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Issue: 2019-II

I: FOREWORD

The World Bank's June 2019 Global Economic Prospects report, made a downward revision to global economic growth forecasts for 2019. This downward revision was due to the slower than expected increase in international trade data. The trade wars between the US and the People's Republic of China, which adversely affected international trade, calmed down as a result of the decision of two countries' executives, who came together at the G20 summit in June, to continue negotiations and not to make additional tariff increases. However, trade wars have resumed in August, when US President Donald Trump announced an additional 10 percent tariff on Chinese goods worth 300 billion USD starting from September. The People's Republic of China retaliated by stopping the purchase of agricultural products from the United States.

At the Central Bank of the Republic of Turkey Monetary Policy Committee meeting held on July 25, 2019, policy rates were reduced from 24 percent to 19.75 percent, above expectations. The statement published after the meeting included, "As a result of the weakening of global economic activity and the downside risks to inflation, the central banks of developed countries have become more likely to take expansionary monetary policy steps." In line with the expectations, the Fed also decided to decrease the policy rate by 25 basis points at its meeting on July 31, 2019, and announced that it had ceased to reduce the balance sheet.

In our country, annual inflation rates in the second quarter of 2019 changed the upward trend that started in August 2018 and became 30.77, 26.75 and 24.69 percent in April, May, and June, respectively. At the end of June 2019, the highest annual price increases were in furniture and household appliances, miscellaneous goods and services, and food and non-alcoholic beverages, respectively. In the relevant period, education has been the item with the lowest increase.

In the second quarter of 2019, budget revenues and budget expenditures have been 1,472.2 and 1,576.2 million TRY, respectively. Public finance, which had given a surplus of 72.2 million TRY in the second quarter of 2018, gave a surplus of 104 million TRY in the same period of 2019. Tax revenues, which have the largest share in budget revenues, had 63.3 percent share in the second quarter of the previous year and increased by 78 percent to 1,148.3 million TRY in the second quarter of 2019. Non-tax revenues, the second-largest item in the budget, amounted to 298.1 million TRY. Analysing the budget expenditures, it is seen that current transfers, which have the largest share, increased by 13.4 percent compared to the same period of the previous year and rose to 754.7 million TRY. Personnel expenditures, which have the second-largest share in budget expenditures, increased by 33 percent and reached 614 million TRY.

Examining the TRNC tourism figures, it is observed that the total number of passengers arriving in our country by air and sea decreased by 3.1 percent from 440.525 to 426.663 in the second quarter of 2019. While the number of Turkish citizen passengers decreased by 4.6 percent, passengers from third countries increased by 2.4 percent. Despite the decline in the number of passengers arriving in our country by air and sea, it is observed that the border gate entries of the Southern Cyprus citizens and other country citizens continue to increase. In the second quarter of 2019, border gate entries increased by 55 percent and from 781,682 to 1,211,512 compared to the same period of the previous year.

In the second quarter of 2019, the total assets of the banking sector increased by 4.1 percent to 36,894.5 million TRY. Gross loans and cash and cash equivalents have been the largest shares in the total assets with 55.2 percent and 30.8 percent, respectively. Deposits, which are the largest item in total liabilities, have a share of 80.2 percent and shareholders' equity, which is the second-largest item, has a share of 8.8 percent. As of the second quarter of 2019, total gross loans and deposits have amounted to 20.347.3 million TRY and 29.572.1 million TRY, respectively. Non-performing Loans (NPL) increased by 16.5 percent compared to the same period of the previous year and reached 1,102.7 million TRY, while NPL conversion rate decreased to 5.4 percent.

In the second quarter of 2019, the sector's capital adequacy standard ratio (CASR) increased by 0.5 points and reached 18.3 percent compared to the previous quarter. CASR based on bank groups has been 18.1 percent in public banks, 15.4 percent in private banks and 22 percent in branch banks. Among the 21 banks operating in the banking sector, the share of the five largest banks in total assets is 56.2 percent. Examining the share of the five largest banks in terms of gross loans, it is seen that this ratio is also 56.2 percent.

I would like to thank all of our employees who have contributed to the preparation of this bulletin, in which current main indicators of the selected economies and TRNC economy are included and the overview of the TRNC banking sector is reflected in detail as of the second quarter of 2019, and I hope that it will benefit those interested in the field.

Best regards,



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II: ABBREVIATIONS

| | |
|---------------|---|
| EU | European Union |
| USA | United States of America |
| ECB | European Central Bank |
| ATM | Automated Teller Machine/Cashomat |
| IMM | Interbank Money Market |
| BoE | Bank of England |
| Brexit | Departure of the United Kingdom from the European Union |
| SPO | State Planning Organisation |
| WTO | World Trade Organisation |
| EA 19 | Euro Area |
| EUROSTAT | EUROSTAT |
| ESA | European System of Accounts |
| FED | Central Banking System of the USA |
| FOMC | The Federal Open Market Committee |
| LLW | Late Liquidity Window |
| GNP | Gross National Product |
| GDP | Gross Domestic Product |
| IMF | International Monetary Fund |
| CGF | Credit Guarantee Fund |
| KKTCMB/Bank | Central Bank of The Turkish Republic of Northern Cyprus |
| SME | Small and Medium Enterprises |
| CB | Central Bank |
| SP | Securities Portfolio |
| RR | Reserve Requirements |
| OECD | Organisation for Economic Co-operation and Development |
| ONS | Office for National Statistics |
| OPEC | Organisation of Petroleum Exporting Countries |
| MTP | Medium-Term Program |
| PMI | Purchasing Managers Index |
| MPC | Monetary Policy Committee |
| RWA | Risk-Weighted Assets |
| OG | Official Gazette |
| CASR | Capital Adequacy Standard Ratio |
| TR | Republic of Turkey |
| CBRT | the Central Bank of the Republic of Turkey |
| TL/TRY | Turkish Lira |
| NPL | Non-Performing Loans |
| TURKSTAT | Turkish Statistical Institute |
| CPI | Consumer Price Index |
| IBU | International Banking Unit |
| IEA | International Energy Agency |
| FX | Foreign Exchange |
| NEP | New Economic Program |
| PPI | Producer Prices Index |
| \$/Dollar/USD | US Dollar |
| €/EUR | Euro |
| £/GBP | Pound Sterling |

III: DEFINITIONS

Gross Loans: Loans + Non-Performing Loans

Cash and Cash Equivalents: Cash Assets + Receivables from the CB + Receivables from Banks + Receivables from IMM Transactions

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1 INTERNATIONAL DEVELOPMENTS

1.1 OVERVIEW AND CURRENT DEVELOPMENTS

In the June 2019 Global Economic Prospects report published by the World Bank, previous global economic growth forecasts for 2019 were reduced by 0.3 percentage points to 2.6 percent. This downward revision was caused by the slow increase of international trade and investment figures in the first quarter of 2019.

In this report, global economic growth forecasts were 2.7 percent and 2.8 percent for 2020 and 2021, respectively, due to the expectation that the improvement in global financial conditions will continue and emerging economies will start to display moderate growth due to this situation. On the other hand, it is emphasized in the report that low investment rates are the main obstacle to faster growth in emerging economies. Furthermore, since downside risks are predominant in the global economy, it is suggested that emerging economies should encourage private investments by making policy reforms to increase their resistance to negative shocks, and they should aim to increase public sector productivity.

In the report, it is mentioned the emerging economies still have a risk of unstable exchange rate movements in 2019 as in 2018. Despite the low economic growth, exchange rate volatility forces the central banks of developing countries to implement tight monetary policies and reduce inflationary pressures. The report stressed the need for central banks to analyse the impact of exchange rate pass-through to be able to take the right policy steps in such situations.

As stated in the World Bank report, amid low global inflation and a deterioration of the growth outlook, the prospect that the Fed and other major central banks will tighten monetary policy in the near term has faded. Thus, global financial conditions have improved and capital inflows to emerging economies will continue. However, weakening external demand has weighed on export growth across emerging economies.

In the World Economic Outlook report published by the IMF in July 2019, global growth is forecast at 3.2 percent in 2019, picking up to 3.5 percent in 2020. Both

rates are 0.1 percentage points lower than in the April projections for both years.

Since the April World Economic Outlook report, the United States further increased tariffs on certain Chinese imports and China retaliated by raising tariffs on a subset of US imports. Additional escalation was averted following the June G20 summit. Global technology supply chains were threatened by the prospect of US sanctions, Brexit-related uncertainties continued, and geopolitical tensions increased energy prices. Due to the downside risks posed by the aforementioned developments, the global economic growth rate remains low.

On the other hand, according to the IMF report, the projected pickup in global growth in 2020 relies importantly on several factors. These factors include stabilization in some stressed emerging market economies, such as Argentina and Turkey, continued fading of temporary drags, notably in the euro area, and low volatility in financial markets. Finally, it was emphasized that the positive effects of these factors would likely decrease in the case of a disorderly Brexit or China trade tensions.

Table 1.1: GDP Growth Forecasts

| | 2018 ¹ | 2018 ² | 2019 ¹ | 2019 ² | 2020 ¹ | 2020 ² |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| IMF | 3,8 | 3,6 | 3,9 | 3,2 | 3,6 | 3,5 |
| World Bank | 2,9 | 3,0 | 3,0 | 2,6 | 2,8 | 2,7 |
| OECD | 3,1 | 3,5 | 3,9 | 3,2 | 3,5 | 3,4 |

Source: OECD, World Bank, IMF

¹ Initial forecasts for the relevant year.

² Latest forecasts for the relevant year.

International credit rating agency Moody's lowered Turkey's credit rating to "B1" from "Ba3" in June 2019. Maintaining the rating outlook as negative, the agency downgraded Turkey's rating four grades below the lowest investment grade level. This downgrade reflects Moody's view that the risk of a balance of payments crisis continues to rise. Besides, it was also highlighted that Turkey remains highly vulnerable to a further prolonged period of acute economic and financial volatility and this has been effective on the downgraded rating.

As a result of the negotiations between the United States of America and the People's Republic of China at the G20 summit held on June 28 - 29, 2019, it was decided to continue the trade negotiations between the two countries, and eventually, the concerns about the trade war in the markets were alleviated. However, in August, US President Donald Trump announced that they will start to impose an additional 10 percent tariff on Chinese imports worth 300 billion USD starting from September 1, 2019, causing the concerns of the trade war to rise again. Trump stated that the new additional tariffs do not include Chinese imports worth 250 billion USD, which is currently subject to 25 percent tariffs.

1.2 ECONOMIC AND FINANCIAL OUTLOOK IN SELECTED COUNTRIES

1.2.1 GROWTH

First quarter 2019 growth rate of the US economy, declined by 0.1 percentage points from 3.2 percent and has been revised as 3.1 percent. While consumption expenditures decreased in the related period, investment expenditures increased.

According to the data released, the US economy grew by 2.1 percent annually in the second quarter of 2019. The increase rate in this quarter was the lowest experienced by the US economy after the first quarter of 2017. Decreasing effect of financial incentives in 2018, strong dollar and additional tax tariffs are among the reasons for the slowdown in economic activity.

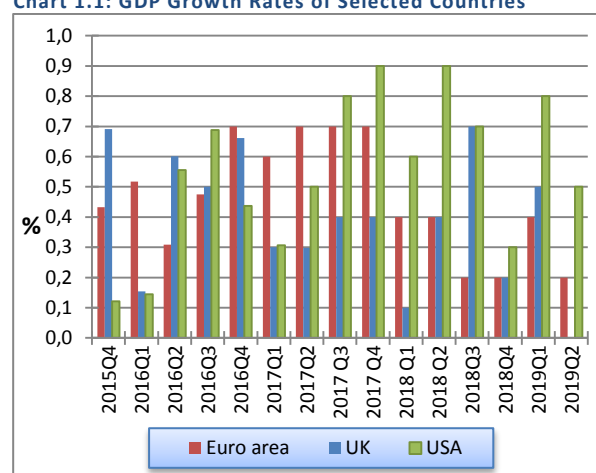
According to the Gross Domestic Product (GDP) chained volume index data released by the UK's Office for National Statistics (ONS), the economy grew by 0.5 percent in the first quarter of 2019, compared to the previous quarter. The UK's economic growth rate has become 1.8 percent, compared to the same quarter of the previous year. While consumer, government and investment expenditures contributed positively, net trade contributed negatively to the first quarter data of 2019.

As the data on economic activity in the euro area in the second quarter of 2019 points to weak growth, it is expected that the economic growth rate will decline in the second quarter. Based on the forecast data released by EUROSTAT on July 31, 2019, seasonally

adjusted GDP growth rate in the euro area will decline to 0.2 percent in the second quarter of 2019, compared to the previous quarter. According to the relevant forecast, economic growth is expected to be 1.1 percent compared to the same quarter of the previous year.

Second quarter 2019 growth data of Turkey's economy will be announced by the Turkish Statistical Institute on September 2, 2019. Based on the GDP chained volume index, Turkey's economy contracted by 2.6 percent on an annual basis in the first quarter of 2019. According to seasonally adjusted data, Turkey's economy grew by 1.3 percent in the first quarter, compared to the previous quarter.

Chart 1.1: GDP Growth Rates of Selected Countries



Source: OECD

1.2.2 INFLATION

In the US economy, annual inflation rises 1.8 percent, while monthly CPI climb 0.1 percent in May 2019. In June 2019, monthly and annual CPI rates have become 0.1 percent and 1.6 percent, respectively. In the same period, core CPI increased by 0.3 percent month-on-month and displayed the highest increase since January 2018. The annual core CPI rate has been announced as 2.1 percent.

In the first quarter of 2019, the annual CPI change rates announced by ONS in February and March were revised down by 0.1 percentage points to 1.8 percent. April data of the second quarter of 2019, was also revised down to 2 percent. The Consumer Prices Index Annual 12-month inflation rate has become 1.9 percent in June 2019, unchanged from May 2019. The largest downward contributions to change in the 12-month

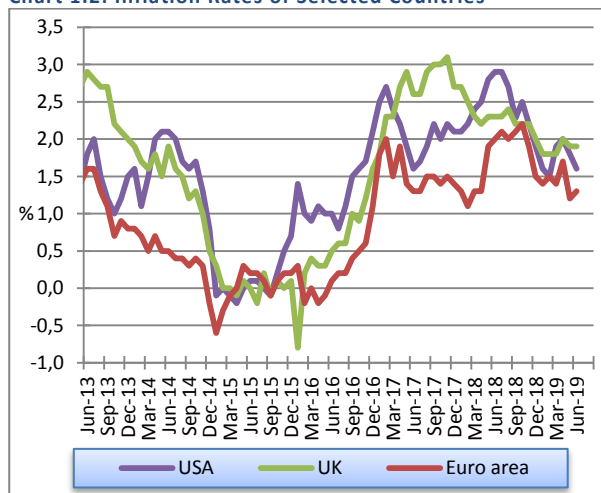
rate between May and June 2019 came from motor fuels, accommodation services and electricity, gas and other fuels, while the largest upward contributions to change came from clothing and food.

According to the EUROSTAT data, the euro area annual inflation rate (harmonised indices of consumer prices) was 1.2 percent in May 2019, down from 1.7 percent in April 2019. In June, the euro area annual inflation increased by 0.1 percentage points to 1.3 percent. Monthly CPI change rates in April, May, and June have been 0.7, 0.1, and 0.2 percent, respectively.

According to the Turkey Statistical Institute (TÜİK), the CPI and domestic PPI in June 2019 displayed a limited monthly increase rate of 0.03 percent and 0.09 percent, respectively. As of June 2019, annual inflation rates have been 15.72 percent in CPI and 25.04 percent in PPI.

In June, prices increased in all main expenditure groups, excluding food and non-alcoholic beverages, clothing and shoes, and entertainment and culture. Restaurants and hotels group made the highest contribution to monthly consumer inflation. On the other hand, despite the monthly decline in June, food and non-alcoholic beverages continued to be the largest contributor to the annual CPI inflation. Housing and transportation were the second group with the largest contribution to the annual CPI.

Chart 1.2: Inflation Rates of Selected Countries



Source: OECD

1.2.3 POLICY INTERESTS

In its last meeting held on June 2019, the Fed maintained the policy rate at a range of 2.25 - 2.50 percent in line with market expectations. The statement made after the meeting indicated that the labour market remained strong. The fact that the growth figures for the second quarter of 2019 was 1

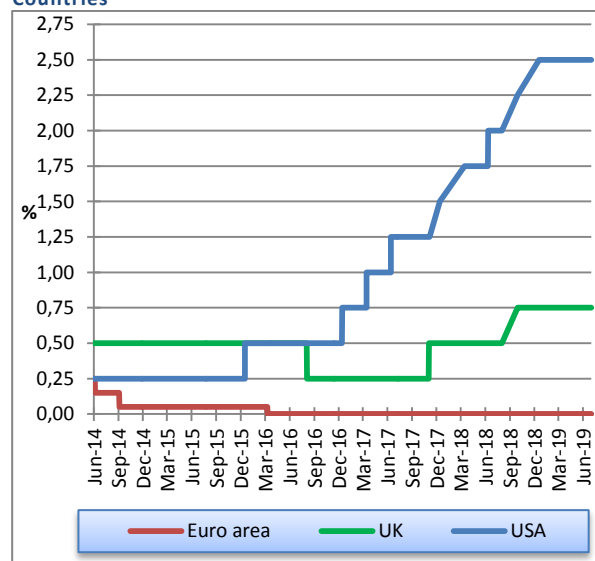
percentage point lower than the first quarter increased the expectations for an interest rate cut decision at the Federal Open Market Committee (FOMC) to be held in July.

Since the meeting at the end of July 2016, the Fed met these expectations and reduced the policy rate by 25 basis points at a range of 2.00 - 2.25 percent. Chair of Fed, Jerome Powell said in his statement after the meeting that interest rates could be reduced again, but if the economy goes strong, there is the possibility of an interest rate hike.

In June 2019, Bank of England (BoE) maintained the policy rate at 0.75 percent, in line with the expectations. The Committee also voted unanimously to maintain the stock of UK government bond purchases at 435 billion GBP. The statement made after the meeting highlighted that downside risks to growth have increased due to the intensified trade tensions and the likelihood of a no-deal Brexit. Besides, the Committee continues to judge that, as a result of an ongoing tightening of monetary policy and a smooth Brexit would be appropriate to return inflation sustainably to the 2 percent target.

The European Central Bank's (ECB) meeting held in July 2019 maintained the policy rate at zero percent. ECB President Mario Draghi stressed that if there is no improvement in the economic outlook and inflation does not rise sustainably to the 2 percent target, additional monetary incentives can be made.

Chart 1.3: CB Policy Interest Rates of Selected Developed Countries

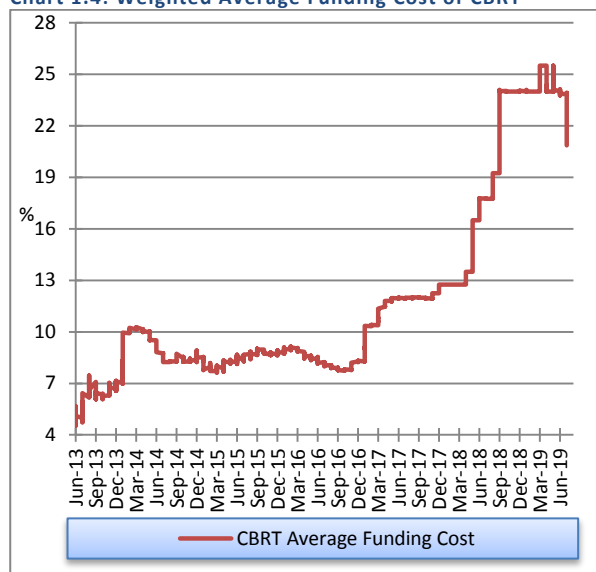


Source: FED, ECB, BoE

At its last meeting on July 25, 2019, CBRT Monetary Policy Committee (the Committee) has decided to reduce the policy rate (one-week repo auction rate) from 24 percent to 19.75 percent.

The summary released after the meeting indicated that the contribution from a deceleration in food and energy prices, domestic demand conditions and the tight monetary policy, could lead to an improvement in the inflation outlook. In addition, it was stated that the interest rate cut decision was taken due to all these factors affecting the inflation outlook positively.

Chart 1.4: Weighted Average Funding Cost of CBRT

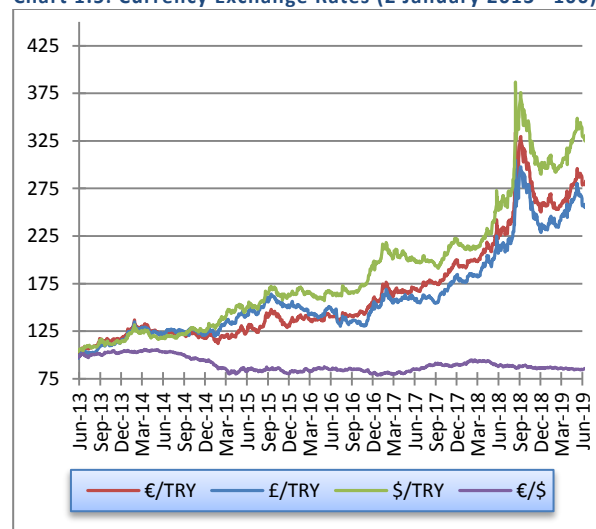


Source: CBRT

1.2.4 EXCHANGE RATES

Turkish lira continued to experience a significant depreciation against other currencies in the second quarter of 2019, compared to the same period of the previous year. In the second quarter of 2018, while the average exchange rates for GBP/TRY, EUR/TRY, USD/TRY were 5.93, 5.21 and 4.37, respectively, the averages for the same period of 2019 have been 7.54, 6.60 and 5.87, respectively. When the two periods are compared, it is seen that the Turkish lira depreciated by 34.32 percent against the US dollar, by 27.15 percent against the pound sterling and by 26.68 percent against the euro.

