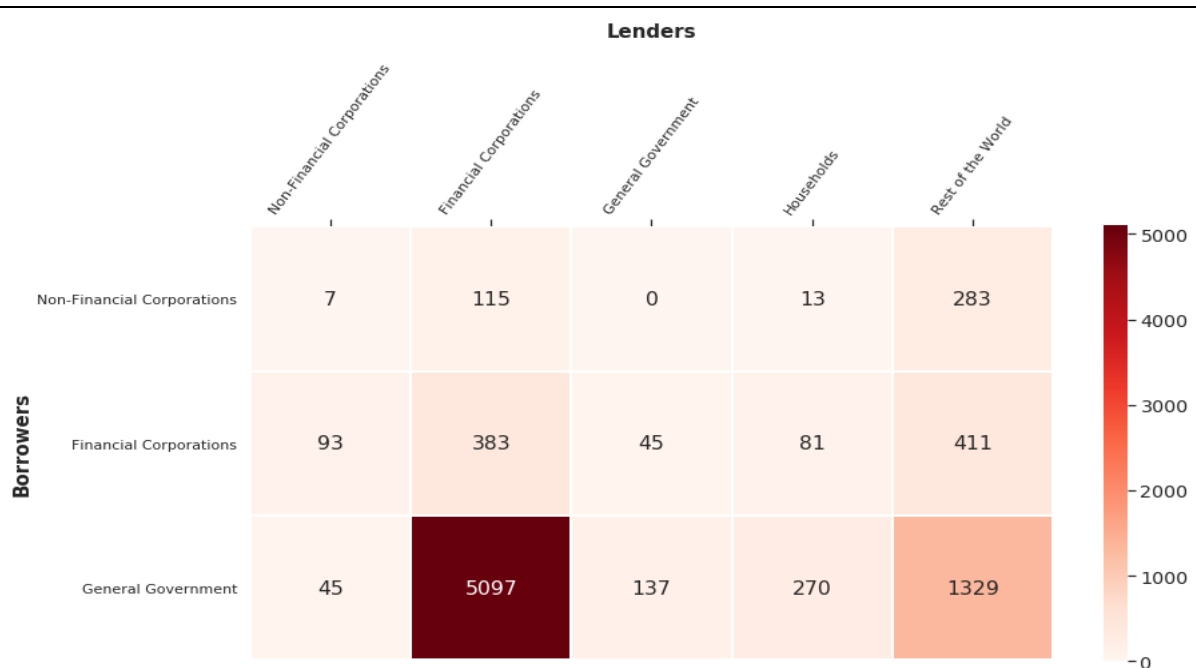
**Chart 29: Deposits, From-Whom-to-Whom (TRY Billion)**

Source: CBRT

Last Observation: 2023-IV

**VII.III. Debt Securities**

In 2023Q4, of the total TRY 8,310 billion worth of debt securities, TRY 6,879 billion were issued by the general government, TRY 1,013 billion by financial corporations, and TRY 418 billion by non-financial corporations. A large portion of debt securities issued by the general government were taken by financial corporations (TRY 5,097 billion) and the rest of the world (TRY 1,329 billion) (Chart 30).

