

# COMPILATION OF FINANCIAL ACCOUNTS FOR NON-FINANCIAL CORPORATIONS

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## **Sector Coverage**

### **SNA 2008, paragraphs 4.28 & 4.94**

**Non-financial Corporations** are corporations whose principal activity is the production of market goods or non-financial services.

The sector also includes non-profit institutions engaged in the market production of goods and non-financial services: for example, hospitals, schools or colleges that charge fees that enable them to recover their current production costs.

Two classification criteria are used to **subsector** the nonfinancial corporations sector:

- Based on For Profit/Non Profit
- Based on control as below:
  - Public non-financial corporations
  - National private non-financial corporations
  - Foreign controlled non-financial corporations

# NFCs:

## Data Sources

High-frequency counterpart data are complemented with annual balance sheet data



### Counterpart Data:

- **Money and Banking Statistics** (Monthly)
- **IIP** (Monthly)
- **Securities Statistics** (Weekly, Monthly)
- **FA of other sectors** (Quarterly)



### Balance Sheet Data of NFCs (Annual):



# NFCs:

## Data Sources

- Balance sheet data are used for the compilation of «currency», «shares and other equity» and «other accounts receivable/payable» items
- Quarterly values for these items are calculated by using GDP growth rate

Financial Assets	Financial Instruments	Liabilities
Non-Financial Corporations		Non-Financial Corporations
	Monetary Gold and SDR	
BS	Currency	
MBS,IIP	Deposits	
MBS,C,SS,IIP	Debt Securities	SS
MBS,IIP,C	Loans	MBS,C,IIP
MBS,C,IIP,LS,BS	Shares and Other Equity	MBS,C,IIP,LS,BS
C (ICPF)	Insurance and Pensions Schemes	
MBS	Financial Derivatives	MBS
C,BS,MBS	Other Accounts Receivable/ Payable	MBS,C,IIP,BS
<b>BS: Balance Sheets of Non-financial Corporations</b>	<b>IIP: International Investment Position</b>	<b>C: Counterpart Information</b>
<b>ICPF: Insurance Companies and Pension Funds Statistics</b>	<b>MBS: Money and Banking Statistics</b>	<b>LS: Holders of Listed Shares</b>
<b>SS: Securities Statistics</b>	<b>R: Calculated as residual</b>	

**NFCs:**

## Use of Balance Sheet Data

Currency

*Total Currency Holdings of NFCs 2024q1*

*=Currency Holdings of NFCs 2023q4* × GDP growth rate

from balance annual sheets

*FX Currency Holdings of NFCs 2024q1* is estimated by using survey data.

(Sample: Corporations holding FX liability in their balance sheets)

## NFCs:

## Use of Balance Sheet Data

Shares and Other Equity

*Market Value of Unquoted Shares and Equity Issued by NFCs 2024q1 =*

$$\underbrace{\text{Book Value of Shares and Equity Issued by NFCs 2023q4}}_{\text{from balance annual sheets}} \times \text{GDP growth rate} \times \underbrace{\left\{ \frac{\text{Market Value}}{\text{Book Value 2024q1}} \right\}}_{\text{ratio calculated for quoted shares (data source: exchange market)}}$$