Chart 1.5: Currency Exchange Rates (2 January 2013 = 100)



Source: Central Bank of TRNC

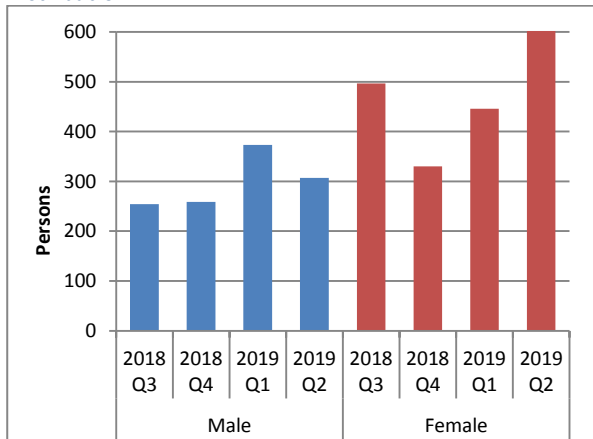
2 EMPLOYMENT AND PRICES

(May - June 2019 employment data prepared by the TRNC Labour Office could not be obtained therefore, the existing data has not been updated.)

2.1 EMPLOYMENT

By the end of the first quarter of 2019, the number of registered unemployed people, which was 818, decreased to 692 as of the end of April 2019. When the unemployment rate for April 2019 is analysed by gender composition, it is seen that about 60 percent of the active registered unemployed people are composed of women and 40 percent of them are men.

Chart 2.1: Registered Active Unemployment - Periodic Distribution



Source: Labour Office

*Based on the data available in April.

While the number of job seekers in April 2019 has been 818, the number of new job-seeking applicants has been 271 in the same period. When 398 people who were unregistered and employed were taken into consideration, the number of jobseekers has been 691 by the end of April 2019.

Table 2.1: Registered Active Unemployment - Overview (Number of Persons)

| | 2018 Q2 | 2018 Q3 | 2018 Q4 | 2019 Q1 | 2019 Q2* |
|--|---------|---------|---------|---------|----------|
| Job seekers by the end of the previous period | 591 | 852 | 750 | 588 | 818 |
| Applicants applying for employment during the period | 1.048 | 837 | 678 | 897 | 271 |
| Persons employed during the period | 241 | 177 | 115 | 78 | 52 |
| Persons unregistered during the period | 546 | 762 | 725 | 589 | 346 |
| Job seekers by the end of the period | 852 | 750 | 588 | 818 | 691 |

Source: Labour Office

*Based on the data available in April.

When the active vacancy listings are examined, it is seen that 972 vacancies were transferred to April in the first quarter of 2019 and 181 new vacancies were opened in April. As of the end of April 2019, 1.061 vacancies were transferred to the next period as a result of 52 filled and 40 cancelled vacancies.

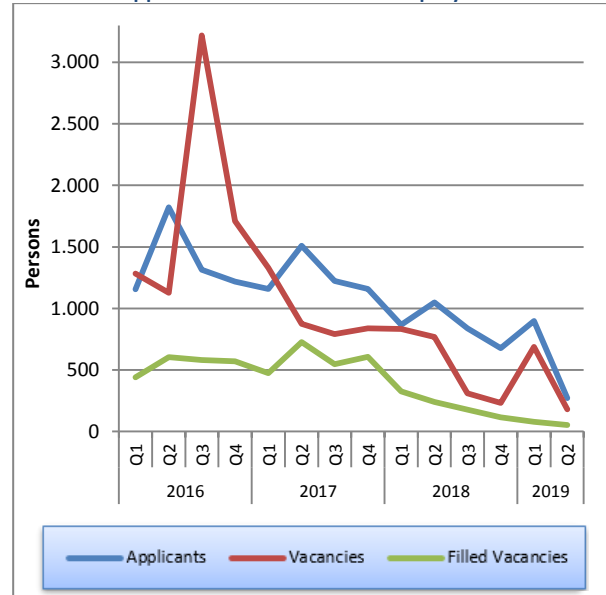
Table 2.2: Overview of Active Vacancy Listings (Number of Persons)

| | 2018 Q2 | 2018 Q3 | 2018 Q4 | 2019 Q1 | 2019 Q2* |
|--|---------|---------|---------|---------|----------|
| Vacancies transferred from the previous period | 890 | 1.387 | 1.506 | 603 | 972 |
| Vacancies received during the period | 768 | 309 | 231 | 687 | 181 |
| Vacancies filled during the period | 231 | 177 | 115 | 78 | 52 |
| Vacancies cancelled during the period | 40 | 13 | 1.019 | 240 | 40 |
| Vacancies transferred to the next period | 1.387 | 1.506 | 603 | 972 | 1.061 |

Source: Labour Office

*Based on the data available in April.

Chart 2.2: Applications - Vacancies - Employments



Source: Labour Office

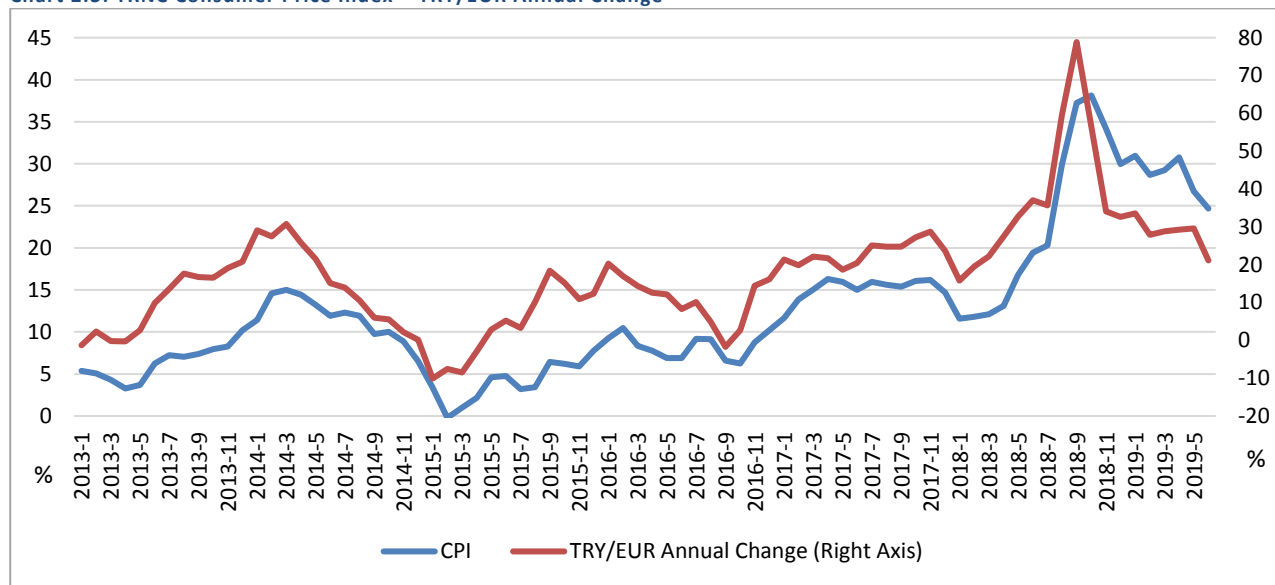
*Based on the data available in April.

2.2 INFLATION

Looking at the Graph 2.3, which shows the changes in TRNC CPI changes and TRY/EUR annual changes since March 2013, it is observed that both values are in parallel with each other in the related period. As can be understood from the graph, pass-through of the depreciation of the Turkish Lira against foreign

currencies to the general level of consumer prices is considerably high. The two exchange rates, which have continued in correlation since 2015, have started to increase as of January 2018 and continued throughout the year. It is observed that the change rates have been declining since January 2019.

Chart 2.3: TRNC Consumer Price Index – TRY/EUR Annual Change

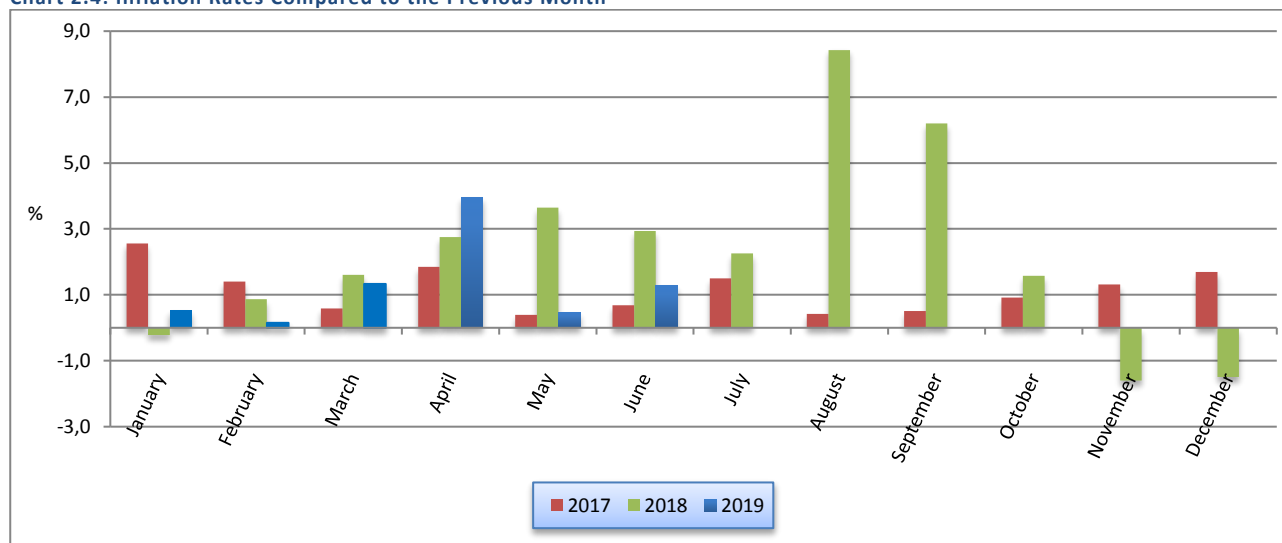


Source: SPO

When the inflation rates in April, May and June 2018 with respect to the previous month are compared with the same periods of 2019, the inflation rates of 2.75,

3.65, and 2.94 percent in the mentioned period reached 3.95, 0.47, and 1.27 percent in the same months of 2019, respectively.

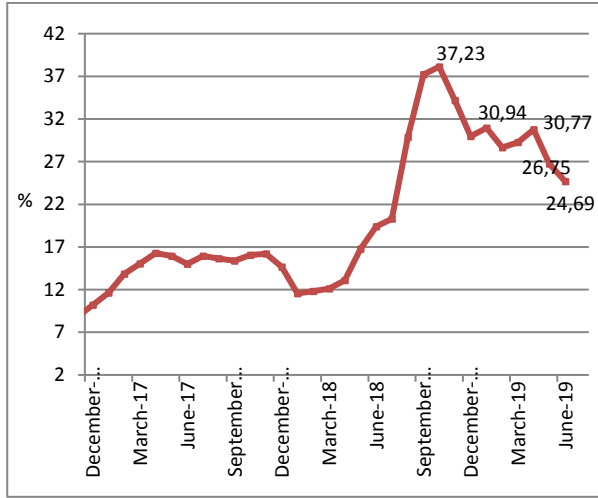
Chart 2.4: Inflation Rates Compared to the Previous Month



Source: SPO

Annual inflation rate, which was 13.10 percent in April, 16.78 percent in May and 19.41 percent in June 2018, reached 30.77 percent in April, 26.75 percent in May and 24.69 percent in June 2019.

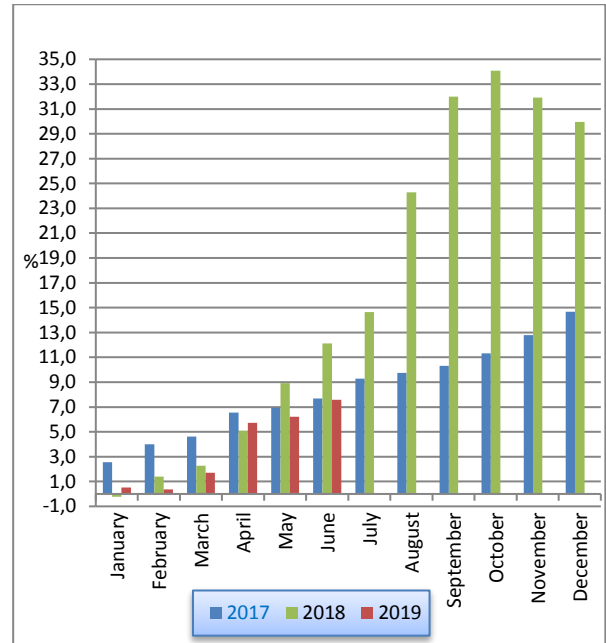
Chart 2.5: Inflation Rates Compared to the Same Month of the Previous Year



Source: SPO

In the second quarter of 2019, the change rate has been 5.72 percent in April, 6.22 percent in May and 7.57 percent in June, compared to December 2018.

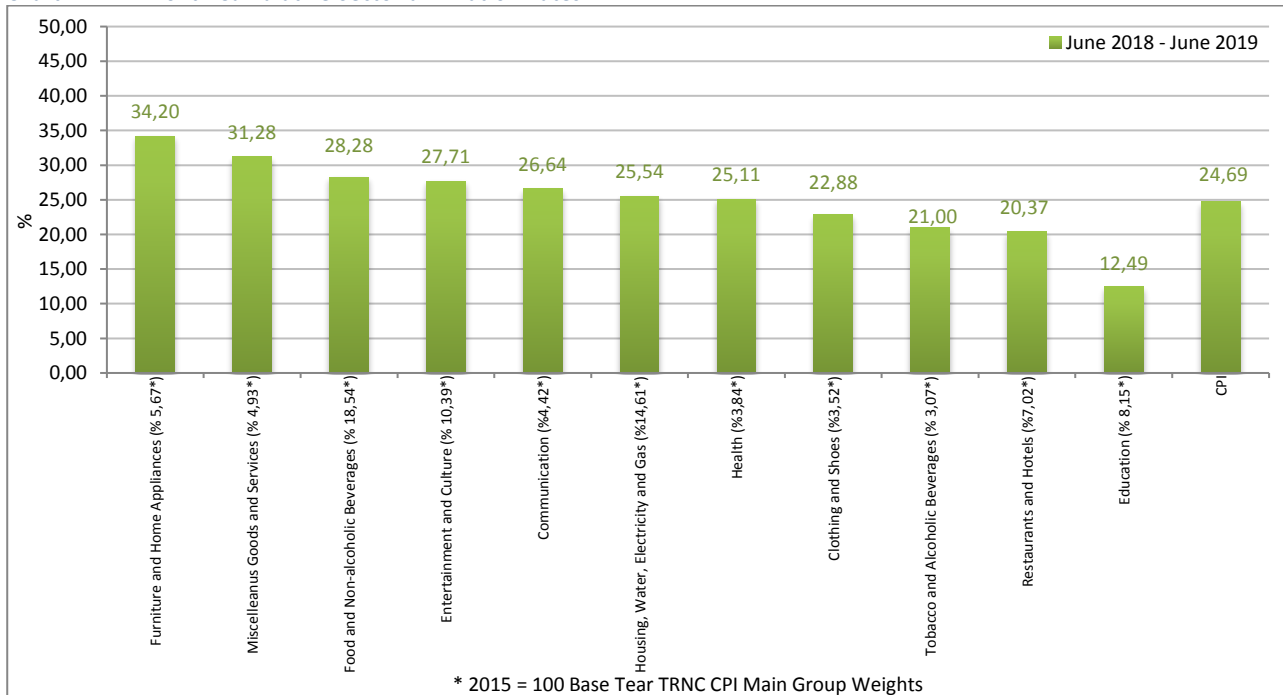
Chart 2.6: Cumulative Inflation Rate Compared to December of the Previous Year



Source: SPO

The sectors with the highest price increase at the end of June 2019 are furniture and home appliances by 34.20 percent, miscellaneous goods and services by 31.28 percent and, food and non-alcoholic beverages by 28.28 percent. By the end of June 2019, the lowest price increase is education items with 12.49 percent.

Chart 2.7: 12-Month Cumulative Sectorial Inflation Rates



Source: SPO

The change rates in the Consumer Price Index for the years 2017, 2018 and 2019 are presented in Table 2.3, monthly, annually and in comparison with the end of the previous year.

Table 2.3: Consumer Prices Index (Annual % Change, 2015=100)

| | Months | Monthly | Compared to the End of the Previous Year | Compared to the Same Period of the Previous Year |
|-------------|-----------|---------|--|--|
| 2017 | January | 2,56 | 2,56 | 11,64 |
| | February | 1,40 | 4,00 | 13,85 |
| | March | 0,59 | 4,61 | 15,05 |
| | April | 1,85 | 6,54 | 16,29 |
| | May | 0,39 | 6,95 | 15,94 |
| | June | 0,68 | 7,68 | 15,02 |
| | July | 1,50 | 9,29 | 15,95 |
| | August | 0,42 | 9,75 | 15,63 |
| | September | 0,51 | 10,31 | 15,37 |
| | October | 0,92 | 11,32 | 16,05 |
| | November | 1,31 | 12,78 | 16,19 |
| | December | 1,69 | 14,68 | 14,68 |
| 2018 | January | -0,22 | -0,22 | 11,57 |
| | February | 1,61 | 1,39 | 11,80 |
| | March | 0,87 | 2,26 | 12,11 |
| | April | 2,75 | 5,07 | 13,10 |
| | May | 3,65 | 8,91 | 16,78 |
| | June | 2,94 | 12,11 | 19,41 |
| | July | 2,26 | 14,64 | 20,30 |
| | August | 8,42 | 24,29 | 29,88 |
| | September | 6,20 | 31,99 | 37,23 |
| | October | 1,58 | 34,08 | 38,13 |
| | November | -1,60 | 31,93 | 34,16 |
| | December | -1,49 | 29,96 | 29,96 |
| 2019 | January | 0,53 | 0,53 | 30,94 |
| | February | -0,15 | 0,37 | 28,67 |
| | March | 1,33 | 1,71 | 29,26 |
| | April | 3,95 | 5,72 | 30,77 |
| | May | 0,47 | 6,22 | 26,75 |
| | June | 1,27 | 7,57 | 24,69 |

Source: SPO

3 FOREIGN TRADE AND TOURISM

(May - June 2019 exports and imports data prepared by the TRNC Department of Trade could not be obtained therefore, the existing data has not been updated.)

3.1 DEVELOPMENTS IN EXPORTS AND IMPORTS

In the first quarter of 2018, exports of TRNC was 37 million USD, it decreased to 29 million USD in the same period of 2019. Examining the exports data for April 2019, a 5 percent increase is observed when compared to the same period of the previous year. In the first quarter of 2019, imports increased by 23 percent,

compared to the same period of the previous year. In April 2019, imports decreased by 30 percent compared to the same period of the previous year and declined to 112 million USD. Analysing the import figures for the first four months of 2019, it is seen that it decreased by 25 percent compared to the same period of 2018.

Table 3.1: Exports and Imports

| | Exports (US Dollar) | | | Imports (US Dollar) | | |
|-------------------------------------|---------------------|-------------------|-------------------|---------------------|--------------------|-------------------|
| | 2018 | 2019 | Percentage Change | 2018 | 2019 | Percentage Change |
| January | 10.005.512 | 6.450.408 | -35,5 | 140.243.668 | 117.831.265 | -15,9 |
| February | 14.786.580 | 10.992.833 | -25,6 | 133.232.746 | 107.586.967 | -19,2 |
| March | 12.136.187 | 11.522.584 | -5,0 | 157.426.888 | 107.508.813 | -31,7 |
| Quarter I | 36.928.279 | 28.965.825 | -21,5 | 430.903.302 | 332.927.045 | -22,7 |
| April | 11.138.772 | 11.750.921 | 5,4 | 161.867.887 | 111.943.558 | -30,8 |
| May | | | | | | |
| June | | | | | | |
| Quarter II | 11.138.772 | 11.750.921 | 5,4 | 161.867.887 | 111.943.558 | -30,8 |
| Year Total (January – April) | 48.067.051 | 40.716.746 | -15,2 | 592.771.189 | 444.870.603 | -24,9 |

Source: Department of Trade

Note 1) Exports to Southern Cyprus are not included.

2) Hydrocarbon imports are not included.

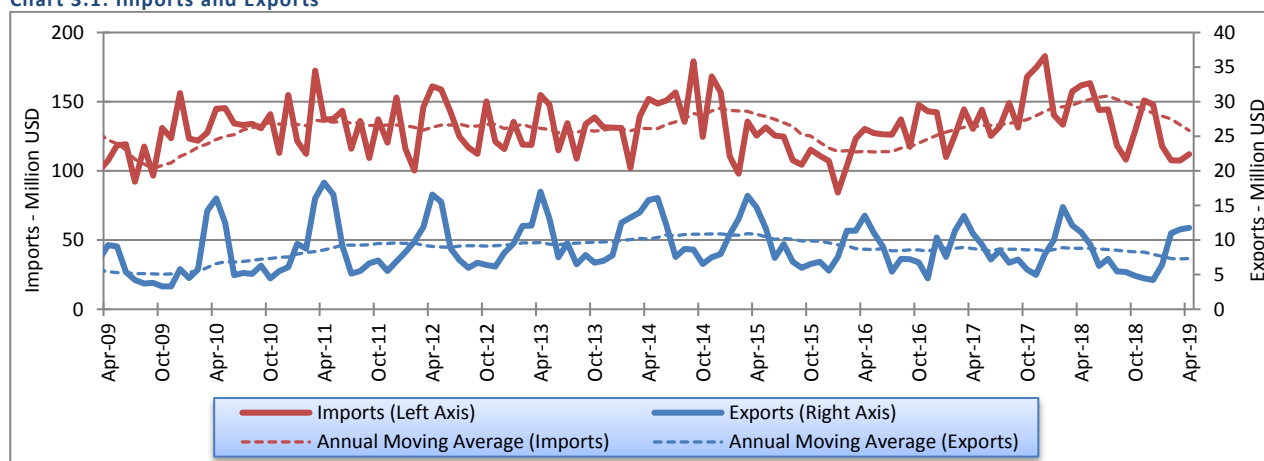
3) Import and export figures for 2018 and 2019 are temporary figures.