**Chart 30: Debt Securities, From-Whom-to-Whom (TRY Billion)<sup>4</sup>**

Source: CBRT

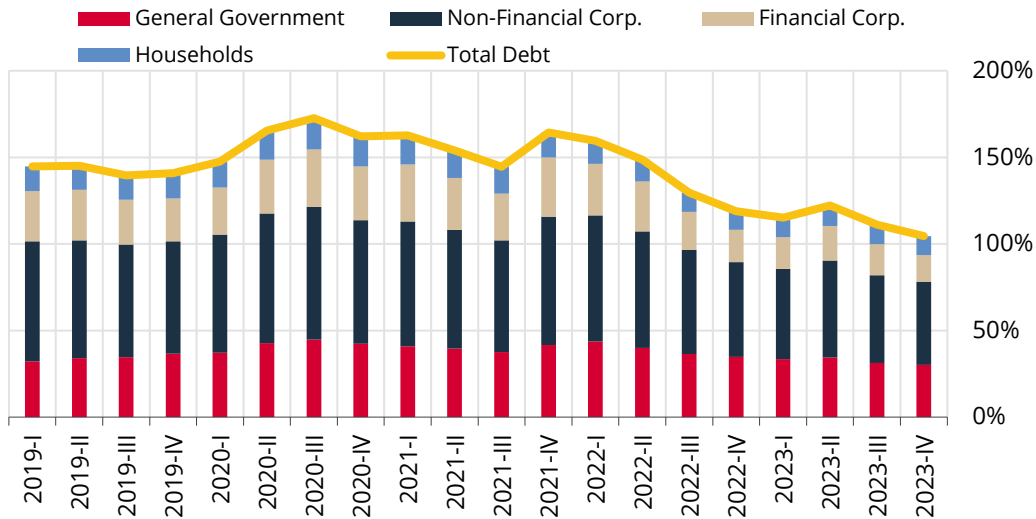
Last Observation: 2023-IV

<sup>4</sup> Whom-to-whom table for debt securities is compiled from the securities database.

## VIII. 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 105% in 2023Q4 (Chart 31).

**Chart 31: Total Debt of Resident Sectors/GDP\* (%)**



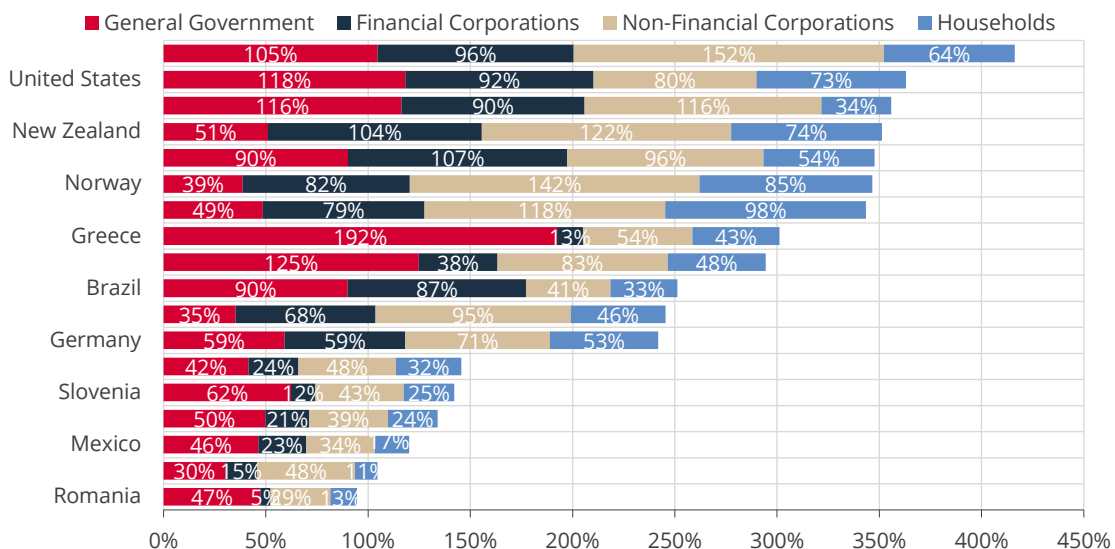
Sources: CBRT, TURKSTAT.

Last Observation: 2023-IV

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

A cross-country comparison of indebtedness ratios for all sectors reveals that the total debt of resident sectors in Türkiye was low in 2023Q4 (Chart 32).

**Chart 32: Cross-Country Comparison of Debt/GDP by Sectors\* (%)**



Sources: CBRT, TURKSTAT, OECD.