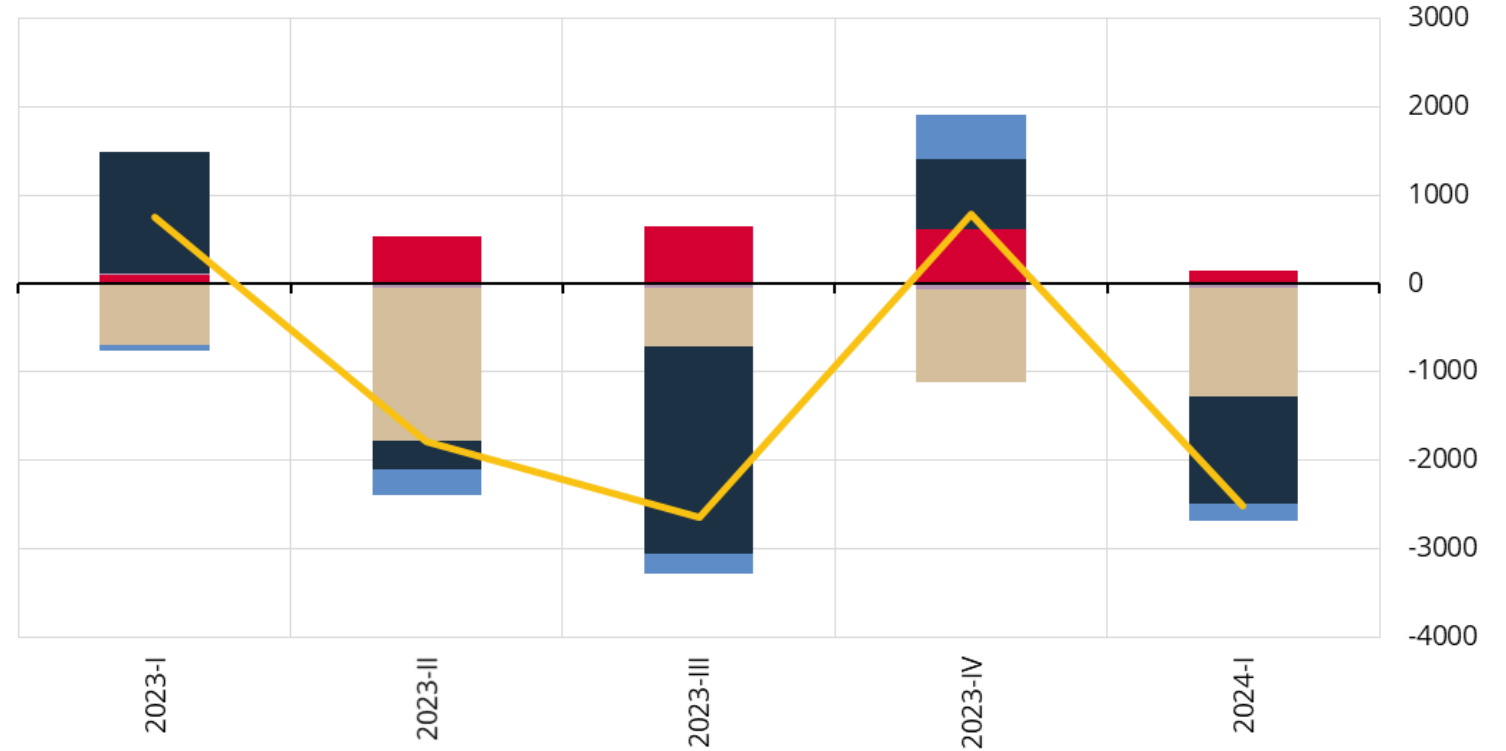
# NFCs:

## Highlights (Networth)

NFCs are net borrower with TRY -2.507 billion net worth as of 2024q1.

### Change in Net Financial Position of Non-Financial Corporations (TRY Billion)

- Currency and Deposits
- Debt Securities
- Loans
- Shares and Other Equity
- Other Accounts Receivable
- Changes in Net Financial Worth



Sources: CBRT, TURKSTAT.