When exports and imports of the TRNC for 10 years between the period April 2009 and April 2019 are analysed, it is observed that exports volume increased in the first half of each year and dropped in the second half of each year. On the other hand, the annual moving average of total exports displayed a steady upward trend in the period between 2010 and 2014, then it

started to decrease and displayed a steady downward trend in the period after May 2015.

In imports, the lowest level since February 2009 was recorded as 84 million USD in January 2016. Looking at the annual moving average of imports, it tended to increase in the period after September 2016, but it is observed that after October 2018, it tended to decrease again. This trend continued in 2019.

Chart 3.1: Imports and Exports

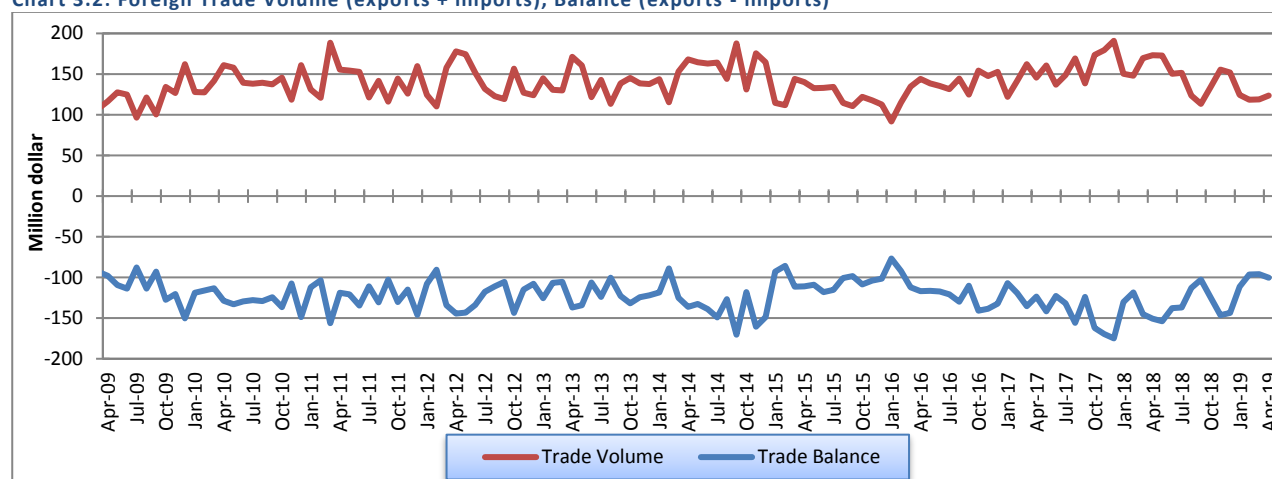


Source: Department of Trade

Due to the low imports to exports ratio, the increase in the foreign trade of the TRNC implies an increase in the foreign trade deficit and indicates the external dependency of the country's economy. In April 2019, trade volume decreased from 173 million USD to 123.7 million USD compared to the same period of the previous year, while foreign trade deficit was 150.7 million USD and 100.1 million USD, respectively.

While the exports to imports ratio has been 5 percent on average between 2006 and 2010, it has reached 7.3 percent in the 2011 - 2014 period. In 2015 and 2017, this rate was 7.1 percent and the average figure for 2018 was 5.5 percent. Looking at 2019, it is seen that the average of January - April period has been 9.2 percent.

Chart 3.2: Foreign Trade Volume (exports + imports), Balance (exports - imports)



Source: Department of Trade

In 2018, the share of EU countries, other European countries, Middle East and Arab countries, and other countries groups in total exports increased compared to the previous year, while the share of Turkey decreased.

Compared to the first four months of 2018, exports to other EU Countries and Middle East and Arab Countries increased, while exports to Turkey, EU Countries, and other countries decreased in January – April 2019.

Table 3.2: TRNC Exports by Country Groups (percentage share)

| Years | Turkey | EU | Other EU Countries | Middle East and Arab Countries | Other Countries |
|------------------------|--------|------|--------------------|--------------------------------|-----------------|
| 2006 | 47,6 | 15,0 | 15,1 | 17,8 | 4,5 |
| 2007 | 58,4 | 15,8 | 8,8 | 11,6 | 5,4 |
| 2008 | 49,9 | 20,5 | 5,9 | 17,0 | 6,7 |
| 2009 | 54,2 | 18,5 | 1,7 | 19,5 | 6,1 |
| 2010 | 46,4 | 12,2 | 3,6 | 32,3 | 5,5 |
| 2011 | 53,3 | 8,3 | 1,3 | 32,0 | 5,1 |
| 2012 | 51,0 | 7,7 | 1,0 | 35,7 | 4,6 |
| 2013 | 52,2 | 7,6 | 2,3 | 31,9 | 6,0 |
| 2014 | 60,1 | 3,7 | 0,6 | 31,1 | 4,5 |
| 2015 | 56,1 | 5,2 | 3,2 | 30,2 | 5,3 |
| 2016 | 62,5 | 10,2 | 0,9 | 22,7 | 3,7 |
| 2017 | 60,4 | 7,9 | 1,6 | 21,1 | 9,0 |
| 2018 | 51,7 | 10,3 | 2,5 | 25,9 | 9,6 |
| 2019 (January – April) | 55,0 | 2,2 | 5,3 | 34,4 | 3,1 |

Source: Department of Trade

The share of Turkey, which has the largest share in total imports of TRNC, was 58.8 percent by the end of 2018. Compared to the figures of 2017, imports from Turkey, other European countries, Middle East and Arab countries and other countries increased, while imports from EU countries and Far Eastern Countries decreased, compared to 2018.

Referring to the figures for January – April 2019, the share of imports from Turkey was 61.3 percent, while the share of imports from the EU countries was 14.3 percent. Compared to the same period of 2018, imports from Turkey, the Middle East and Arab countries, other countries, EU countries and Far East countries decreased, while imports from other EU countries increased.

Table 3.3: TRNC Imports by Country Groups (percentage share)

| Years | Turkey | EU | Far Eastern Countries | Other EU Countries | Middle East and Arab Countries | Other Countries |
|------------------------|--------|------|-----------------------|--------------------|--------------------------------|-----------------|
| 2006 | 68,8 | 18,0 | 6,0 | 1,2 | 4,8 | 1,2 |
| 2007 | 67,9 | 16,1 | 7,3 | 2,6 | 4,3 | 1,8 |
| 2008 | 69,8 | 14,0 | 6,5 | 4,7 | 3,4 | 1,6 |
| 2009 | 69,6 | 15,5 | 6,6 | 2,3 | 4,0 | 2,0 |
| 2010 | 70,9 | 15,6 | 5,7 | 1,9 | 4,3 | 1,6 |
| 2011 | 68,6 | 16,8 | 4,9 | 2,5 | 5,2 | 2,0 |
| 2012 | 72,4 | 14,5 | 4,8 | 1,7 | 4,8 | 1,8 |
| 2013 | 66,7 | 15,8 | 6,6 | 3,8 | 5,4 | 1,7 |
| 2014 | 64,7 | 15,5 | 8,1 | 4,6 | 4,9 | 2,2 |
| 2015 | 64,5 | 18,1 | 7,7 | 3,0 | 4,7 | 2,0 |
| 2016 | 60,4 | 20,9 | 8,7 | 3,3 | 4,5 | 2,2 |
| 2017 | 58,6 | 21,7 | 8,4 | 3,4 | 4,9 | 2,7 |
| 2018 | 58,8 | 19,6 | 8,2 | 4,9 | 5,5 | 2,8 |
| 2019 (January – April) | 61,3 | 14,3 | 8,2 | 7,1 | 6,2 | 2,9 |

Source: Department of Trade

3.2 TOURISM

In the second quarter of 2018, the total number of arriving passengers was 440,525, in the same period of 2019, it decreased by 3.1 percent and became 426,663.

In the second quarter of 2019, the number of Turkish citizen passengers arriving to TRNC decreased by 4.6 percent, and the number of passengers from third countries increased by 2.4 percent, compared to the same period of the previous year.

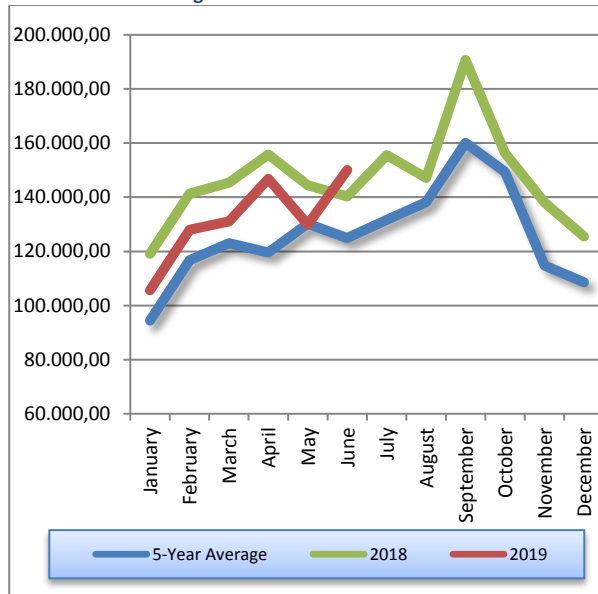
Table 3.4: Number of Passengers Arriving to TRNC by Air and Sea

| Period | Turkish Citizen | | | Third Country Citizen | | | Total | | |
|-------------------------|-----------------|----------------|-------------------|-----------------------|----------------|-------------------|----------------|----------------|-------------------|
| | 2018 | 2019 | Percentage Change | 2018 | 2019 | Percentage Change | 2018 | 2019 | Percentage Change |
| January | 97.305 | 82.519 | -15,2 | 21.783 | 23.111 | 6,1 | 119.088 | 105.630 | -11,3 |
| February | 108.195 | 96.692 | -10,6 | 33.105 | 31.336 | -5,3 | 141.300 | 128.028 | -9,4 |
| March | 108.825 | 95.869 | -11,9 | 36.534 | 35.218 | -3,6 | 145.359 | 131.087 | -9,8 |
| Quarter I | 314.325 | 275.080 | -12,4 | 91.422 | 89.665 | -1,9 | 405.747 | 364.745 | -10,1 |
| April | 121.905 | 113.446 | -6,9 | 33.919 | 33.322 | -1,8 | 155.824 | 146.768 | -5,8 |
| May | 113.104 | 97.306 | -14,0 | 31.320 | 32.538 | 3,9 | 144.424 | 129.844 | -10,1 |
| June | 110.425 | 118.512 | 7,3 | 29.852 | 31.539 | 5,7 | 140.277 | 150.051 | 7,0 |
| Quarter II | 345.434 | 329.264 | -4,6 | 95.091 | 97.399 | 2,4 | 440.525 | 426.663 | -3,1 |
| Total (January – April) | 659.759 | 604.344 | -8,4 | 186.513 | 187.064 | 0,3 | 846.272 | 791.408 | -6,5 |

Source: Tourism Planning Department

In the second quarter of 2019, it is observed that the number of passengers arriving by air and sea is above the average of the last five years, while it was lower in the same period of 2018.

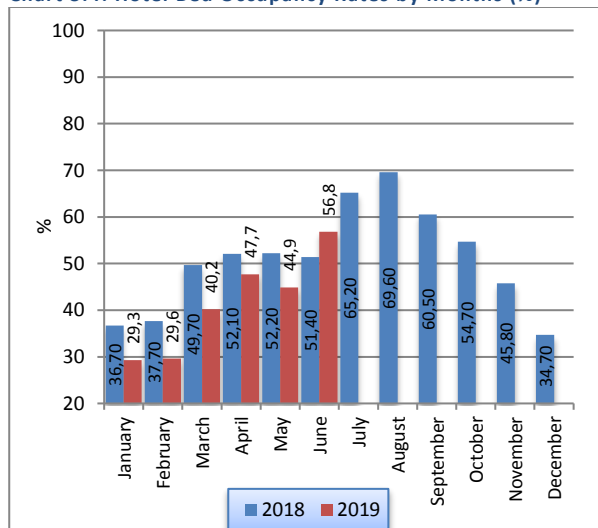
Chart 3.3: Number of Arriving Passengers in 2019 Compared to 2018 and Averages of the Last 5 Years



Source: Tourism Planning Department

The occupancy rate of touristic facilities in our country, which was 52 percent in the second quarter of 2018, decreased to 50 percent in the same period of 2019. When the occupancy rates of the related years are examined, it is seen that this ratio which had been 51.4 in 2018 increased to 57 percent in 2019.

Chart 3.4: Hotel Bed Occupancy Rates by Months (%)

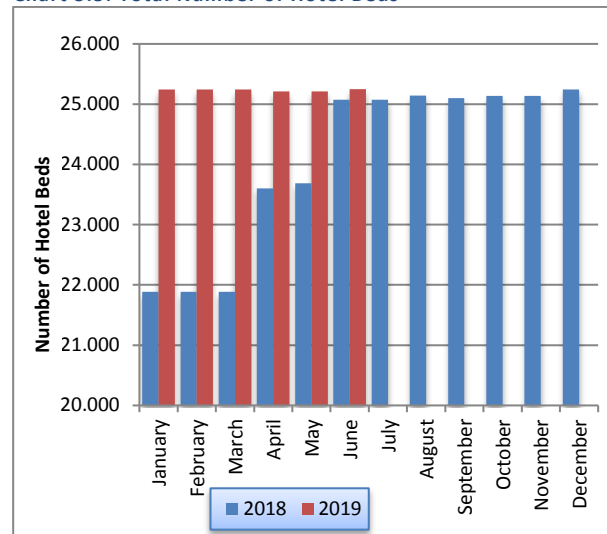


Source: Tourism Planning Department

*Tourism Planning Department forecast figures have been used for the first quarter of 2019.

Comparing the development of the total hotel bed capacity of the sector in the years 2018 and 2019, it is observed that the bed capacity of 25,071 in the second quarter of 2018 reached 25,071 by the second quarter of 2019.

Chart 3.5: Total Number of Hotel Beds



Source: Tourism Planning Department

When border gate entries into the TRNC during the period January - December 2018 are examined, it is observed that the entries from Southern Cyprus by Southern Cyprus citizens and other country citizens started to increase as of the second quarter of 2018.

Comparing the second quarter data of 2018 and 2019, it is seen that total entries, which had been 781,682 in the relevant period of 2018 increased by 55 percent in the same period of 2019 and reached 1,211,512 persons.

Table 3.5: Border Gate Entries to TRNC by Nationalities and Months

| Nationality | Southern Cyprus | | Other Countries | | Total | |
|--------------|------------------|------------------|------------------|----------------|------------------|------------------|
| | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 |
| January | 93.241 | 152.451 | 82.017 | 112.207 | 175.258 | 264.658 |
| February | 83.267 | 139.516 | 88.643 | 113.106 | 171.910 | 252.622 |
| March | 97.704 | 182.463 | 120.484 | 149.119 | 218.188 | 331.582 |
| April | 106.602 | 203.143 | 137.044 | 184.496 | 243.646 | 387.639 |
| May | 110.945 | 208.708 | 151.169 | 191.193 | 262.114 | 399.901 |
| June | 123.941 | 228.747 | 151.981 | 195.225 | 275.922 | 423.972 |
| July | 133.585 | | 162.629 | | 296.214 | |
| August | 180.729 | | 191.970 | | 372.699 | |
| September | 186.477 | | 192.924 | | 379.401 | |
| October | 183.490 | | 195.681 | | 379.171 | |
| November | 178.571 | | 156.019 | | 334.590 | |
| December | 188.539 | | 130.285 | | 318.824 | |
| Total | 1.667.091 | 1.115.028 | 1.760.846 | 945.346 | 3.427.937 | 2.060.374 |

Source: Tourism Planning Department

4 BUDGETARY DEVELOPMENTS

4.1 SECOND QUARTER 2019 RESULTS

In the second quarter of fiscal year 2019, TRNC total budget revenues increased by 5.5 percent and total expenditures increased by 19.1 percent, compared to the same period of the previous year. Following these changes, budget revenues and budget expenditures have been 1,472.2 and 1,576.2 million TRY in the second quarter of 2019. In the second quarter of 2018, public finance, which had a surplus of 72.2 million TRY, has had a deficit of 104 million TRY in the same period of 2019.

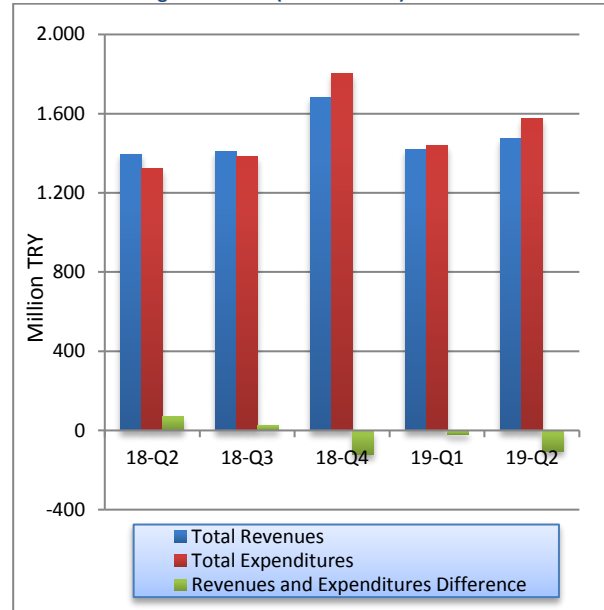
Table 4.1: Budget Balance (Million TRY)

| | 2018 | | 2019 | | % Change |
|----------------------------|----------------|--------------------|-----------------|--------------------|----------|
| | Annual Results | April-June Results | Annual Forecast | April-June Results | |
| Budget Revenues | 5.502,4 | 1.396,0 | 7.465,8 | 1.472,2 | 5,5 |
| Budget Expenditures | 5.452,3 | 1.323,8 | 8.223,0 | 1.576,2 | 19,1 |
| Budget Balance | 50,1 | 72,2 | -757,2 | -104,0 | -244,0 |

Source: Ministry of Finance

25.4 percent of the total budget revenues of 5,502.4 million TRY obtained in 2018 were collected in the second quarter. In the same period of 2019, 19.7 percent of the foreseen total budget revenues have been collected. In 2019, 19.2 percent of 8,223 million TRY, estimated to be used in the execution of services and activities have been used within the second quarter. This rate was 24.3 percent in the same period of the previous year.

Chart 4.1: Budget Results (Million TRY)



Source: Ministry of Finance

4.2 REVENUES

As of the second quarter of fiscal year 2019, budget revenues increased by 76.2 million TRY compared to the same period of the previous year and amounted to 1,472.2 million TRY. Tax revenues item with the largest share in budget revenues have totalled 1,148.3 million TRY in the second quarter of 2019. Total tax revenues were 884.3 million TRY in the same period of 2018. Non-tax revenues item, which had the second-highest share in budget revenues, decreased by 5.8 percent compared to the same period of the previous year and became 298,1 million TRY in the second quarter of 2019. In the second quarter of 2019, other revenues item decreased by 19.6 percent compared to the same period of the previous year and reached 25.8 million TRY.

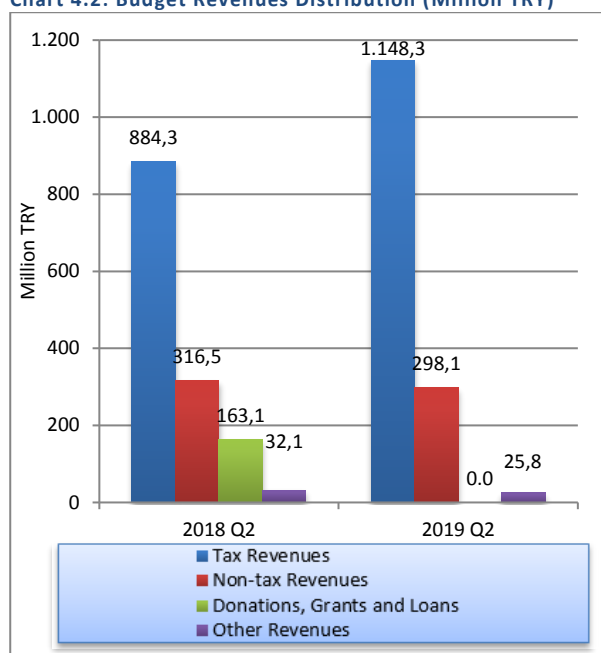
Table 4.2: Budget Revenues (Million TRY)

| | 2018 April – June | 2019 April – June | % Change |
|-------------------------------------|----------------------|----------------------|-------------|
| Tax Revenues | 884,3 | 1.148,3 | 29,9 |
| Non-Tax Revenues | 316,5 | 298,1 | -5,8 |
| Donations, Grants, and Loans | 163,1 | - | - |
| Other Revenues | 32,1 | 25,8 | -19,6 |
| Total | 1.396,0 | 1.472,2 | 5,5 |

Source: Ministry of Finance

While the share of donations, grants, and loans in total budget revenues was 11.7 percent in the second quarter of 2018, in the same period of 2019, no income has been recorded under this item. In the same periods, while the share of tax revenues item was 63.3 percent, it rose to 78 percent, and while the share of non-tax revenues was 22.7 percent and it declined to 20.2 percent. The share of other revenues item decreased from 2.3 percent to 1.8 percent.