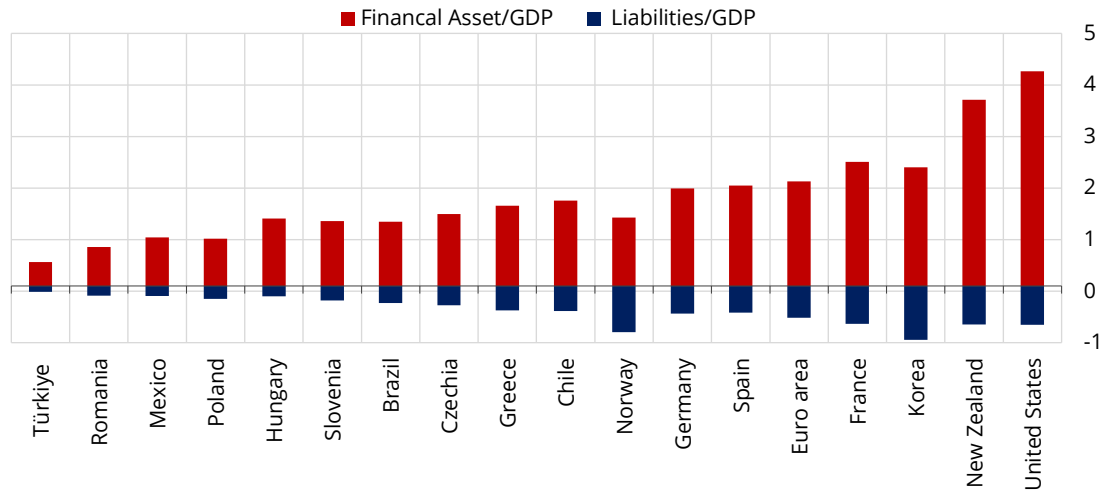
Last Observation: 2023-IV

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

Note: Other country data is as of 2023Q3.

The ratio of household financial assets to GDP was approximately 46% as of 2023Q4. This ratio ranges between 75% (Romania) and 166% (Chile) across peer emerging economies, and is even higher in advanced economies included in the sample. On the other hand, the ratio of household liabilities to GDP indicates that Türkiye stood out as the country with the lowest level of indebtedness (11%) among the countries compared in 2023Q4 (Chart 33).

**Chart 33: Cross-Country Comparisons for Households**



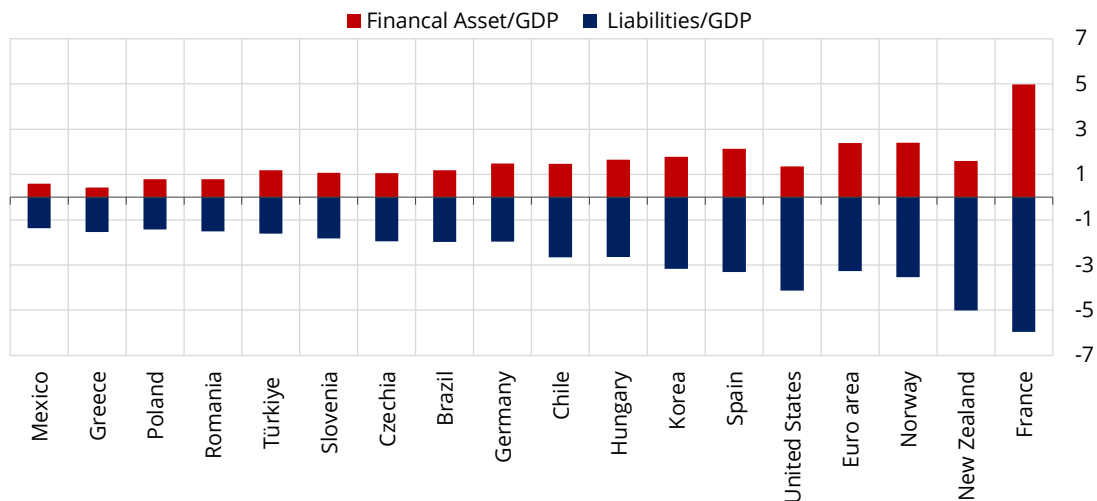
Sources: CBRT, TURKSTAT, OECD.

Last Observation: 2023-IV

Note: Other country data is as of 2023Q3.

The ratio of non-financial corporations' total financial assets to GDP stood at 119% as of 2023Q4. This ratio ranges between 42% (Greece) and 165% (Hungary) across emerging economies in the sample. A cross-country comparison of liabilities to GDP ratios shows that in 2023Q4, Türkiye was among the countries with low indebtedness with an indebtedness ratio of 161% (Chart 34).

**Chart 34: Cross-Country Comparisons for Non-Financial Corporations**



Sources: CBRT, TURKSTAT, OECD.

Last Observation: 2023-IV

Note: Other country data is as of 2023Q3.