Last Observation: 2024-I

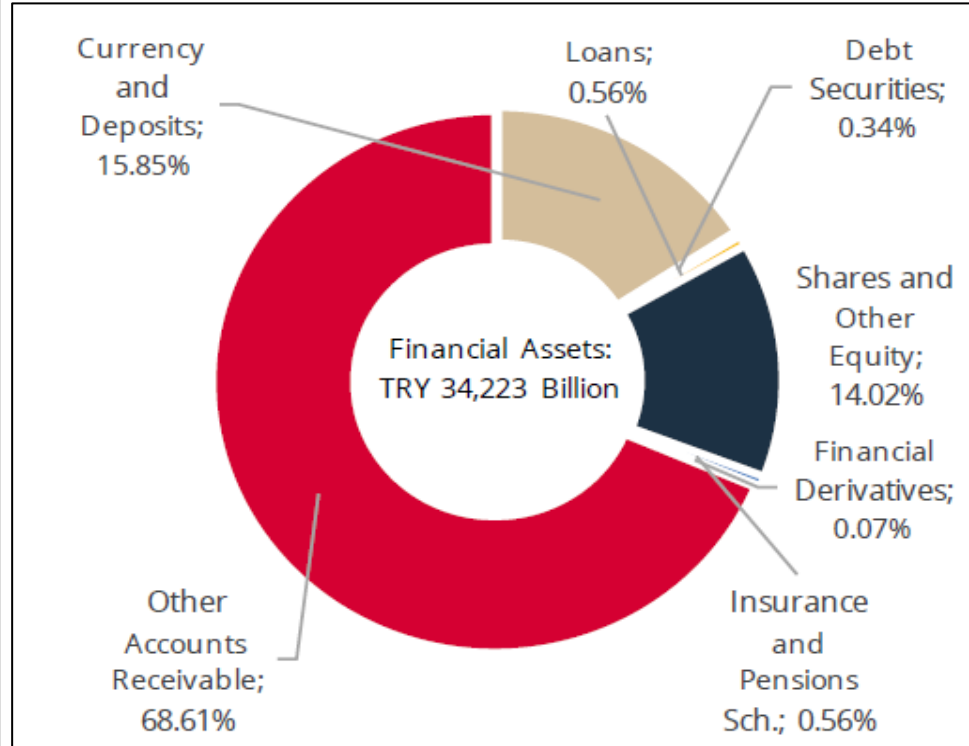


# NFCs:

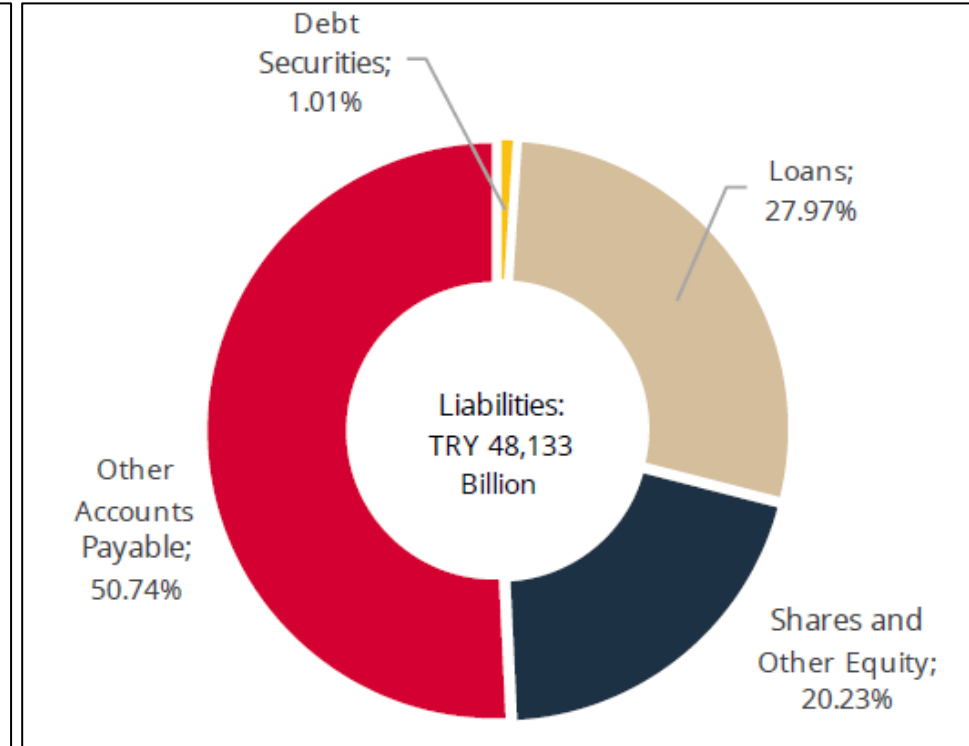
## Highlights (Instrument Breakdown)

Other accounts item has the largest share in both assets and liabilities sides.

### Breakdown of Financial Assets by Instruments (%)



### Breakdown of Liabilities by Instruments (%)



Sources: CBRT, TURKSTAT. Last Observation: 2024-I

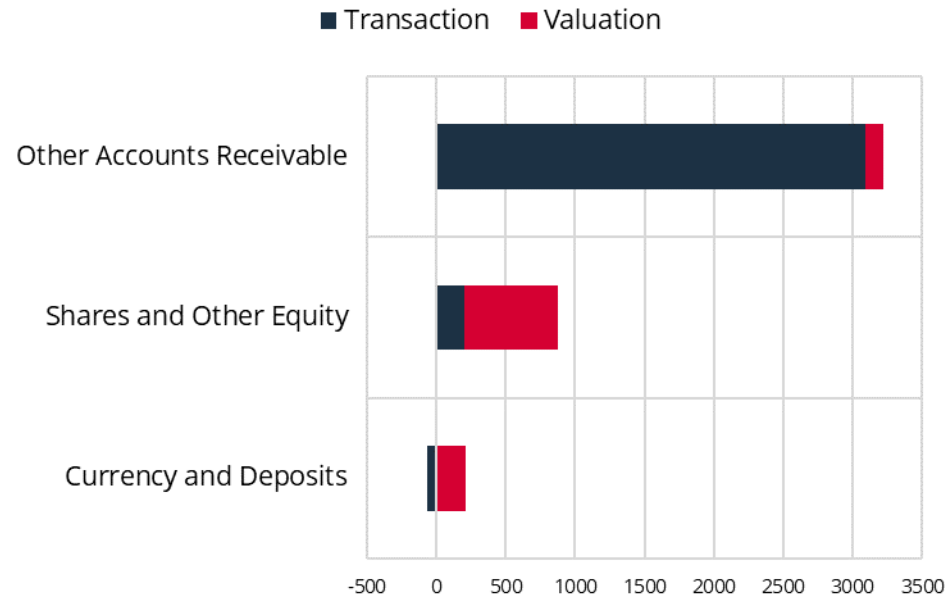
Sources: CBRT, TURKSTAT. Last Observation: 2024-I