Chart 4.2: Budget Revenues Distribution (Million TRY)



Source: Ministry of Finance

4.3 EXPENDITURES

As of the second quarter of 2019, total budget expenditures increased by 19.1 percent compared to the same period of the previous year, and reached 1,323.8 million TRY to 1,576.2 million TRY. In the mentioned periods, current transfers, goods and services purchase and personnel expenditures items increased by 13.4, 28.1 and 14.7 percent, respectively.

Current transfers expenditure item of the TRNC budget reached 754.7 million TRY in the second quarter of 2019. In this period, personnel expenditures item, which increased by 33 percent compared to the same period of the previous year, reached to 614 million TRY. Capital expenditures and transfers item decreased by 41.3 percent during the same periods and amounted to 33.4 million TRY in the second quarter of 2019.

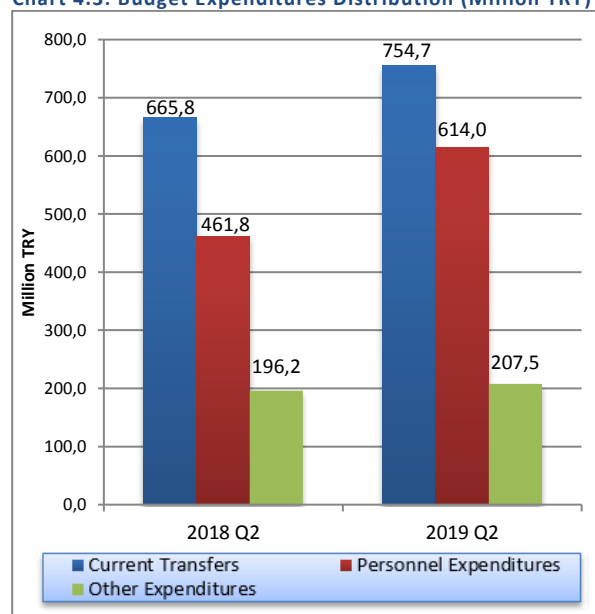
Table 4.3: Budget Expenditures (Million TRY)

| | 2018 April – June | 2019 April - June | % Change |
|---|----------------------|-------------------------|-------------|
| Current Transfers | 665,8 | 754,7 | 13,4 |
| Personnel Expenditures | 461,8 | 614,0 | 33,0 |
| Capital Expenditures and Transfers | 56,9 | 33,4 | -41,3 |
| Goods and Service Purchase Expenditures | 106,7 | 136,7 | 28,1 |
| Other Expenditures | 32,6 | 37,4 | 14,7 |
| Total | 1.323,8 | 1.576,2 | 19,1 |

Source: Ministry of Finance

The share of personnel expenditures item in total expenditures was 34.9 percent in the second quarter of 2018, while it is 39 percent in the second quarter of 2019. In the second quarter of 2018, the share of the current transfers constituting 50.3 percent of the total budget expenditures declined to 47.9 percent in the second quarter of 2019. The total share of personnel expenditures and current transfers in budget expenditures was 85.2 percent in the second quarter of 2018 and it has reached 86.8 percent in the same period of 2019.

Chart 4.3: Budget Expenditures Distribution (Million TRY)



Source: Ministry of Finance

Note: Other expenditures item includes capital expenditures and transfers, and goods and services purchase expenditures.

4.4 BUDGET IMPLEMENTATION RESULTS

At the end of the second quarter of 2019, 38.7 percent of the budget revenues expected for 2019 have been collected and 36.64 percent of the expected total budget expenditures have been spent. For the same period of 2018, these rates were 43.76 and 41.54 percent, respectively.

In the first six months of 2018, budget revenues totalled 2,408.1 million TRY, while reaching 2,888.9 million TRY in the same period of 2019. By the end of the first six-month period of 2018, budget revenues totalled

2,265.1 million TRY, while reaching 3,012.9 million TRY in the same period of 2019. When the first six months' data are examined, by the end of the second quarter of 2018, budget balance, which had a surplus of 143 million TRY, has had a deficit of 124 million TRY in the same period of 2019. This deficit constitutes 16.38 percent of the budget deficit forecast for 2019, which was 757.2 million TRY.

Table 4.4: Budget Implementation Results (Million TRY)

| | 2018 Results | 2019 Forecast | 2018 – 2019 Change (%) | 2018 Six-Month Results | 2019 Six-Month Results | 2018 Six- Month Results (%) | 2019 Six- Month Results (%) |
|---------------------|---|------------------|------------------------------|------------------------------|------------------------------|--------------------------------------|--------------------------------------|
| Revenues | Tax Revenues | 3.775,4 | 4.379,3 | 16,00 | 1.616,0 | 2.045,0 | 42,80 |
| | Non-Tax Revenues | 1.107,5 | 1.157,6 | 4,52 | 570,8 | 790,2 | 51,54 |
| | Donations, Grants and Loans | 487,5 | 1.270,0 | 160,51 | 163,1 | 0,0 | 33,46 |
| | Other Revenues | 132,0 | 658,9 | 399,17 | 58,2 | 53,7 | 44,09 |
| | Grand Total | 5.502,4 | 7.465,8 | 35,68 | 2.408,1 | 2.888,9 | 43,76 |
| Expenditures | Current Transfers | 2.577,3 | 3.307,2 | 28,32 | 1.121,4 | 1.492,7 | 43,51 |
| | Personnel Expenditures | 1.995,0 | 2.690,1 | 34,84 | 883,7 | 1.180,5 | 44,30 |
| | Capital Expenditures and Transfers | 339,5 | 233,7 | -31,16 | 65,3 | 57,9 | 19,23 |
| | Goods and Service Purchase Expenditures | 421,3 | 546,6 | 29,74 | 136,6 | 203,6 | 32,42 |
| | Other Expenditures | 119,2 | 1.445,4 | 1.112,58 | 58,1 | 78,2 | 48,74 |
| | Grand Total | 5.452,3 | 8.223,0 | 50,82 | 2.265,1 | 3.012,9 | 41,54 |

Source: Ministry of Finance

4.5 FINANCING BALANCE

Financing balance, which is equal to the difference between the total revenues figure (obtained by subtracting the loans extended by Turkey and domestic borrowing items from the budget revenues) and budget expenditures, decreased in the second quarter of 2019 compared to the same period of the previous year and had a deficit of 72.2 million TRY. Total loans extended by Turkey, which are used as a source of funding to meet the aforementioned budget deficit, haven't been used as in the same period of the previous year.

In the second quarter of 2019, tax revenues item increased by 264 million TRY and non-tax revenues item decreased by 18.4 million TRY compared to the same period of 2018. Accordingly, Domestic income item increased by 19.4 percent and reached 1,472.2 million TRY.

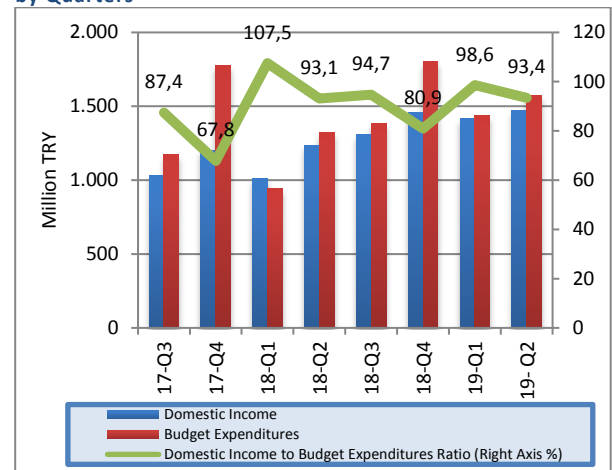
Table 4.5: Financing Balance (Million TRY)

| | 2018 April - June | 2019 April - June |
|----------------------------|-------------------------|-------------------------|
| Budget Revenues | 1.396,0 | 1.472,2 |
| 1. Domestic Income | 1.232,9 | 1.472,2 |
| Tax Revenues | 884,3 | 1.148,3 |
| Non-Tax Revenues | 316,5 | 298,1 |
| Other Revenues | 32,1 | 25,8 |
| 2. Foreign Aids | 163,1 | 0,0 |
| Grants Extended by Turkey | 163,1 | 0,0 |
| Budget Expenditures | 1.323,8 | 1.576,2 |
| Personnel Expenditures | 461,8 | 614,0 |
| Current Transfers | 665,8 | 754,7 |
| Capital Expenditures | 56,9 | 33,4 |
| Other Expenditures | 139,3 | 174,1 |
| Financing Balance | 72,2 | -104,0 |
| Financing | 0,0 | 0,0 |
| Loans Extended by Turkey | 0,0 | 0,0 |
| Domestic Borrowing | 0,0 | 0,0 |

Source: Ministry of Finance

According to the budget figures for the second quarter of 2019, the domestic income to budget expenditures ratio has been 93.4 percent. The same ratio was 93.1 percent in the second quarter of 2018.

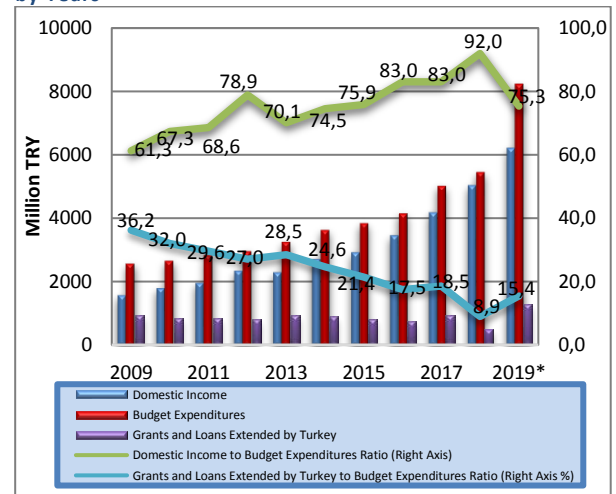
Chart 4.4: Domestic Income to Budget Expenditures Ratio by Quarters



Source: Ministry of Finance

It is observed that the domestic income (calculated by subtracting the grants and loans extended by Turkey from the budget revenues) to budget expenditures ratio has reached 90 percent from 60 percent in the last 10 years. This ratio is expected to become 75.3 percent in the 2019 budget, in accordance with the forecasts. In the last 10 years, the ratio of the grants and loans extended by Turkey to the budget expenditures, which is the most important resource for financing the gap between the domestic income and the budget expenditures, has decreased from 36 percent to 9 percent. In 2019, this ratio is estimated to be 15.4 percent. Though a positive outlook has emerged over the last 10 years in the sense of covering the budget expenditures with our domestic income, revenues are still unable to cover all of the budget expenditures and the budget deficit problem still continues to arise.

Chart 4.5: Domestic Income to Budget Expenditures Ratio by Years



Source: Ministry of Finance

* According to the forecast figures in the FY 2019 Budget.

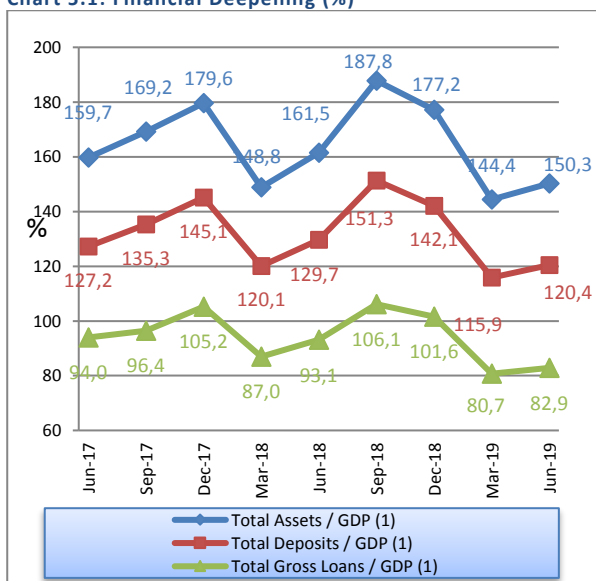
5 MONETARY AND FINANCIAL DEVELOPMENTS

5.1 OVERVIEW OF THE BANKING SECTOR

5.1.1 FINANCIAL DEEPENING

Financial deepening figures for the second quarter of 2019 have increased, compared to the previous quarter. Total gross loans to GDP ratio increased from 80.7 percent to 82.9 percent, total assets to GDP ratio from 144.4 percent to 150.3 percent and total deposits to GDP ratio from 115.9 percent to 120.4 percent.

Chart 5.1: Financial Deepening (%)



Source: Central Bank of the TRNC, SPO
 Note: (1) SPO's 2018 - 2019 GDP forecast figures have been used.

5.1.2 PERFORMANCE RATIOS OF THE BANKING SECTOR

In the sector, the share of cash and cash equivalents in total assets has increased to 30.77 percent in the second quarter of 2019. This rate was 26.69 percent in the same period of the previous year.

CASR (Capital Adequacy Standard Ratio), which was 17.57 percent at the end of June 2018, has increased by 0.72 points to 18.29 percent in the second quarter of 2019.

The share of NPL in gross loans declined from 5.47 to 5.42 percent at the end of June 2019, compared to the previous quarter.

Gross loans to deposits ratio decreased by 0.87 percentage points to 68.81 percent in the second quarter of 2019, compared to the previous period.

The share of gross loans in total assets, which was 57.67 percent in June 2018, has declined to 55.15 percent in the second quarter of 2019. It has decreased by 0.77 points, compared to the previous quarter.

Gross loans increased by 2.64 percent in the second quarter of 2019, compared to the previous quarter. This item had increased by 7.01 percent in the same period of the previous year.

Deposits increased by 7.59 percent in the first quarter of 2019, and then by 3.95 percent in the second quarter.

The financial leverage ratio, which was 9.72 at the end of March 2019, reached 9.56 in the second quarter of 2019.

Table 5.1: Performance Ratios

| | 2018 | | 2019 | | |
|--|-------|-------|-------|-------|-------|
| | Jun. | Sept. | Dec. | Mar. | Jun. |
| Cash and Cash Equivalents / Total Assets (%) | 26,69 | 27,64 | 30,14 | 30,44 | 30,77 |
| CASR (%) | 17,57 | 18,19 | 17,86 | 17,79 | 18,29 |
| NPL / Gross Loans (%) | 5,46 | 4,97 | 5,53 | 5,47 | 5,42 |
| Gross Loans / Total Deposits (%) | 71,82 | 70,14 | 71,50 | 69,68 | 68,81 |
| Gross Loans / Total Assets (%) | 57,67 | 56,51 | 57,33 | 55,92 | 55,15 |
| Quarterly Growth Rate on Gross Loans (%) | 7,01 | 13,98 | -4,28 | 4,85 | 2,64 |
| Quarterly Growth Rate on Gross Deposits (%) | 7,96 | 16,71 | -6,11 | 7,59 | 3,95 |
| Financial Leverage ¹ | 10,18 | 10,62 | 9,66 | 9,72 | 9,56 |

Source: Central Bank of the TRNC
 Note: (1) Foreign Resources / Total Shareholders' Equity

5.1.3 CONCENTRATION IN THE BANKING SECTOR

The share of the largest five banks in the sector in terms of asset size is 56.2 percent, and the share of the top ten banks in total assets is 79.71 percent in the second quarter of 2019.

In terms of the size of gross loans in the same period, the share of the first five banks in the sector is 56.18 percent and the share of the top ten banks is 81.68 percent.

In terms of deposit size, the share of the five largest banks in total deposits is 57.72 percent and the share of the top ten banks is 81.12 percent.

In terms of the size of shareholders' equity in the relevant period, the share of the first five banks in total shareholders' equity is 53.54 percent, while the share of the top ten banks is 80.49 percent.

Lastly, in terms of the size of the debts to the banks item, share of the first five banks in the sector is 63.51 percent and the share of the top ten banks is 92.13 percent,

Table 5.2: Concentration in the Banking Sector (%)

| Shares of the First Five Banks in the Sector | 2018 | | | 2019 | |
|--|-------|-----------|----------|-------|-------|
| | June | September | December | March | June |
| Assets | 54,62 | 54,96 | 55,07 | 55,85 | 56,20 |
| Gross Loans | 55,44 | 55,57 | 56,90 | 53,12 | 56,18 |
| Deposits | 56,49 | 56,51 | 56,54 | 57,46 | 57,72 |
| Debts to Banks | 63,73 | 63,37 | 63,07 | 67,67 | 63,51 |
| Shareholders' Equity | 50,52 | 52,35 | 51,90 | 52,87 | 53,54 |
| Shares of the First Ten Banks in the Sector | | | | | |
| Assets | 78,02 | 78,34 | 78,54 | 79,73 | 79,71 |
| Gross Loans | 80,11 | 80,40 | 81,58 | 79,70 | 81,68 |
| Deposits | 79,40 | 79,55 | 79,80 | 80,91 | 81,12 |
| Debts to Banks | 91,47 | 92,39 | 91,84 | 94,09 | 92,13 |
| Shareholders' Equity | 78,58 | 79,63 | 79,80 | 80,18 | 80,49 |

Source: Central Bank of the TRNC

5.1.4 NUMBER OF BANKS, BRANCHES, PERSONNEL AND ATMs

The number of banks operating in the banking sector is 21 at the end of June 2019.

Among the 21 banks in the sector, 2 are public banks, 14 are private banks and 5 are branch banks.

Table 5.3: Number of Banks

| | Jun.17 | Sept.17 | Dec.17 | Mar.18 | Jun.18 | Sept.18 | Dec.18 | Mar.19 | Jun.19 |
|----------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Public Banks | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Private Banks | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 | 14 |
| Branch Banks | 6 | 6 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Total | 22 | 22 | 21 | 21 | 21 | 21 | 21 | 21 | 21 |

Source: Central Bank of the TRNC

The number of bank branches in the sector is 231 in the second quarter of 2019. When the distribution of branch numbers based bank groups are examined, it is

seen that 68.83 of the total number of branches belongs to private banks, 16.88 to branch banks and 14.29 to public banks.

Table 5.4: Number of Branches and Personnel

| Number of Branches | | | | | | | | | |
|----------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Jun.17 | Sept.17 | Dec.17 | Mar.18 | Jun.18 | Sept.18 | Dec.18 | Mar.19 | Jun.19 |
| Public Banks | 36 | 34 | 33 | 32 | 33 | 33 | 33 | 33 | 33 |
| Private Banks | 153 | 156 | 161 | 161 | 160 | 159 | 157 | 158 | 159 |
| Branch Banks | 45 | 43 | 39 | 39 | 39 | 39 | 39 | 39 | 39 |
| Total | 234 | 233 | 233 | 232 | 232 | 231 | 229 | 230 | 231 |
| Number of Personnel | | | | | | | | | |
| | Jun.17 | Sept.17 | Dec.17 | Mar.18 | Jun.18 | Sept.18 | Dec.18 | Mar.19 | Jun.19 |
| Public Banks | 559 | 565 | 558 | 554 | 550 | 547 | 546 | 537 | 534 |
| Private Banks | 1.927 | 1.965 | 2.024 | 2.038 | 2.042 | 2.062 | 2.075 | 2.077 | 2.078 |
| Branch Banks | 564 | 570 | 524 | 519 | 528 | 531 | 527 | 526 | 533 |
| Total | 3.050 | 3.100 | 3.106 | 3.111 | 3.120 | 3.140 | 3.148 | 3.140 | 3.145 |

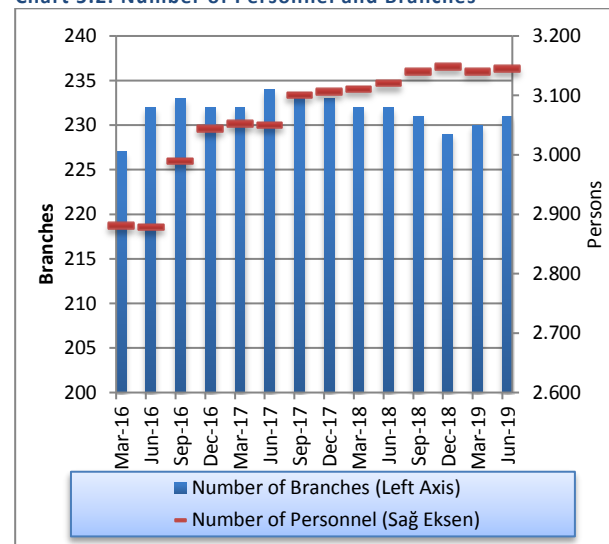
Source: Central Bank of the TRNC

The number of personnel employed in the sector increased by 5 persons and reached from 3,140 to 3,120 during March - June 2019 period. 534 of this personnel are working in public banks, 2,078 in private banks and 533 in branch banks. In this period, the number of personnel in private banks increased from 2,077 to 2,078, the number of personnel in branch banks increased from 526 to 533, and the number of personnel in public banks decreased from 537 to 534.

During June 2018 - June 2019 period, the number of personnel working in the banking sector increased by 25 persons to reach 3,145 from 3,120. In the mentioned period, when the change in the number of personnel is analysed based on bank groups, there was an increase of 36 persons employed in private banks and 5 persons in branch banks, while there was a decrease of 16 persons in public banks.

In the second quarter of 2019, it is observed that 16.98 percent of the personnel working in the sector belong to the public banks, 66.07 percent belong to the private banks and 16.95 percent belong to the branch banks.

Chart 5.2: Number of Personnel and Branches



Source: Central Bank of TRNC

As of the first quarter of 2019, the number of ATMs has been 496. When the distribution of ATMs by bank groups is analysed, branch banks rank first with 222 ATMs. Branch banks are followed by private banks with 216 ATMs and public banks with 58 ATMs. During June 2018 - June 2019 period, the number of ATMs increased from 468 to 496.

Table 5.5: Number of ATMs

| | Jun.18 | Sept.18 | Dec.18 | Mar.19 | Jun.19 |
|----------------------|------------|------------|------------|------------|------------|
| Public Banks | 54 | 54 | 55 | 58 | 58 |
| Private Banks | 200 | 206 | 207 | 210 | 216 |
| Branch Banks | 214 | 214 | 222 | 219 | 222 |
| Total | 468 | 474 | 484 | 487 | 496 |

5.2 BANKING SECTOR CONSOLIDATED BALANCE SHEET

Total assets of the banking sector, which was 35,452.8 million TRY at the end of March 2019, increased by 4.07 percent in the second quarter of 2019 and reached 36,894.5 million TRY. In the aforementioned period, cash and cash equivalents increased by 5.2 percent, gross loans by 2.64 percent, other assets by 16.56 percent, while securities portfolio decreased by 3.11 percent.

Total assets of the sector increased by 22.77 percent in June 2018 - June 2019 period. In the same period, cash

and cash equivalents increased by 41.55 percent, gross loans by 17.41 percent, securities portfolio by 2.08 percent, while deposits increased by 22.55 percent and shareholders' equity by 30.03 percent.

Deposits, which is the most important funding source of the sector increased by 3.95 percent and shareholders' equity increased by 5.67 percent in March - June 2019 period.

Table 5.6: Banking Sector Consolidated Balance Sheet (Million TRY)

| | 2018 | | | 2019 | | Percentage Change | |
|----------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|-------------------|
| | June | September | December | March | June | 03/2019 - 06/2019 | 06/2018 - 06/2019 |
| Cash and Cash Equivalents | 8.021,5 | 9.661,8 | 9.940,9 | 10.792,9 | 11.354,1 | 5,20 | 41,55 |
| Securities Portfolio | 2.140,2 | 2.611,7 | 2.043,4 | 2.255,0 | 2.184,8 | -3,11 | 2,08 |
| Total Gross Loans | 17.330,4 | 19.752,4 | 18.906,1 | 19.824,0 | 20.347,3 | 2,64 | 17,41 |
| Other Assets | 2.559,8 | 2.930,6 | 2.089,8 | 2.580,9 | 3.008,3 | 16,56 | 17,52 |
| Total Assets-Liabilities | 30.051,9 | 34.956,5 | 32.980,2 | 35.452,8 | 36.894,5 | 4,07 | 22,77 |
| Deposits | 24.131,2 | 28.163,1 | 26.441,8 | 28.449,2 | 29.572,1 | 3,95 | 22,55 |
| Debts to Banks | 2.004,8 | 2.328,1 | 2.028,6 | 2.163,7 | 2.190,3 | 1,23 | 9,25 |
| Other Liabilities | 1.228,7 | 1.457,2 | 1.414,7 | 1.533,2 | 1.638,0 | 6,84 | 33,31 |
| Shareholders' Equity | 2.687,2 | 3.008,1 | 3.095,1 | 3.306,7 | 3.494,1 | 5,67 | 30,03 |

Source: Central Bank of the TRNC

5.2.1 ASSETS AND LIABILITIES STRUCTURE

In the second quarter of 2019, the largest share in the sector's total assets is gross loans with 55.15 percent. Gross loans are followed by cash and cash equivalents with a share of 30.44 percent, other assets with a share of 8.15 percent and securities portfolio with 6.36 percent.

When the banking sector is evaluated in terms of the share of the items constituting the asset structure of June 2018 - June 2019 period, an increase in cash and cash equivalents, and a decrease in securities portfolio, gross loans, and other assets is observed.

As of June 2019, 80.15 percent of the total liabilities consist of deposits, 8.76 percent of shareholders' equity, 5.94 percent of debts to banks and 4.45 percent of other liabilities.

When the items constituting the liability structure of the banking sector are evaluated in terms of their shares in June 2018 - June 2019 period, it is seen that there is an increase in other liabilities item, and a decrease in deposits, debts to banks, and shareholders' equity items.

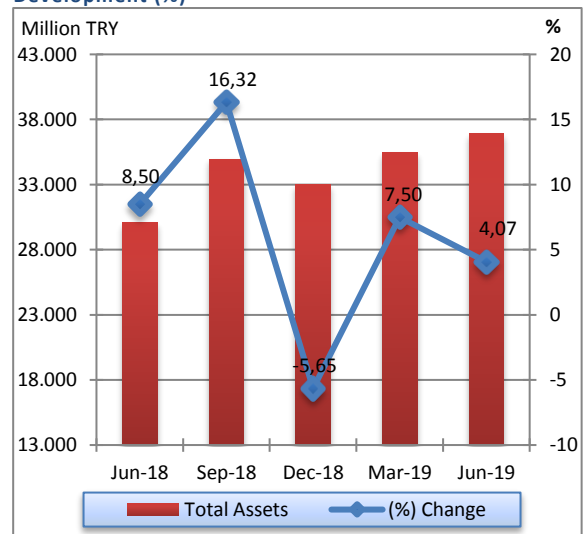
Table 5.7: Structural Percentage Distribution of Banking Sector Assets / Liabilities (%)

| Assets | 2018 | | | 2019 | |
|---------------------------|---------------|---------------|---------------|---------------|---------------|
| | June | September | December | March | June |
| Cash and Cash Equivalents | 26,69 | 27,64 | 30,14 | 30,44 | 30,78 |
| Securities Portfolio | 7,12 | 7,47 | 6,19 | 6,36 | 5,92 |
| Total Gross Loans | 57,67 | 56,51 | 57,33 | 55,92 | 55,15 |
| Other Assets | 8,52 | 8,38 | 6,34 | 7,28 | 8,15 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 | 100,00 |
| Liabilities | | | | | |
| Total Deposits | 80,30 | 80,57 | 80,17 | 80,25 | 80,15 |
| Debts to Banks | 6,67 | 6,66 | 6,15 | 6,10 | 5,94 |
| Other Liabilities | 4,09 | 4,16 | 4,29 | 4,32 | 4,45 |
| Shareholders' Equity | 8,94 | 8,61 | 9,39 | 9,33 | 8,76 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 | 100,00 |

Source: Central Bank of the TRNC

Total assets increased by 8.5 and 16.32 percent in the second and third quarters of 2018, respectively, while it decreased by 5.65 in the last quarter of 2018. Quarter-on-quarter increase of the banking sector's total assets has been 7.5 percent in March 2019, and 4.07 percent in June.

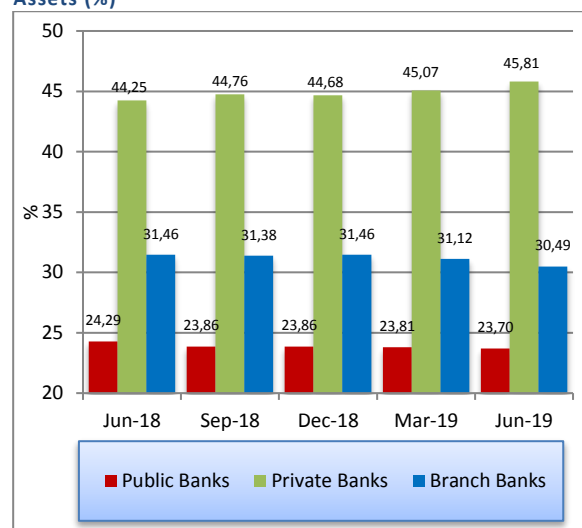
Chart 5.3: Assets of the Banking Sector and Quarterly Development (%)



Source: Central Bank of TRNC

In the second quarter of 2019, the sector's total assets increased from 45.07 to 45.81 percent in the private banks group, while it decreased from 23.81 to 23.7 percent in the public banks group and from 31.12 percent to 30.49 percent in the branch banks group. In June 2018 - June 2019 period, there has been a downsizing in the group of public banks and branch banks, and a growth in private banks.

Chart 5.4: Shares of Bank Groups in the Sector's Total Assets (%)



Source: Central Bank of TRNC

In the second quarter of 2019, public banks' total assets increased by 3.58 percent, private banks' total assets by 5.79 percent and branch banks' total assets by 1.95 percent, compared to the previous quarter. Total assets

increased by 19.77 percent in public banks, 27.12 percent in private banks and 18.97 percent in branch banks, compared to the same period of the previous year.

Table 5.8: Development of Total Assets on the Basis of Bank Groups (Million TRY)

| | 2018 | | | 2019 | | Percentage Change | |
|----------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|-----------------|
| | June | September | December | March | June | 03/2019-06/2019 | 06/2018-06/2019 |
| Public Banks | 7.299,1 | 8.339,9 | 7.868,9 | 8.440,4 | 8.742,3 | 3,58 | 19,77 |
| Private Banks | 13.297,4 | 15.646,4 | 14.734,3 | 15.978,6 | 16.903,0 | 5,79 | 27,12 |
| Branch Banks | 9.455,4 | 10.970,2 | 10.377,0 | 11.033,8 | 11.249,2 | 1,95 | 18,97 |
| Total | 30.051,9 | 34.956,5 | 32.980,2 | 35.452,8 | 36.894,5 | 4,07 | 22,77 |

Source: Central Bank of the TRNC

Analysing the TRY and FX distribution of gross loans as of June 2019, the share of TRY loans decreased from 47.05 percent to 46.72 percent compared to the previous quarter, while the share of FX loans increased from 52.95 percent to 53.28 percent. The share of TRY

deposits increased from 37.71 percent to 38.34 percent as of June 2019, while the share of FX deposits decreased from 62.29 percent to 61.66 percent, compared to the previous quarter.

Table 5.9: TRY and FX Distribution of Gross Loans and Deposits (%)

| | 2018 | | | | | | 2019 | | | |
|-----------------|-------|-------|-----------|-------|----------|-------|-------|-------|-------|-------|
| | June | | September | | December | | March | | June | |
| | TRY | FX | TRY | FX | TRY | FX | TRY | FX | TRY | FX |
| Loans | 50,31 | 49,69 | 43,39 | 56,61 | 48,39 | 51,61 | 47,05 | 52,95 | 46,72 | 53,28 |
| Deposits | 40,79 | 59,21 | 36,16 | 63,84 | 40,10 | 59,90 | 37,71 | 62,29 | 38,34 | 61,66 |

Source: Central Bank of the TRNC

5.2.2 CASH AND CASH EQUIVALENTS

Total of cash assets, receivables from the banks, receivables from the Central Bank and receivables from the interbank money market transactions, which constitute the cash and cash equivalents of the banking sector, increased by 5.2 percent in the second quarter of 2019 and reached from 10,792.9 million TRY to 11,354.1 million TRY, compared to the previous quarter.

In this period, an increase of 22.8 million TRY in the cash values item, 176.1 million TRY in the receivables from the Central Bank item, 108 million TRY in the receivables from the IMM (Interbank Money Market)

transactions item, and 254.3 million TRY in the receivables from the banks item has been recorded.

Cash and cash equivalents amounting to 8,021.5 million TRY at the end of June 2018 increased to 11,354.1 million TRY by the end of June 2019. In the period, cash assets increased by 66 million TRY, receivables from the Central Bank increased by 1,199 million TRY, receivables from IMM transactions increased by 623.2 million TRY and receivables from banks increased by 1,444.4 million TRY.

Table 5.10: Development of the Cash and Cash Equivalents (Million TRY)

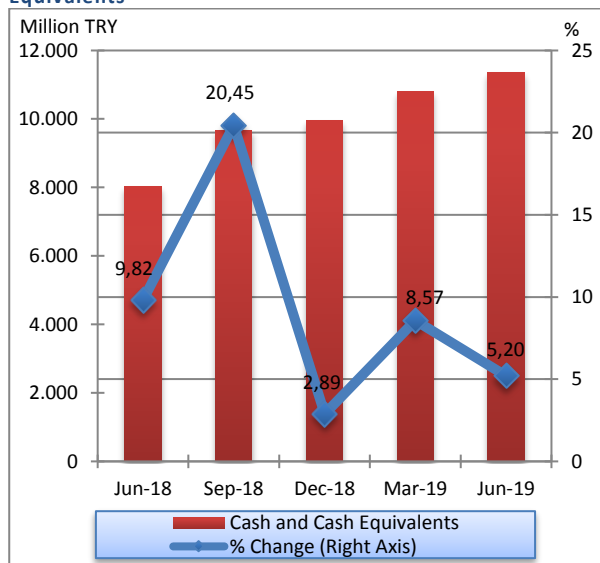
| | 2018 | | | 2019 | | Percentage Change |
|--|----------------|----------------|----------------|-----------------|-----------------|-------------------|
| | June | September | December | March | June | 03/2019 - 06/2019 |
| Cash Assets | 239,3 | 356,5 | 297,6 | 282,5 | 305,3 | 8,07 |
| Receivables from the Central Bank | 2.959,3 | 3.497,1 | 3.804,3 | 3.982,2 | 4.158,3 | 4,42 |
| Receivables from Interbank Money Market Transactions | 1.686,5 | 2.038,8 | 2.135,4 | 2.201,7 | 2.309,7 | 4,91 |
| Receivables from Banks | 3.136,4 | 3.769,4 | 3.703,6 | 4.326,5 | 4.580,8 | 5,88 |
| Total | 8.021,5 | 9.661,8 | 9.940,9 | 10.792,9 | 11.354,1 | 5,20 |

Source: Central Bank of the TRNC

In 2018, cash and cash equivalents increased by 9.82 percent in the second quarter, by 20.45 percent in the third quarter and by 2.89 percent in the fourth quarter. In 2019, cash and cash equivalents increased by 8.57 percent in the first quarter, and by 5.2 percent in the second quarter.

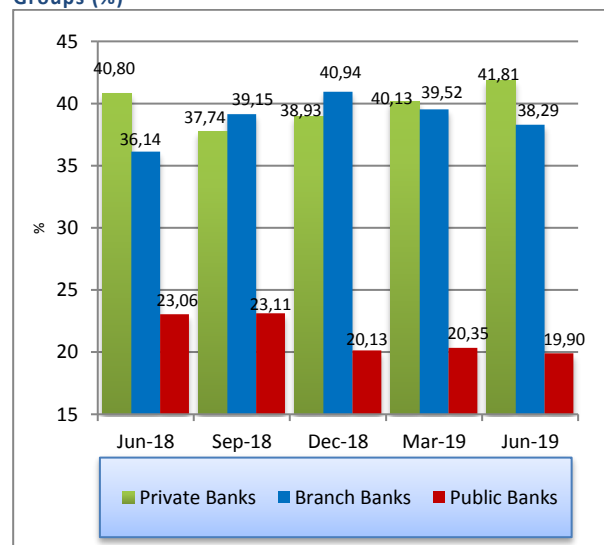
In the second quarter of 2019, the share of cash and cash equivalents of private banks increased, while the shares of public banks and branch banks decreased. In June 2018 - June 2019 period, there has been an increase in private and public bank groups, while there has been a decline branch banks group.

Chart 5.5: Quarterly Percentage Change of Cash and Cash Equivalents



Source: Central Bank of TRNC

Chart 5.6: Shares of Cash and Cash Equivalents by Bank Groups (%)



Source: Central Bank of the TRNC

5.2.3 LOANS

Business loans, which amounted to 12,364.5 million TRY as of June 2019, are in the first rank as in the previous periods. They are followed by consumer loans with 4,685.9 million TRY.

During the period from June 2018 to June 2019, business loans increased from 9,710.9 million TRY to 12,364.5 million TRY while consumer loans increased from 4,462.5 million TRY to 4,685.9 million TRY.

Table 5.11: Distribution of Loans by Type (Million TRY)

| | 2018 | | | 2019 | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| | June | September | December | March | June |
| Business Loans | 9.710,9 | 11.604,1 | 11.285,8 | 11.896,4 | 12.364,5 |
| Consumer Loans | 4.462,5 | 4.946,8 | 4.524,6 | 4.672,6 | 4.685,9 |
| Credit Cards | 421,6 | 444,7 | 457,3 | 452,9 | 493,2 |
| Discount Loans | 220,3 | 248,1 | 236,6 | 254,5 | 250,3 |
| Other Investment Loans | 104,1 | 109,5 | 98,0 | 100,6 | 96,9 |
| Import Loans | 4,2 | 4,7 | 3,8 | 3,9 | 4,2 |
| Loans of Funds Originated | 18,4 | 22,4 | 19,2 | 20,2 | 20,8 |
| Directed Loans | 16,3 | 15,1 | 32,7 | 38,5 | 37,2 |
| Export Loans | 6,9 | 4,9 | 2,9 | 2,4 | 0,9 |
| Loans Extended by Central Bank of the TRNC | 6,9 | 9,1 | 7,9 | 8,3 | 8,7 |
| Loans Extended Through Central Bank of the TRNC | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 |
| Loans to Purchase Security for Customers | 0,5 | 0,7 | 0,5 | 0,4 | 0,3 |
| Export Guaranteed Investment Loans | 0,0 | 0,0 | 0,0 | 0,0 | 0,0 |
| Other Loans | 1.411,3 | 1.359,7 | 1.192,2 | 1.288,0 | 1.281,7 |
| Total Loans | 16.383,9 | 18.769,8 | 17.861,5 | 18.738,7 | 19.244,6 |

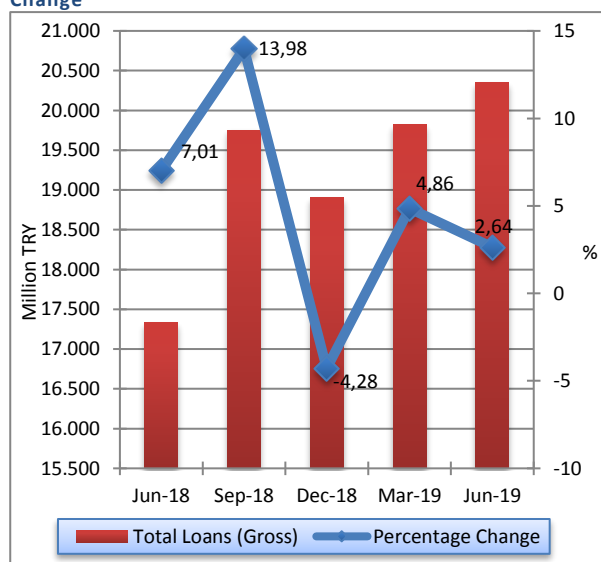
Source: Central Bank of the TRNC

Note: Non-performing loans are not included.

In 2018, gross loans of the sector increased by 7.01 as of June, by 13.98 as of September and by 4.28 percent as of the last quarter. In 2019, gross loans increased by 4.86 percent in the first quarter, and by 2.64 percent in the second quarter.

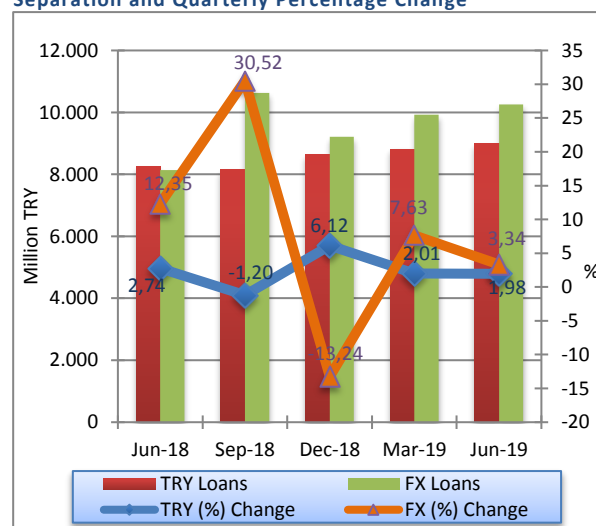
In the second quarter of 2019, 8,991.5 million TRY of the loans are in TRY currency and 10,253.1 million TRY is in foreign currency. In the period, there has been an increase of 1.98 percent in TRY loans and 3.34 percent in FX loans, compared to the previous quarter.

Chart 5.7: Development of Gross Loans and Percentage Change



Source: Central Bank of TRNC

Chart 5.8: Banking Sector Loans (Net) TRY and FX Separation and Quarterly Percentage Change

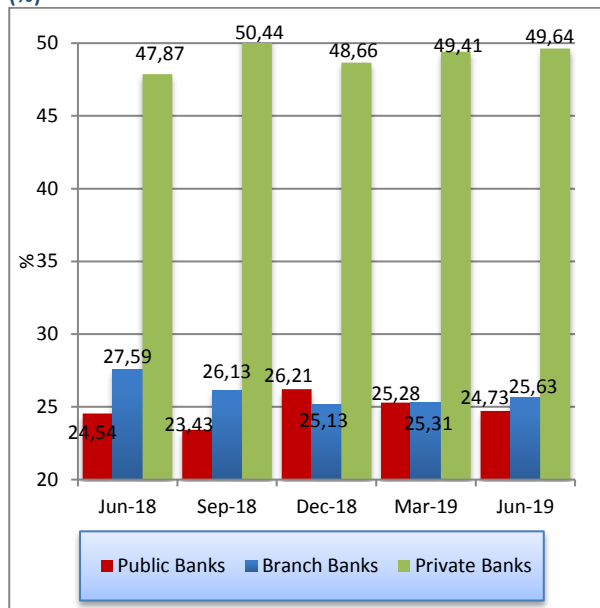


Source: Central Bank of the TRNC

Note: Non-performing loans are not included.

When the shares of gross loans by bank groups are analysed, the share of public banks decreased from 25.28 percent to 24.73 percent in the second quarter of 2019, compared to the previous quarter. The share of the loans extended by private banks group in the total loans increased from 49.41 to 49.64 percent and the share of loans extended by branch banks from 25.31 to 25.63 percent. During June 2018 - June 2019 period, the share of branch banks in total loans decreased, while the share of private banks and public banks increased.