# NFCs:

## Highlights (Decomposing the Flows)

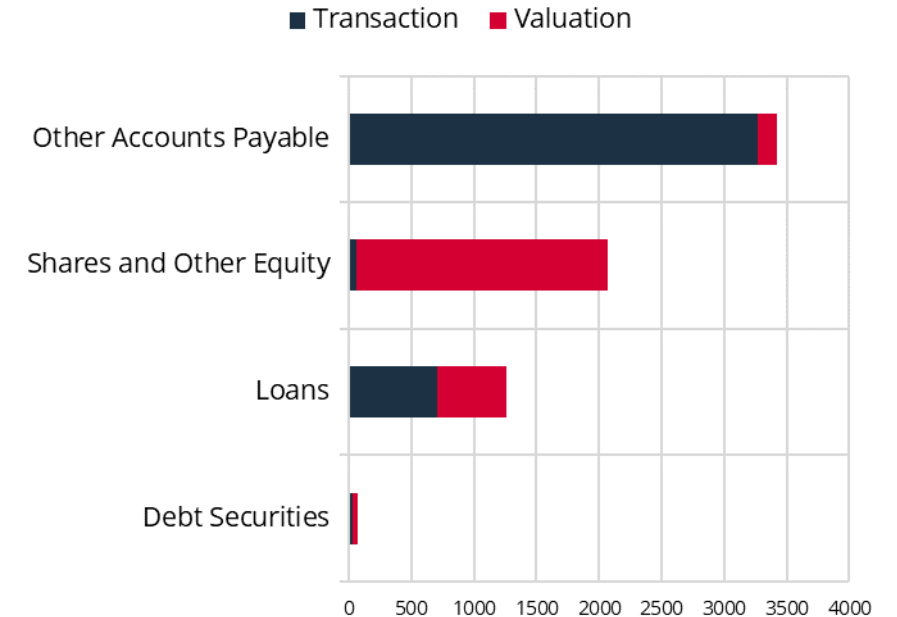
- In 2024Q1, financial assets of non-financial corporations increased by TRY 4,313 billion quarter-on-quarter. TRY 1,021 billion increase is due to valuation while TRY 3,292 billion comes from transactions.
- Liabilities of non-financial corporations increase by TRY 6,820 billion, which was driven by the TRY 2,747 billion valuation and the TRY 4,073 billion transactions.