Chart 5.9: Share of Gross Loans on the Basis of Bank Groups (%)



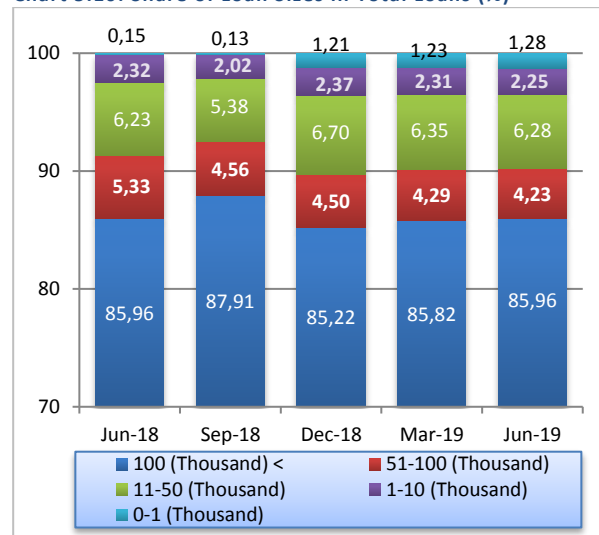
Source: Central Bank of TRNC

By the end of the second quarter of 2019, the share of loans over 100 thousand TRY in total loans has been 85.96 percent.

In this period, 11-50 thousand TRY loans are in second place in loan sizes with a share of 6.28 percent. Loans amounting to 51-100 thousand TRY and 1-10 thousand TRY constitute 4.23 and 2.25 percent of the total loans, respectively. The lowest loan use in the sector has been in loans up to 1 thousand TRY with a share of 1.28 percent.

In June 2018 - June 2019 period, the share of loan sizes in total loans remained at the same level for loans larger than TL 100 thousand. On the other hand, 0-1 thousand TRY and 11-50 thousand TRY loans increased, while 51-100 thousand TRY and 1-10 TRY thousand loans decreased.

Chart 5.10: Share of Loan Sizes in Total Loans (%)

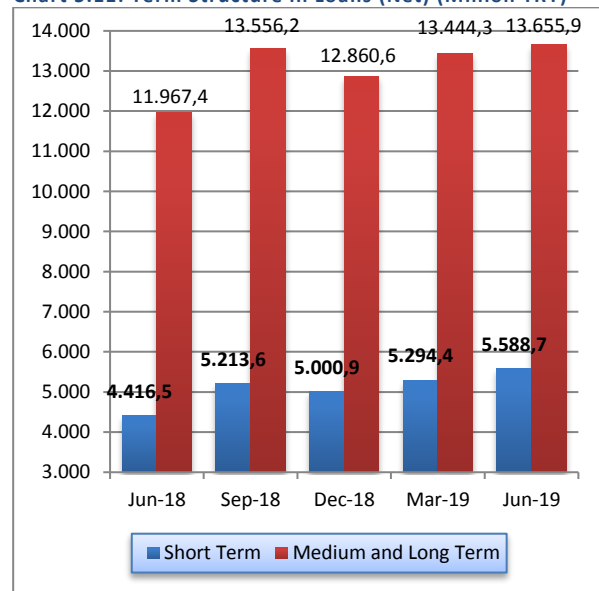


Source: Central Bank of TRNC

Note: Non-performing loans are not included.

In the second quarter of 2019, short-term loans increased from 5,294.4 million TRY to 5,588.7 million TRY, and medium and long-term loans increased from 13,444.3 million TRY to 13,655.9 million TRY. In the June 2018 - June 2019 period, short-term loans increased by 26.54 percent and medium and long-term loans increased by 14.11 percent.

Chart 5.11: Term Structure in Loans (Net) (Million TRY)



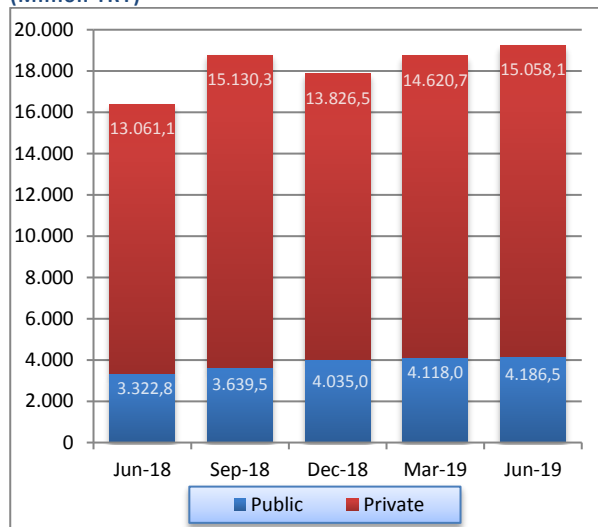
Source: Central Bank of TRNC

Note: Loans with up to 1-year term are classified as short-term loans.

As of June 2019, 78.25 percent of the banking sector’s total loans have been extended to the private sector and 21.75 percent to the public sector. Compared to the previous quarter, loans used by the public sector increased from 4.118 million TRY to 4186.5 million TRY and private sector loans increased from 14,620.7 million TRY to 15,058.1 million TRY.

In June 2018 - June 2019 period, the increase rate of the loans used by the public has been 25.99 percent and the increase rate of the loans used by the private sector has been 15.29 percent.

Chart 5.12: Public and Private Sector Distribution of Loans (Million TRY)

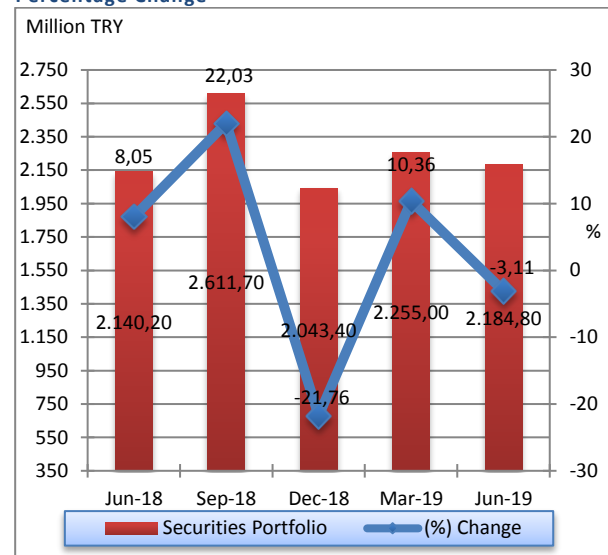


Source: Central Bank of TRNC

5.2.4 SECURITIES PORTFOLIO

Securities portfolio decreased by 3.11 percent as of June 2019, compared to the previous quarter. As of June and September 2018, SP increased by 8.05 and 22.03 percent respectively, while it decreased by 21.76 in December. Securities portfolio has increased by 10.36 percent as of March 2019, compared to the previous quarter.

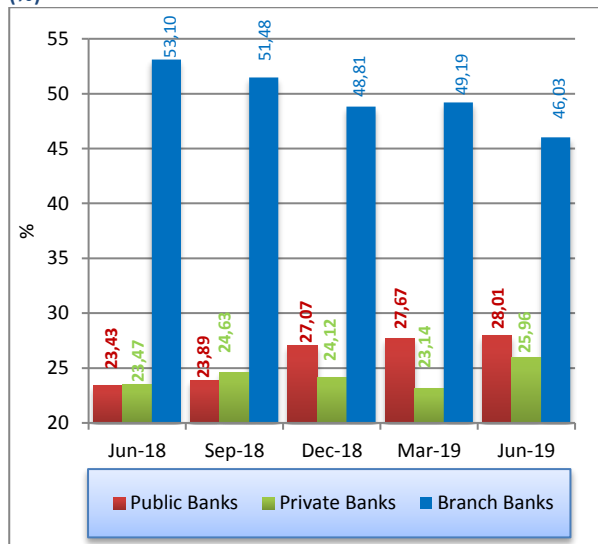
Chart 5.13: Securities Portfolio Totals and Quarterly Percentage Change



Source: Central Bank of TRNC

By the end of the second quarter of 2019, the share of public banks in total SP increased from 27.67 percent to 28.01 percent and the share of private banks from 23.14 percent to 25.96 percent, while the share of branch banks decreased from 49.19 percent to 46.03 percent, compared to the previous quarter. During June 2018 - June 2019 period, the share of public banks and private banks in total loans increased, while the share of branch banks decreased.

Chart 5.14: Shares of Securities Portfolio by Bank Groups (%)



Source: Central Bank of TRNC

5.2.5 DEPOSITS

Deposits, which is the most important funding source of the sector increased by 3.95 percent, in the second quarter of 2019. Deposits increased by 22.55 percent in a one-year period and amounted to 29.572,1 million TRY at the end of June 2019.

As of the end of June 2019, it is observed that the largest share belongs to savings deposits with 21,290.5 million TRY as it was in the previous periods. This is followed by commercial deposits with 5,434.1 million TRY and official deposits with 2,260.8 million TRY. In June 2018 - June 2019 period, savings deposits increased by 22.66 percent, commercial deposits by 15.96 percent and official deposits by 30.65 percent.

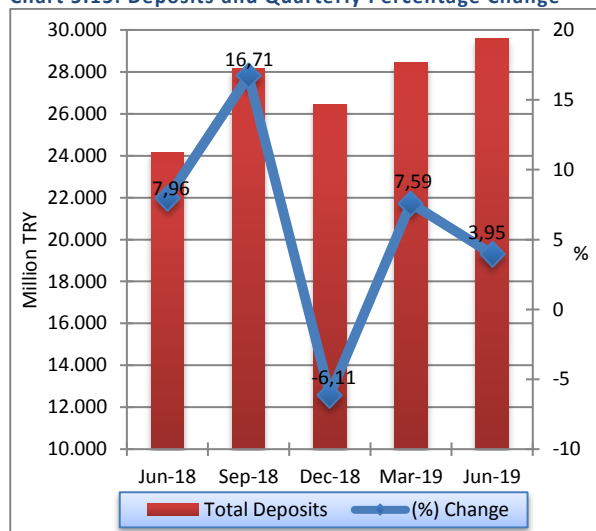
Table 5.12: Development of Deposits by Type (Million TRY)

| | 2018 | | | | 2019 |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| | June | September | December | March | June |
| Savings | 17.357,3 | 20.093,4 | 19.010,8 | 20.574,6 | 21.290,5 |
| Commercial | 4.686,0 | 5.620,5 | 4.922,5 | 5.251,0 | 5.434,1 |
| Official | 1.730,4 | 1.990,1 | 1.917,8 | 2.103,5 | 2.260,8 |
| Other | 357,5 | 459,1 | 590,7 | 520,1 | 586,7 |
| Total Deposits | 24.131,2 | 28.163,1 | 26.441,8 | 28.449,2 | 29.572,1 |
| Debts to Banks | 2.004,8 | 2.328,1 | 2.028,6 | 2.163,7 | 2.190,3 |
| Total Deposits Including Debts to Banks | 26.136,0 | 30.491,2 | 28.470,4 | 30.612,9 | 31.762,4 |

Source: Central Bank of the TRNC

In 2018, total deposits increased by 7.96 percent in the second quarter, 16.71 percent in the third quarter, while it decreased by 6.11 percent in the last quarter. In 2019, total deposits by 7.59 percent in the first quarter and by 3.95 in the second quarter.

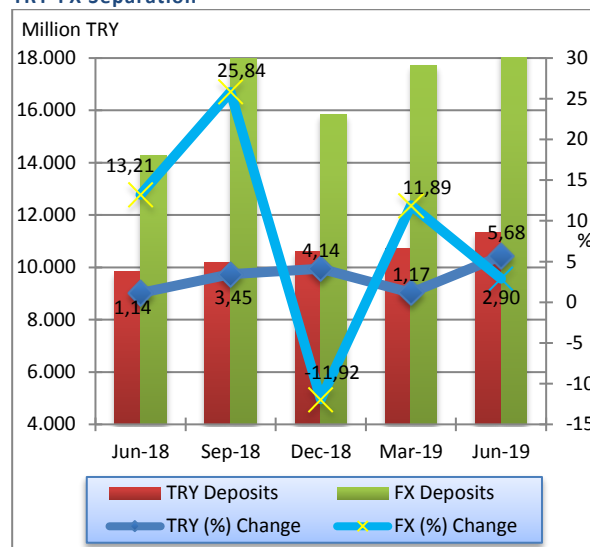
Chart 5.15: Deposits and Quarterly Percentage Change



Source: Central Bank of TRNC

In the second quarter of 2019, it is observed that deposits amounted to 11,337.9 million TRY in Turkish Lira currency and 18,234.2 million TRY in foreign currency. In this period, TRY deposits increased by 5.68 percent and FX deposits increased by 2.9 percent, compared to the previous quarter.

Chart 5.16: Quarterly Percentage Change of Deposits and TRY-FX Separation



Source: Central Bank of TRNC

At the end of June 2019, compared to the previous quarter, TRY deposits of public banks increased by 3.8 percent and FX deposits increased by 1.66 percent, private banks' TRY deposits increased by 8.02 percent and FX deposits increased by 4.43 percent. In the same period, branch banks' TRY deposits increased by 5.05 percent and FX deposits increased by 7 per mille.

Table 5.13: Development of Deposits on the Basis of Bank Groups (Million TRY)

| | March 2019 | | | June 2019 | | | Percentage Change 03/2019-06/2019 | | |
|-----------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|--------------------------------------|-------------|-------------|
| | TRY | FX | Total | TRY | FX | Total | TRY | FX | Total |
| Public Banks | 3.725,5 | 3.609,8 | 7.335,3 | 3.867,2 | 3.669,6 | 7.536,8 | 3,80 | 1,66 | 2,75 |
| Private Banks | 3.836,3 | 9.516,2 | 13.352,5 | 4.144,0 | 9.937,6 | 14.081,6 | 8,02 | 4,43 | 5,46 |
| Branch Banks | 3.166,7 | 4.594,7 | 7.761,4 | 3.326,7 | 4.627,0 | 7.953,7 | 5,05 | 0,70 | 2,48 |
| Total Deposits | 10.728,5 | 17.720,7 | 28.449,2 | 11.337,9 | 18.234,2 | 29.572,1 | 5,68 | 2,90 | 3,95 |

Source: Central Bank of the TRNC

As in previous periods, maturity concentration of the sector deposits belongs to 1-month deposits with a ratio of 48.1 percent. 1-month deposits are followed by, 3-month deposits with a share of 23.4 percent, demand deposits with a share of 14.02 percent, 1-year deposits with a share of 10.49 percent and 6-month deposits with a share of 3.99 percent.

When the maturity distribution of deposits is compared to the previous quarter, there has been an increase of

0.43, in demand deposits and 0.5 points in 3-month deposits, while 1-month, 6-month and 1-year deposits decreased by 0.39, 0.41 and 0.13 points, respectively.

During June 2018 - June 2019 period, 3-month, 6-month and 1-year deposits increased by 2.34, 0.01 and 0.02 points respectively, while demand deposits and 1-month deposits decreased by 0.82, and 1.55 points, respectively.

Table 5.14: Maturity Distribution of Deposits (%)

| | 2018 | | | 2019 | | Change (Points) | |
|----------------|---------------|---------------|---------------|---------------|---------------|-----------------|-----------------|
| | June | September | December | March | June | 03/2019-06/2019 | 06/2018-06/2019 |
| Demand | 14,84 | 14,92 | 13,99 | 13,59 | 14,02 | 0,43 | -0,82 |
| 1-Month | 49,65 | 48,35 | 51,97 | 48,49 | 48,10 | -0,39 | -1,55 |
| 3-Month | 21,06 | 21,33 | 18,72 | 22,90 | 23,40 | 0,50 | 2,34 |
| 6-Month | 3,98 | 4,14 | 4,85 | 4,40 | 3,99 | -0,41 | 0,01 |
| 1-Year | 10,47 | 11,26 | 10,47 | 10,62 | 10,49 | -0,13 | 0,02 |
| Total | 100,00 | 100,00 | 100,00 | 100,00 | 100,00 | | |

Source: Central Bank of the TRNC

When the distribution of deposits in the banking sector is analysed by their size, 0-5 thousand TRY increased from 312.8 million TRY to 444.2 million TRY, 5-10 thousand TRY deposits from 375.5 million TRY to 395 million TRY, 10-50 thousand TRY from 2,443.4 to 2.482 million TRY, and deposits over 100 thousand TRY deposits increased from 21,397.4 million TRY to

22,695.7 million TRY, while 50-100 thousand TRY deposits decreased from 3,920.1 million TRY to 3,555.2 million TRY as of the end of March 2019, compared to the previous quarter. In the second quarter of 2019, the share of deposits over 100 thousand TRY has been 76.75 percent, and deposits of 50-100 thousand TRY has had a share of 12.02 percent.

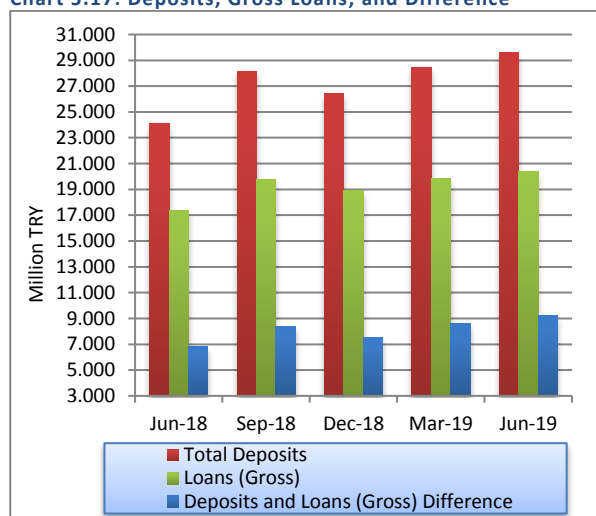
Table 5.15: Distribution of Deposits by Size (Million TRY)

| | 2018 | | | 2019 | |
|------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | June | September | December | March | June |
| 0-5 thousand TRY | 312,2 | 314,5 | 319,3 | 312,8 | 444,2 |
| 5-10 thousand TRY | 351,1 | 358,9 | 375,2 | 375,5 | 395,0 |
| 10-50 thousand TRY | 2.445,8 | 2.396,3 | 2.453,7 | 2.443,4 | 2.482,0 |
| 50-100 thousand TRY | 4.028,1 | 3.666,1 | 3.885,2 | 3.920,1 | 3.555,2 |
| Over 100 thousand TRY | 16.994,0 | 21.427,3 | 19.408,4 | 21.397,4 | 22.695,7 |
| Total Deposits | 24.131,2 | 28.163,1 | 26.441,8 | 28.449,2 | 29.572,1 |

Source: Central Bank of the TRNC

The difference between total deposits and gross loans, which was 8,625.2 million TRY at the end of March 2019, has increased by 599,6 million TRY and rose to 9,224.8 million TRY by the end of June 2019.

Chart 5.17: Deposits, Gross Loans, and Difference

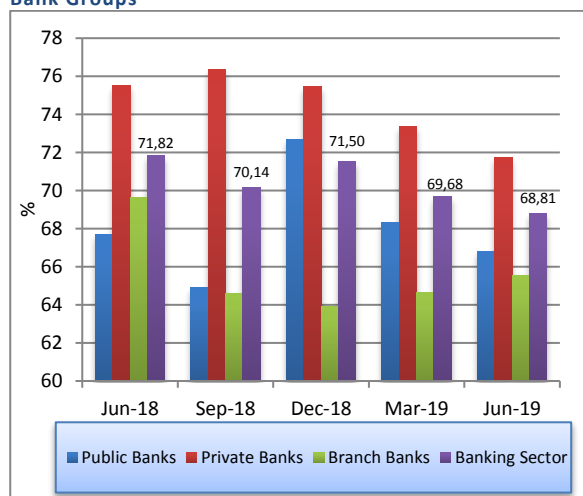


Source: Central Bank of TRNC

Loans to total deposits ratio, which is one of the indicators of the banking sector's depth and intermediary function, was 69.68 percent at the end of March 2019, afterwards, it has decreased to 68.81 percent at the end of June 2019. Loans to total deposits ratio decreased by 3.01 points in a one-year period.

When loans to deposits ratio at the end of June 2019 is examined on the basis of bank groups, private banks rank first with 71.72 percent. Private banks are followed by public banks with a rate of 66.78 percent. Branch banks have a conversion rate of 65.56 percent.

Chart 5.18: Deposits to Loans (Gross) Ratio on the Basis of Bank Groups



Source: Central Bank of TRNC

5.2.6 SHAREHOLDERS' EQUITY

Shareholders' equity, which is of great importance in terms of stability and healthy development of the sector, increased by 5.67 percent, compared to the previous quarter and reached 3,494.1 million TRY at the end of the second quarter of 2019.

It increased by 30.03 percent in June 2018 - June 2019 period. In the one-year period, the paid-in capital of the sector increased by 135 million TRY and reserve requirements increased by 306.8 million TRY.

Table 5.16: Development of Shareholders' Equity (Million TRY)

| | 2018 | | | 2019 | |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|
| | June | September | December | March | June |
| Paid-in Capital | 1.180,3 | 1.181,6 | 1.262,4 | 1.265,6 | 1.315,3 |
| Reserve Requirements | 616,8 | 618,7 | 593,9 | 795,8 | 923,6 |
| Fixed Asset Revaluation | 0,9 | 0,9 | 0,9 | 1,7 | 2,0 |
| Fund Securities Value | 124,0 | 163,6 | 140,7 | 158,4 | 158,4 |
| Increment Fund | | | | | |
| Profit (Loss) | 316,1 | 596,1 | 689,8 | 235,9 | 518,1 |
| Accumulated Profit (Loss) | 449,1 | 447,2 | 407,4 | 849,3 | 576,7 |
| Total | 2.687,2 | 3.008,1 | 3.095,1 | 3.306,7 | 3.494,1 |

Source: Central Bank of the TRNC

5.3 MONEY SUPPLY

Money supply classified as narrow money, which is also called M1 increased by 4.51 percent at the end of June 2019 compared to March 2019 and rose from 6,297.8 million TRY to 6,581,7 million TRY. M1 increased by 23.2 percent in a one-year period.

The money supply qualified as M2, which amounted to 29,051.7 million TRY at the end of March 2019, increased by 3.49 percent in the second quarter of 2019 and reached 30,066.1 million TRY. M2 increased by 22.77 percent in a one-year period.

M3 money supply classified as broad money, which is estimated by adding official deposits and other deposits within Central Bank of the TRNC to the M2, increased by 3.73 percent in the second quarter of 2019 compared to the previous quarter and increased from 31,226.9 million TRY to 32,390.9 million TRY. The increase rate of M3 is 22.97 percent, compared to the same period of the previous year.

Table 5.17: Money Supply (Million TRY)

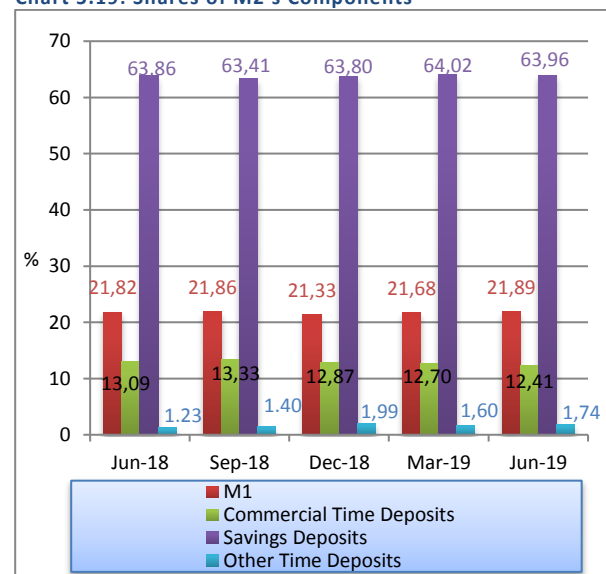
| Years | Period | M1 | Annual Percentage Change | M2 | Annual Percentage Change | M3 | Annual Percentage Change |
|-------|--------|---------|--------------------------|----------|--------------------------|----------|--------------------------|
| 2015 | I | 2.338,5 | 14,08 | 12.470,8 | 15,53 | 13.249,2 | 14,20 |
| | II | 2.532,7 | 17,67 | 13.211,3 | 18,69 | 14.056,5 | 17,55 |
| | III | 2.829,9 | 30,83 | 14.279,2 | 23,32 | 15.106,4 | 21,50 |
| | IV | 2.841,2 | 28,50 | 14.215,8 | 19,66 | 15.109,8 | 19,35 |
| 2016 | I | 2.797,9 | 19,64 | 14.340,3 | 14,99 | 15.181,6 | 14,59 |
| | II | 2.976,9 | 17,54 | 14.620,3 | 10,66 | 15.593,1 | 10,93 |
| | III | 3.158,0 | 11,59 | 15.285,2 | 7,04 | 16.319,0 | 8,02 |
| | IV | 3.544,1 | 24,74 | 16.946,4 | 19,21 | 17.996,6 | 19,10 |
| 2017 | I | 3.754,8 | 34,20 | 18.019,6 | 25,66 | 19.209,2 | 26,53 |
| | II | 3.906,7 | 31,23 | 18.670,5 | 27,70 | 20.066,2 | 28,69 |
| | III | 4.126,2 | 30,66 | 19.847,4 | 29,85 | 21.240,3 | 30,16 |
| | IV | 4.403,3 | 24,24 | 21.181,5 | 24,99 | 22.789,8 | 26,63 |
| 2018 | I | 4.826,2 | 28,53 | 22.844,7 | 26,78 | 24.492,6 | 27,50 |
| | II | 5.342,4 | 36,75 | 24.489,5 | 31,17 | 26.341,2 | 31,27 |
| | III | 6.244,7 | 51,34 | 28.565,7 | 43,93 | 30.698,9 | 44,53 |
| | IV | 5.726,7 | 30,05 | 26.846,9 | 26,75 | 28.868,4 | 26,67 |
| 2019 | I | 6.297,8 | 30,49 | 29.051,7 | 27,17 | 31.226,9 | 27,50 |
| | II | 6.581,7 | 23,20 | 30.066,1 | 22,77 | 32.390,9 | 22,97 |

Source: Central Bank of the TRNC

As in previous periods, the largest share in M2 is 63.96 percent with the savings deposits as of June 2019. This is followed by M1 with a share of 21.89 percent, commercial time deposits with 12.41 percent and other time deposits with a ratio of 1.74 percent.

The savings time deposit, which constitutes the largest share of the structure of M2, increased by 0.1 points to 63.96 percent in June 2018 - June 2019 period. In the mentioned period, M1, one of the other subcomponents of M2, increased from 21.82 percent to 21.89 percent and other time deposits from 1.23 percent to 1.74 percent, while commercial time deposits declined from 13.09 percent to 12.41 percent.

Chart 5.19: Shares of M2's Components



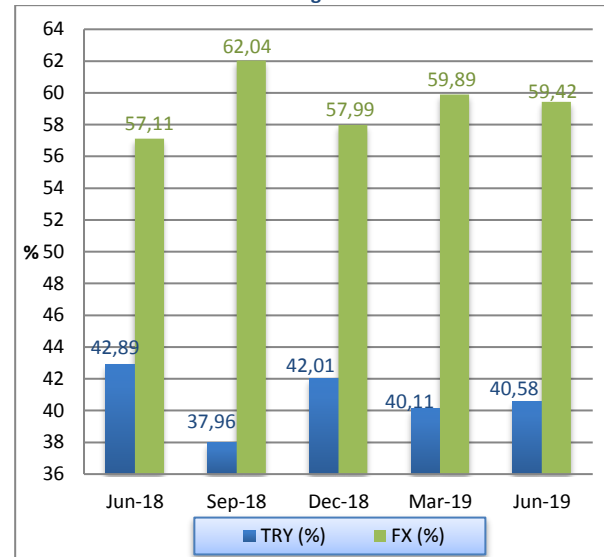
Source: Central Bank of TRNC

Analysing the TRY-FX percentage distribution of M3 as of June 2019, it is observed that the share of TRY deposits in M3 is 40.58 percent and the share of FX deposits is 59.42 percent. These shares were 42.89 percent in TRY and 57.11 percent in FX at the end of June 2018.

5.4 OVERVIEW OF INTERBANK MONEY MARKET

As of the second quarter of 2019, there were 768 transactions in TRY, 583 transactions in USD, 145 transactions in EUR and 497 transactions in GBP currency. In this period, transactions of 32,806 million TRY in Turkish Lira currency, 1,673 million USD in US Dollar currency, 7,188 million EUR in Euro currency and 4,938 million GBP in Pound Sterling currency were made.

Chart 5.20: TRY - FX Percentage Distribution of M3



Source: Central Bank of TRNC

Table 5.18: Transaction Volume (x 1.000) and Amount

| | TRY | | \$ | | € | | £ | |
|-----------|--------|------------|--------|-----------|--------|-----------|--------|-----------|
| | Number | Volume | Number | Volume | Number | Volume | Number | Volume |
| 2018 - Q2 | 779 | 16.336.150 | 121 | 241.600 | 366 | 8.451.450 | 540 | 5.447.950 |
| 2018 - Q3 | 639 | 20.611.650 | 202 | 292.500 | 223 | 6.730.700 | 527 | 5.171.325 |
| 2018 - Q4 | 820 | 31.094.550 | 384 | 598.325 | 163 | 7.398.150 | 566 | 5.544.400 |
| 2019 - Q1 | 790 | 39.379.400 | 501 | 1.349.475 | 169 | 7.913.600 | 651 | 5.802.500 |
| 2019 - Q2 | 768 | 32.806.100 | 583 | 1.673.450 | 145 | 7.187.500 | 497 | 4.937.575 |

Source: Central Bank of the TRNC

Looking at the volume distributions of overnight transactions made in the second quarter of 2019, it is observed that the shares were 98.66 percent in TRY, 100 percent in USD, 99.96 percent in EUR and 99.36 percent in GBP. 1-week TRY transactions have a rate of 1.25 percent and 1-week GBP transactions have a rate

of 0.1 per mille. 2-week transactions were preferred at the rate of 0.2 per mille in TRY and 0.1 per mille in EUR. 3-week transactions had a rate of 0.1 per mille in EUR and GBP, while 1-month transactions had a rate of 0.7 per mille in TRY, 0.2 per mille in EUR and 6.2 per mille in GBP.

Table 5.19: Transaction Volume (x 1.000)

| | TRY | | \$ | | € | | £ | |
|----------------|-------------------|-----------|------------------|-----------|------------------|-----------|------------------|-----------|
| | Volume | Share (%) | Volume | Share (%) | Volume | Share (%) | Volume | Share (%) |
| 2018 Q2 | 16.336.150 | | 241.600 | | 8.451.450 | | 5.447.950 | |
| ON | 15.303.650 | 93,68 | 227.550 | 94.18 | 8.449.950 | 99,98 | 5.429.600 | 99,66 |
| 1W | 928.000 | 5,68 | | | | | | |
| 1M | 91.500 | 0,56 | 14.050 | 5.82 | 1.500 | 0,02 | 18.350 | 0,34 |
| 3M | 13.000 | 0,08 | | | | | | |
| 6M | | | | | | | | |
| 2018 Q3 | 20.611.650 | | 292.500 | | 6.730.700 | | 5.171.325 | |
| ON | 19.981.650 | 96,94 | 281.800 | 96,34 | 6.728.400 | 99,97 | 5.158.975 | 99,76 |
| 1W | 540.000 | 2,62 | 4.900 | 1,68 | | | 500 | 0,01 |
| 2W | 84.000 | 0,41 | 3.600 | 1,23 | | | | |
| 3W | | | | | | | 500 | 0,01 |
| 1M | 6.000 | 0,03 | 2.200 | 0,75 | 2.300 | 0,03 | 11.350 | 0,22 |
| 2018 Q4 | 31.094.550 | | 598.325 | | 7.398.150 | | 5.544.400 | |
| ON | 29.705.550 | 95,53 | 586.575 | 98,04 | 7.397.150 | 99,99 | 5.523.800 | 99,63 |
| 1W | 1.369.000 | 4,40 | 4.100 | 0,68 | | | | |
| 2W | | | 1.800 | 0,30 | | | | |
| 3W | | | 1.500 | 0,25 | | | | |
| 1M | 20.000 | 0,07 | 4.350 | 0,73 | 1.000 | 0,01 | 20.600 | 0,37 |
| 2019 Q1 | 39.379.400 | | 1.349.475 | | 7.913.600 | | 5.802.500 | |
| ON | 38.995.250 | 99,02 | 1.348.575 | 99,93 | 7.913.600 | 100,00 | 5.766.650 | 99,38 |
| 1W | 355.400 | 0,90 | | | | | 500 | 0,01 |
| 2W | | | | | | | 500 | 0,01 |
| 3W | | | | | | | 150 | 0,00 |
| 1M | 27.500 | 0,07 | 900 | 0,07 | | | 34.700 | 0,60 |
| 3M | 1.250 | 0,01 | | | | | | |
| 2019 Q2 | 32.806.100 | | 1.673.450 | | 7.187.500 | | 4.937.575 | |
| ON | 32.366.300 | 98,66 | 1.673.450 | 100,00 | 7.184.550 | 99,96 | 4.906.075 | 99,36 |
| 1W | 409.000 | 1,25 | | | 500 | 0,01 | 500 | 0,01 |
| 2W | 5.000 | 0,02 | | | 400 | 0,01 | | |
| 3W | | | | | 400 | 0,01 | 500 | 0,01 |
| 1M | 24.300 | 0,07 | | | 1.650 | 0,02 | 30.500 | 0,62 |
| 3M | 1.500 | | | | | | | |

Source: Central Bank of the TRNC

Note ON: Overnight

W: Weekly

M: Monthly

Average interest rates for overnight transactions made in the second quarter of 2019 have been 17.8 percent in TRY, 1.25 percent in USD, 0.5 percent in EUR, and 0.65 percent in GBP. Interest rates of weekly transactions have been 19.71 percent in TRY, 1.5 percent in EUR, and 2 percent in GBP. Average interest rates for 2-week transactions have been 19 percent in

TRY and 1.75 percent in EUR. Average interest rates for 3-week transactions have been 2 percent in EUR and 1 percent in GBP. Average interest rates of 1-month transactions have been 20.64 percent in TRY, 2 percent in EUR and 3 percent in GBP. The average interest rate for 3-month TRY transactions has been 22.5 percent.

Table 5.20: Average Interest Rates (%)

| | TRY | | | | | \$ | | | | | € | | | | | £ | | | | |
|----------------|-------|-------|-------|-------|-------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| | ON | 1W | 2W | 1M | 3M | ON | 1W | 2W | 3W | 1M | ON | 1W | 2W | 3W | 1M | ON | 1W | 2W | 3W | 1M |
| 2018 Q2 | 8,99 | 10,88 | | 10,24 | 10,50 | 0,55 | | | | 1,72 | 0,50 | | | 0,75 | 0,75 | | | | | 1,34 |
| Q3 | 12,59 | 14,67 | 13,50 | 16,75 | | 1,04 | 3,11 | 3,06 | | 2,45 | 0,50 | | | 1,90 | 0,75 | 2,00 | | | 1,75 | 2,14 |
| Q4 | 18,25 | 19,75 | | 22,14 | | 1,25 | 3,25 | 3,33 | 3,67 | 3,75 | 0,50 | | | 2,38 | 0,75 | | | | | 2,95 |
| 2019 Q1 | 18,12 | 19,74 | | 19,98 | 21,00 | 1,25 | | | | 3,67 | 0,50 | | | | 0,74 | 2,00 | 2,25 | 2,75 | 3,26 | |
| Q2 | 17,80 | 19,71 | 19,00 | 20,64 | 22,50 | 1,25 | | | | | 0,50 | 1,50 | 1,75 | 2,00 | 2,00 | 0,65 | 2,00 | | 1,00 | 3,00 |

Source: Central Bank of the TRNC

Note ON: Overnight

W: Weekly

M: Monthly

5.5 CREDIT CARDS MAXIMUM INTEREST RATES

"Law on Bank Cards and Credit Cards" No. 58/2014, which was enacted and published in the Official Gazette dated November 20, 2014, delegated the duty and authority of determining the monthly maximum contractual and default interest rates to be applied in credit card transactions to Central Bank of the TRNC.

Central Bank of the TRNC issued monthly maximum contractual and default interest rates of credit cards in this framework for the first time on January 2, 2015.

The information regarding the monthly maximum contractual and default interest rates of credit cards determined and published by the Central Bank of the TRNC is presented in the table below.

Table 5.21: Credit Cards Maximum Interest Rates (%)

| Effective Date | TRY | | FX | |
|------------------------|-----------------------|-------------------------------|-----------------------|-------------------------------|
| | Monthly Max. Contract | Monthly Max. Overdue Interest | Monthly Max. Contract | Monthly Max. Overdue Interest |
| 01/04/2016 (OG 41) | 2,09 | 2,59 | 1,27 | 1,77 |
| 01/07/2016 (OG 85) | 2,14 | 2,64 | 1,26 | 1,76 |
| 01/10/2016 (OG 123) | 2,12 | 2,62 | 1,24 | 1,74 |
| 02/01/2017 (OG 2) | 2,06 | 2,56 | 1,23 | 1,73 |
| 03/04/2017 (OG 61) | 2,00 | 2,50 | 1,21 | 1,71 |
| 03/07/2017 (OG 113) | 1,97 | 2,47 | 1,20 | 1,70 |
| 02/10/2017 (OG 161) | 2,00 | 2,50 | 1,18 | 1,68 |
| 02/01/2018 (OG 1) | 2,06 | 2,56 | 1,17 | 1,67 |
| 02/04/2018 (OG 303) | 2,16 | 2,66 | 1,16 | 1,66 |
| 02/07/2018 (OG 102) | 2,26 | 2,76 | 1,15 | 1,65 |
| 01/10/2018 (OG 143) | 2,54 | 3,04 | 1,18 | 1,68 |
| 02/01/2019 (OG 1) | 3,40 | 3,90 | 1,18 | 1,68 |
| 01/04/2019 (OG 45) | 3,22 | 3,72 | 1,18 | 1,68 |
| 01/07/2019 (OG 90) | 3,18 | 3,68 | 1,20 | 1,70 |

Source: Central Bank of the TRNC

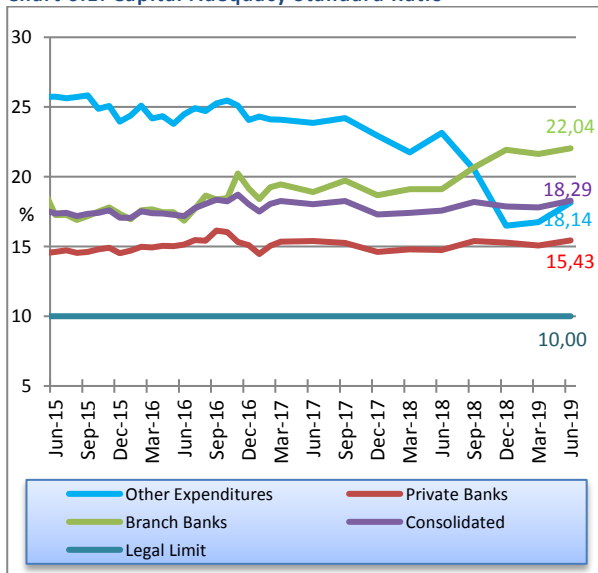
6 FINANCIAL STABILITY ANALYSIS

6.1 CAPITAL ADEQUACY

In the second quarter of 2019, the sector’s capital adequacy standard ratio increased by 0.5 points compared to the previous quarter and reached 18.29 percent, above the legal limit of 10 percent.

As of June 2019, CASR based on bank groups has been 18.14 percent in public banks, 15.43 percent in private banks and 22.04 percent in branch banks. As of March 2019, these ratios were 16.74, 15.08 and 21.64 percent, respectively. Compared to the same period of the previous year, CASR decreased by 5 points in public banks and increased by 0.69 points in private banks and by 2.93 points in branch banks.

Chart 6.1: Capital Adequacy Standard Ratio



Source: Central Bank of TRNC

Comparing the risk-weighted assets of the sector to the previous quarter at the end of June 2019, assets with 0 percent risk weight increased by 9.17 percent, assets with 20 percent risk weight increased by 6.92 percent, those with 50 percent risk weight increased by 7.28 percent, and assets with 100 percent risk weight increased by 2.31 percent. In the period concerned, total market risk and operational risk increased by 51 million TRY and reached 3,779.6 million TRY, compared to the previous period. Total market risk and operational risk of the sector increased by 979.1 million TRY in the one-year period (June 2018 - June 2019).

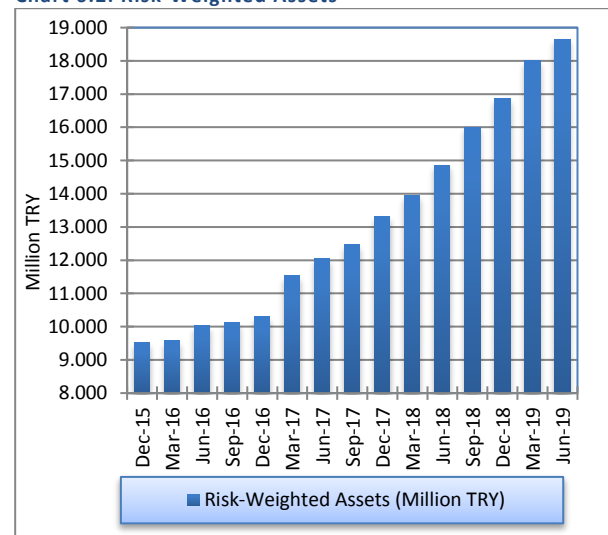
Table 6.1: Risk-Weighted Assets

| | Jun. 2018 | Sept. 2018 | Dec. 2018 | Mar. 2019 | Jun. 2019 | Percentage Change (03/19-06/19) |
|---------------------------------------|-----------|------------|-----------|-----------|-----------|---------------------------------|
| 0 % | 13.303,1 | 11.422,1 | 11.915,1 | 12.583,9 | 13.739,1 | 9,17 |
| 20 % | 2.910,2 | 4.988,2 | 5.988,4 | 6.550,9 | 7.004,8 | 6,92 |
| 50 % | 6.860,4 | 6.900,4 | 7.275,3 | 7.745,2 | 8.309,2 | 7,28 |
| 100 % | 8.050,8 | 8.443,5 | 8.357,1 | 9.105,1 | 9.316 | 2,31 |
| Market Risk + Operational Risk | 2.800,5 | 3.114,8 | 3.661,3 | 3.728,6 | 3.779,6 | 1,36 |

Source: Central Bank of the TRNC

In the second quarter of 2019, risk-weighted assets increased by 3.52 percent, compared to the previous quarter. Weighted sum of risk-weighted assets, which amounted to 18,016.5 million TRY as of March 2019, increased by 634.6 million TRY at the end of June 2019 and reached 18,651.1 million TRY. Risk-weighted assets of the sector increased by 25.48 percent in June 2018 - June 2019 period.

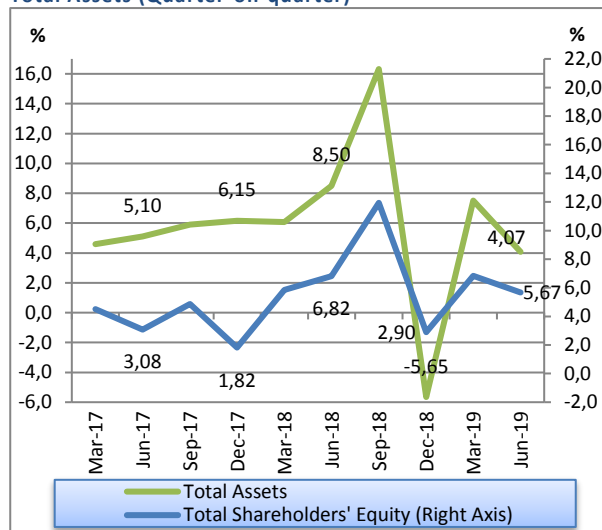
Chart 6.2: Risk-Weighted Assets



Source: Central Bank of the TRNC

As of the end of June 2019, total assets increased by 4.07 percent and total shareholders' equity increased by 5.67 percent, compared to March 2019. Total assets and shareholders' equity increased by 22.77 percent and 30.03 percent, respectively, compared to the same period of the previous year.