### Financial Assets, Flow (TRY Billion)



Sources: CBRT, TURKSTAT. Last Observation: 2024-I

### Liabilities, Flow (TRY Billion)



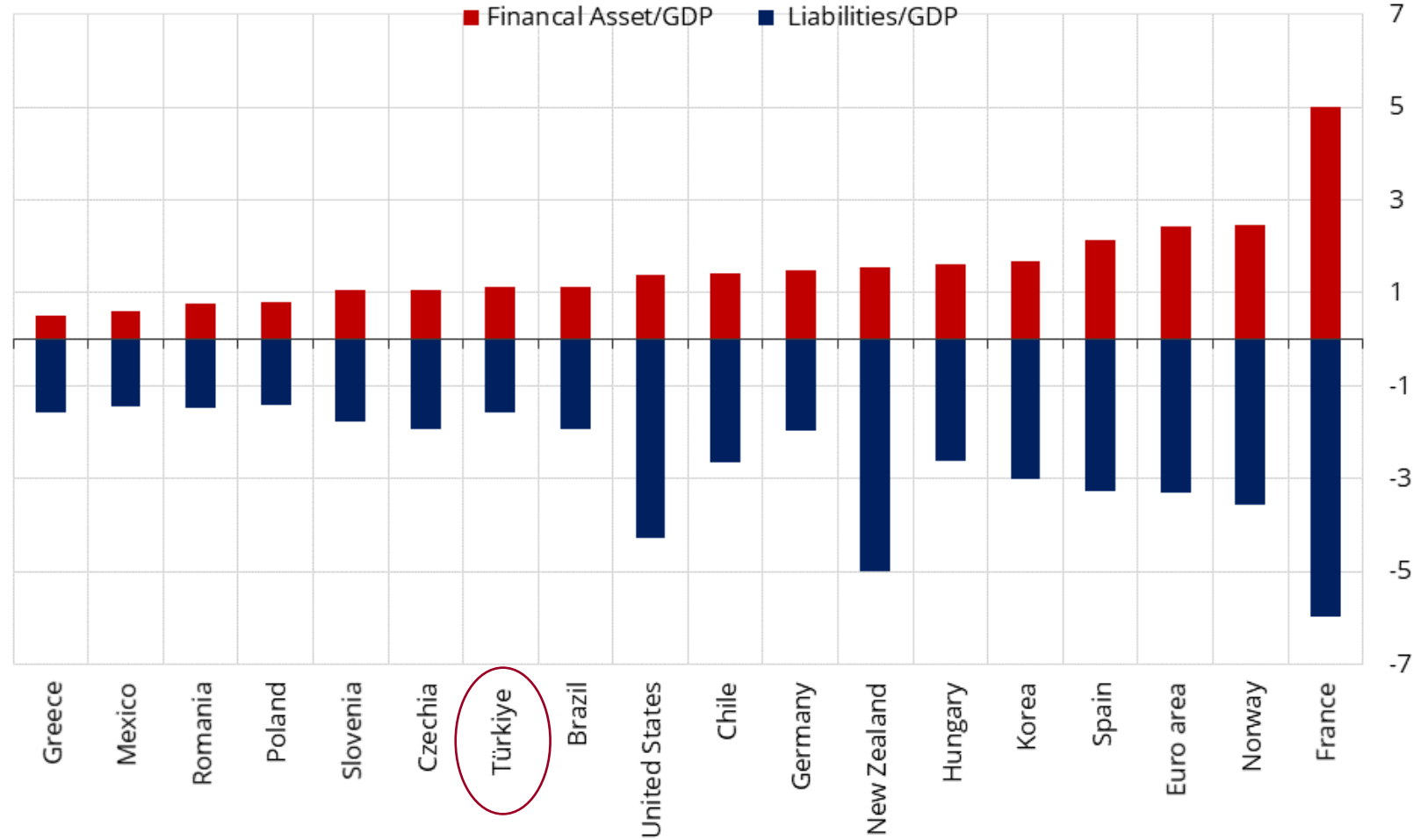
Sources: CBRT, TURKSTAT. Last Observation: 2024-I

## NFCs:

## Highlights (Liabilities/GDP)

A cross-country comparison of non-financial corporations' liabilities to GDP ratios shows that in 2024Q1, Türkiye was among the countries with low indebtedness levels.

## Non-Financial Corporations' Liabilities/GDP, Country Comparison



## NFCs

# Challenges & Future Work

Data sources

### ▪ Challenges regarding balance sheets data

- **Frequency:** Quarterly values for «**currency**», «**shares and other equity**» and «**other accounts receivable/payable**» items are calculated by using GDP growth rate and annual figures from balance sheets.
- **Timeliness:** Balance sheets data compiled from data collected for tax purposes which come with a greater lag than timeliness of financial accounts. As a result, values for last quarters are revised later when the administrative data is available.
- **Currency composition:** Balance sheets data do not have currency composition.

# NFCs

## Challenges & Future Work

### Sub-sectorization

### SNA 2008, Table 4.1 (first column)

Non-financial corporations
Public non-financial corporations
National private non-financial corporations
Foreign controlled non-financial corporations
Total non-financial corporations

### SNA 2025, Table 4.1 (first column, updated)

- Non-financial corporations (S11)
  - Domestically controlled (S11DO)
    - Public nonfinancial corporations (S11001)
      - *Of which:* Public nonfinancial corporations which are part of domestic multinationals (S110011)
    - National private nonfinancial corporations (S11002)
      - *Of which:* National private nonfinancial corporations which are part of domestic multinationals (S110021)
  - Foreign controlled (S11003)
    - *Of which:* SPEs

# NFCs

## Challenges & Future Work

### Fintech companies

#### SNA 2025, Guidance Notes F.7 Impact of Fintech on Macroeconomic Statistics, paragraph 6:

Fintech companies are a diverse group of entities whose activities cut across the different sectors/subsectors of the economy, and they should be classified within the institutional sectors/subsectors corresponding to the nature of their activities.

- *Some institutions that provide fintech related services may be classified outside the financial sector (as nonfinancial corporations) if the provision of financial services is not their main function.*

## NFCs

## Future Works

- Creating Database
- Utilizing Statistical Coding Tools for Production
- Using Microdata



Thank you...



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