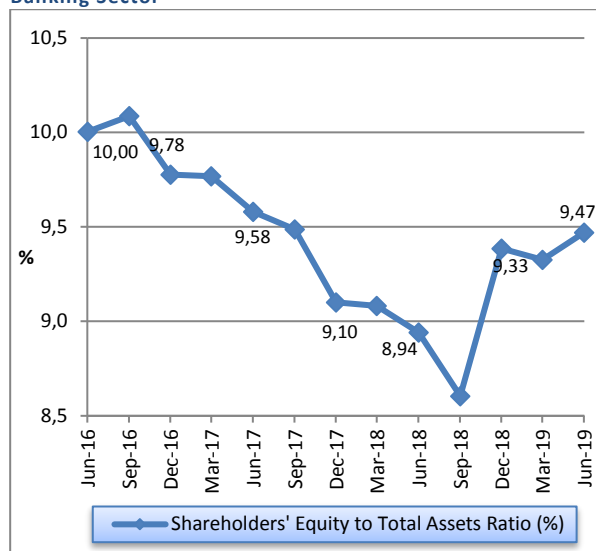
Chart 6.3: Increase Rates in Total Shareholders' Equity and Total Assets (Quarter-on-quarter)



Source: Central Bank of TRNC

The ratio of total shareholders' equity to total assets in the banking sector declined in the first three quarters to 9.08 percent the first, 8.94 percent in the second and 8.6 percent in the third quarter of 2018, then it increased to 9.38 percent in the last quarter of 2018. This ratio decreased to 9.33 in the first quarter, then increased to 9.47 in the second quarter of 2019.

Chart 6.4: Shareholders' Equity to Total Assets Ratio of Banking Sector

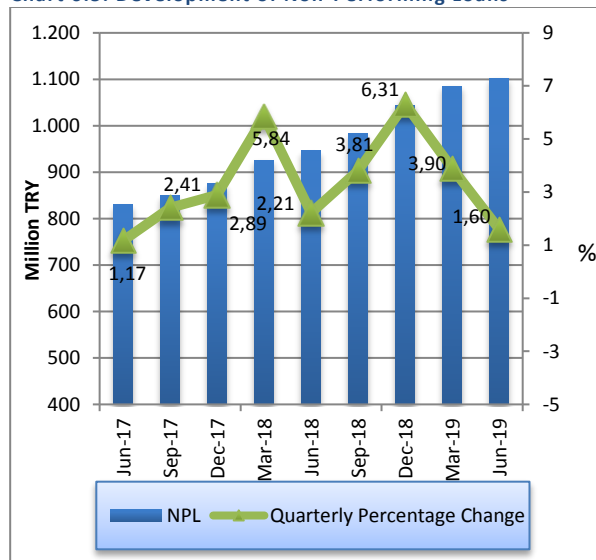


Source: Central Bank of TRNC

6.2 NON-PERFORMING LOANS

Sector's non-performing loans amounted to 1,085.3 million TRY as of the end of December 2018, then increased by 1.6 percent and reached 1,102.7 million TRY as of the end of March 2019. Non-performing loans increased by 16.5 percent, compared to the same period of the previous year.

Chart 6.5: Development of Non-Performing Loans

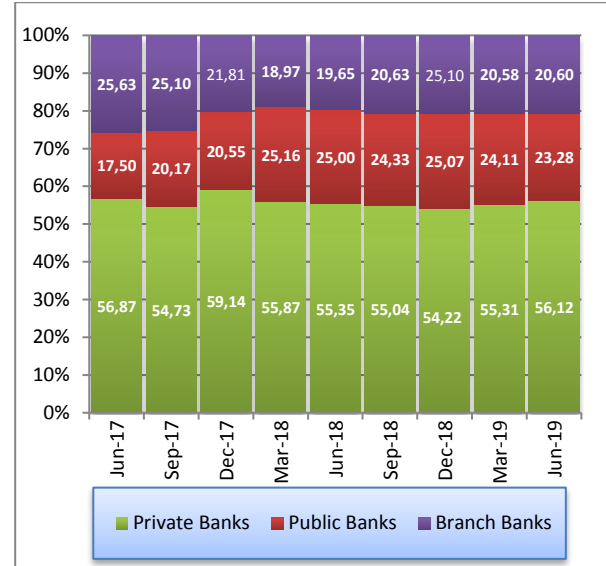


Source: Central Bank of TRNC

As of the end of the second quarter of 2019, it is observed that the share of private banks and branch banks in total NPL increased and the share of public banks decreased, compared to the previous quarter. Accordingly, in March 2019 - June 2019 period, the share of private banks in total NPL increased from 55.31 percent to 56.12 percent, share of branch banks from 20.58 percent to 20.6 percent, while the share of public banks in total NPL decreased from 24.11 percent to 23.28 percent. In June 2018 - June 2019 period, the share of private banks in total NPL increased from 55.35 percent to 56.12 percent, while the share of branch banks increased from 19.65 percent to 20.6 percent. In the same period, the share of public banks decreased from 25 percent to 23.28 percent.

In the second quarter of 2019, total assets amounted to 36,894.5 million TRY, total gross loans amounted to 20,347.3 million TRY, NPL amounted to 1,102.7 million TRY and provisions for non-performing loans amounted to 733 million TRY. Analysed by bank groups, as of June 2019, total assets in public banks are 8,742.3 million TRY, total gross loans are 5,033.2 million TRY, non-performing loans are 256.7 million TRY and provisions for non-performing loans are 224.2 million TRY.

Chart 6.6: Distribution of Non-Performing Loans by Bank Groups



Source: Central Bank of TRNC

In the private banks, total assets amounted to 16,903 million TRY, total gross loans amounted to 10,099.7 million TRY, non-performing loans amounted to 618.8 million TRY and provisions for non-performing loans amounted to 328.2 million TRY. Branch banks have total assets of 11,249.1 million TRY, total gross loans of 5,214.4 million TRY, non-performing loans of 227.2 million TRY and provisions for non-performing loans of 180.6 million TRY.

Table 6.2: Development of Various Selected Items by Bank Groups (Million TRY)

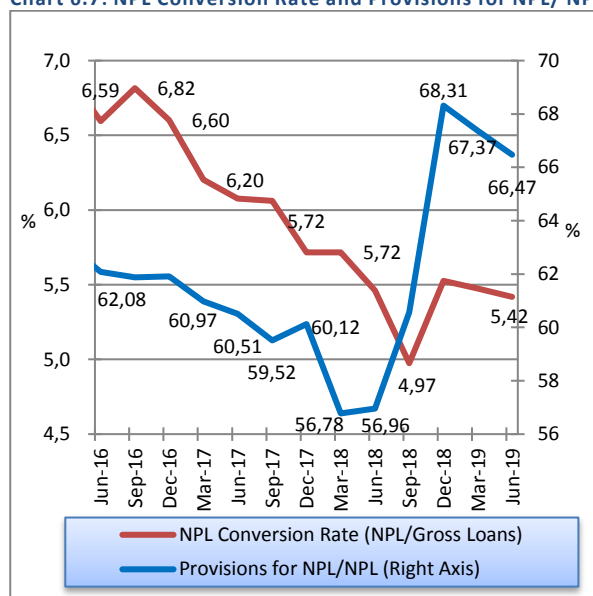
| | Total Assets | | | Total Gross Loans | | | NPL | | | Provisions for NPL | | |
|----------------------|-----------------|-----------------|-----------------|-------------------|-----------------|-----------------|----------------|----------------|----------------|--------------------|--------------|------------|
| | Dec.18 | Mar.19 | Jun.19 | Dec.18 | Mar.19 | Jun.19 | Dec.18 | Mar.19 | Jun.19 | Dec.18 | Mar.19 | Jun.19 |
| Public Banks | 8.440,4 | 8.440,4 | 8.742,3 | 4.954,7 | 5.011,7 | 5.033,2 | 261,8 | 261,7 | 256,7 | 226,3 | 226,5 | 224,2 |
| Private Banks | 15.978,6 | 15.978,6 | 16.903 | 9.199,4 | 9.795,3 | 10.099,7 | 566,4 | 600,2 | 618,8 | 313,2 | 324,5 | 328,2 |
| Branch Banks | 11.033,8 | 11.033,8 | 11.249,1 | 4.752,0 | 5.016,9 | 5.214,4 | 216,4 | 223,4 | 227,2 | 174,1 | 180,2 | 180,6 |
| Total | 32.980,2 | 32.980,2 | 36.894,5 | 18.906,1 | 19.823,9 | 20.347,3 | 1.044,6 | 1.085,3 | 1.102,7 | 713,6 | 731,2 | 733 |

Source: Central Bank of the TRNC

NPL conversion rate, which was 6.82 percent as of September 2016, declined to 4.97 percent by September 2018. In March 2019, the NPL conversion rate increased by 0.05 points and reached 5.42 percent. It has experienced a decrease of 0.04 points during the one-year period (June 2018 - June 2019).

While the ratio of provisions for NPL to total NPL was 67.37 percent by the end of March 2019, it decreased by 0.9 points to 66.47 percent in June 2019. During June 2018 - June 2019 period, the ratio of provisions for NPL to total NPL increased by 9.52 points.

Chart 6.7: NPL Conversion Rate and Provisions for NPL/ NPL



Source: Central Bank of TRNC

6.3 RETURN ON ASSETS AND RETURN ON EQUITY

Sector's return on assets, which was 2.46 percent at the end of March 2019, increased to 2.58 percent, return on equity, which was 27.12 percent, increased to 28.18 percent and net interest margin increased from 4.02 percent to 4.15 percent in the second quarter of 2019. In the period of June 2018 - June 2019, return on assets of the sector increased from 2.02 percent to 2.58 percent, return on equity from 22.06 percent to 28.18 percent, and net interest margin from 3.28 percent to 4.15 percent.

Table 6.3: Return on Assets and Return on Equity and Net Interest Income Ratios

| Description | 2018 | | 2019 | | Jun. |
|----------------------------------|-------|-------|-------|-------|-------|
| | Jun. | Sept. | Dec. | Mar. | |
| Return on Assets ¹ | 2,02 | 2,42 | 2,23 | 2,46 | 2,58 |
| Return on Equity ² | 22,06 | 27,31 | 24,96 | 27,12 | 28,18 |
| Net Interest Margin ³ | 3,28 | 3,51 | 3,82 | 4,02 | 4,15 |

Source: Central Bank of the TRNC

Note: 1. Return on Assets: Net Profit / Total Assets

2. Return on Equity: Net Profit / Total Shareholders' Equity

3. (Net Interest Margin after Provision + Provisions for NPL) / Total Assets

- Net Profit: 12-month cumulative total
- Total Assets: 12-month total
- Total Shareholders' Equity: 12-month total
- Net Interest Margin after Provision + Provisions for NPL: 12-month cumulative total

ANNEX A. ECONOMIC DECISIONS

Table A.1: Economic Decisions - Central Bank of the TRNC

| Subject | Notifications, Notices, and Board of Directors Decisions Published in the Official Gazette | | Official Gazette | |
|---|---|--------|------------------|--------|
| | Date | Number | Date | Number |
| Determining the Monthly Maximum Contractual and Default Interest Rates to be Applied on Credit Cards | | | 03.01.2019 | 1 |
| Notification on the Risks Undertaken (Amendment) | 24.01.2019 | 1028 | 05.02.2019 | 15 |
| Notification on Accounting Systems and Document Storage | 28.02.2019 | 1031 | 22.03.2019 | 40 |
| Good Practice Guideline on Operational Risk Management | 21.03.2019 | 1033 | 03.05.2019 | 62 |
| Notification on the Qualifications, Duties, Authorities, and Responsibilities of Board Members Responsible for Internal Control Systems | 18.04.2019 | 1036 | 27.05.2019 | 74 |
| Central Bank of the TRNC - Determining the Monthly Maximum Contractual and Default Interest Rates to be Applied on Credit Cards | | | 01.07.2019 | 90 |
| Good Practice Guideline on Liquidity Risk Management | 18.07.2019 | 1045 | 02.08.2019 | 110 |
| Interest rate change for Turkish lira and foreign currency deposit accounts | 26.07.2019 | 1046 | 29.07.2019 | 107 |
| Turkish lira rediscount and advance annual interest rate change | 26.07.2019 | 1047 | 29.07.2019 | 107 |
| Central Bank of the TRNC - All Kinds of Dormant Deposits, Trusts, and Receivables | | | 06.08.2019 | 111 |

Table A.2: Economic Decisions - Legal Regulations

| Subject | Law/Draft Law | | Official Gazette | |
|---|---------------|---------|------------------|--------|
| | Date | Number | Date | Number |
| Laws | | | | |
| Law on Refunds of Retail Goods and Services Purchase Payments by Credit Cards | 02.07.2019 | 33/2019 | 02.07.2019 | 91 |
| Draft Laws | | | | |
| | | | | |

ANNEX B. STATISTICAL DATA

Table B.1: Central Bank of TRNC Selected Balance Items (TRY)

| Date | Liquid Assets | Loans | Other Assets | Total Assets | Shareholders' Equity | Deposits | Reserve Requirements | Other Liabilities | Total Liabilities |
|----------------------|----------------|-------------|--------------|-----------------------|----------------------|---------------|----------------------|-------------------|-----------------------|
| 30 Jun. 2014 | 3.270.433.195 | 121.218.064 | 1.804.149 | 3.393.455.408 | 247.254.958 | 1.792.772.785 | 890.156.351 | 463.271.314 | 3.393.455.408 |
| 30 Sept. 2014 | 3.511.228.059 | 119.312.114 | 1.752.480 | 3.632.292.653 | 248.132.449 | 1.917.060.863 | 938.524.944 | 528.574.397 | 3.632.292.653 |
| 31 Dec. 2014 | 3.645.697.257 | 171.220.524 | 25.331.106 | 3.842.248.887 | 258.929.182 | 1.493.119.701 | 954.982.558 | 1.135.217.446 | 3.842.248.887 |
| 31 Mar. 2015 | 3.739.517.315 | 115.254.133 | 2.248.301 | 3.857.019.749 | 276.152.356 | 1.408.442.288 | 1.006.554.132 | 1.165.870.973 | 3.857.019.749 |
| 30 Jun. 2015 | 4.297.312.709 | 132.031.767 | 18.942.188 | 4.448.286.664 | 276.996.548 | 1.482.713.730 | 1.062.691.010 | 1.625.885.376 | 4.448.286.664 |
| 30 Sept. 2015 | 4.883.071.770 | 133.138.667 | 2.280.396 | 5.018.490.833 | 278.408.386 | 1.554.299.105 | 1.159.694.120 | 2.026.089.222 | 5.018.490.833 |
| 31 Dec. 2015 | 4.820.323.929 | 184.465.057 | 20.635.529 | 5.025.424.515 | 400.156.276 | 1.597.089.925 | 1.143.470.037 | 1.884.708.277 | 5.025.424.515 |
| 31 Mar. 2016 | 4.759.331.238 | 177.928.840 | 2.511.781 | 4.939.771.859 | 317.637.476 | 1.368.093.189 | 1.158.875.053 | 2.095.166.141 | 4.939.771.859 |
| 30 Jun. 2016 | 4.743.182.458 | 213.175.830 | 2.640.121 | 4.958.998.409 | 318.658.983 | 1.476.230.465 | 1.172.163.993 | 1.991.944.968 | 4.958.998.409 |
| 30 Sept. 2016 | 5.466.386.701 | 186.416.180 | 2.729.886 | 5.655.532.767 | 319.829.286 | 1.706.384.976 | 1.233.282.326 | 2.396.036.179 | 5.655.532.767 |
| 31 Dec. 2016 | 6.362.944.796 | 67.051.670 | 22.187.719 | 6.452.184.185 | 465.169.093 | 2.083.019.935 | 1.359.700.420 | 2.544.294.737 | 6.452.184.185 |
| 31 Mar. 2017 | 6.764.573.400 | 101.158.224 | 3.401.183 | 6.869.132.807 | 365.686.916 | 2.121.997.651 | 1.448.684.018 | 2.932.764.222 | 6.869.132.807 |
| 30 Jun. 2017 | 6.981.906.564 | 134.992.949 | 2.841.955 | 7.119.741.468 | 367.060.935 | 2.317.720.970 | 1.512.813.049 | 2.922.146.514 | 7.119.741.468 |
| 30 Sept. 2017 | 7.630.043.970 | 191.469.924 | 2.907.269 | 7.824.421.163 | 368.577.947 | 2.505.097.829 | 1.615.196.100 | 3.335.549.287 | 7.824.421.163 |
| 31 Dec. 2017 | 8.118.080.496 | 114.227.729 | 3.260.499 | 8.235.568.724 | 384.891.701 | 2.681.914.710 | 1.729.000.717 | 3.574.231.898 | 8.370.039.032 |
| 31 Mar. 2018 | 8.545.422.968 | 219.540.337 | 4.339.065 | 8.769.302.370 | 436.642.697 | 2.870.588.126 | 1.851.557.638 | 3.610.513.909 | 8.769.302.370 |
| 30 Jun. 2018 | 9.341.542.297 | 155.660.857 | 2.673.006 | 9.499.876.160 | 439.621.419 | 3.105.622.819 | 1.993.912.015 | 3.960.719.907 | 9.499.876.160 |
| 30 Sept. 2018 | 11.073.132.669 | 172.557.057 | 2.684.160 | 11.248.373.886 | 445.771.689 | 3.717.146.751 | 2.052.867.163 | 5.032.588.283 | 11.248.373.886 |
| 31 Dec. 2018 | 10.499.595.834 | 61.335.607 | 294.637.228 | 10.855.568.669 | 480.942.598 | 3.917.979.147 | 1.885.311.620 | 4.571.335.304 | 10.855.568.669 |
| 31 Mar. 2019 | 10.833.216.002 | 188.417.441 | 12.142.380 | 11.033.775.823 | 565.586.996 | 4.040.009.260 | 2.011.711.161 | 4.416.468.406 | 11.033.775.823 |
| 30 Jun. 2019 | 11.423.695.382 | 198.753.741 | 4.705.193 | 11.627.154.316 | 569.937.350 | 4.264.704.130 | 2.101.571.020 | 4.690.941.816 | 11.627.154.316 |

Source: Central Bank of the TRNC

Note: Debts to banks item is included in the total deposits.

Table B.2: Central Bank of the TRNC Liquid Assets (TRY)

| Date | Cash Assets | Gold Deposit | Bank Deposits (TRY) | Bank Deposits (FX) | Foreign Banks | Securities Portfolio | Total |
|----------------------|-------------|--------------|---------------------|--------------------|---------------|----------------------|-----------------------|
| 30 Jun. 2014 | 37.813.934 | 2.146.362 | 1.173.711.609 | 1.837.164.805 | 51.540.117 | 168.056.368 | 3.270.433.195 |
| 30 Sept. 2014 | 63.855.297 | 2.146.362 | 1.167.075.364 | 1.915.670.506 | 63.391.520 | 299.089.010 | 3.511.228.059 |
| 31 Dec. 2014 | 59.575.201 | 2.341.331 | 1.307.875.937 | 1.925.886.634 | 60.933.484 | 289.084.670 | 3.645.697.257 |
| 31 Mar. 2015 | 93.270.862 | 2.341.331 | 1.456.217.149 | 1.979.335.666 | 48.438.307 | 159.914.000 | 3.739.517.315 |
| 30 Jun. 2015 | 82.385.984 | 2.341.331 | 1.467.167.127 | 2.411.582.643 | 113.843.324 | 219.992.300 | 4.297.312.709 |
| 30 Sept. 2015 | 140.974.336 | 2.341.331 | 1.467.337.337 | 2.899.368.703 | 114.480.913 | 258.569.150 | 4.883.071.770 |
| 31 Dec. 2015 | 87.625.194 | 2.611.239 | 1.402.006.529 | 2.945.775.755 | 55.692.162 | 326.613.050 | 4.820.323.929 |
| 31 Mar. 2016 | 117.668.364 | 2.611.239 | 1.499.576.679 | 2.952.607.384 | 77.638.972 | 109.228.600 | 4.759.331.238 |
| 30 Jun. 2016 | 90.757.864 | 2.611.239 | 1.614.592.023 | 2.855.674.301 | 33.822.031 | 145.725.000 | 4.743.182.458 |
| 30 Sept. 2016 | 238.570.625 | 2.611.239 | 2.029.877.829 | 3.097.871.008 | 0 | 97.456.000 | 5.466.386.701 |
| 31 Dec. 2016 | 216.724.660 | 3.440.019 | 2.260.530.677 | 3.687.779.940 | 0 | 194.469.500 | 6.362.944.796 |
| 31 Mar. 2017 | 165.588.687 | 3.440.019 | 2.101.326.259 | 4.030.683.635 | 0 | 463.534.800 | 6.869.132.807 |
| 30 Jun. 2017 | 171.906.834 | 3.440.019 | 1.823.606.608 | 4.299.854.053 | 0 | 683.099.050 | 6.981.906.564 |
| 30 Sept. 2017 | 275.459.595 | 3.440.019 | 1.842.387.496 | 4.739.760.510 | 0 | 768.996.350 | 7.630.043.970 |
| 31 Dec. 2017 | 257.360.230 | 3.997.999 | 1.728.967.292 | 5.187.178.813 | 0 | 903.656.300 | 8.081.160.634 |
| 31 Mar. 2018 | 382.362.841 | 3.997.999 | 1.705.665.243 | 5.630.492.210 | 0 | 822.904.675 | 8.545.422.968 |
| 30 Jun. 2018 | 281.516.845 | 3.997.999 | 1.845.209.663 | 6.467.950.290 | 0 | 742.867.500 | 9.341.542.297 |
| 30 Sept. 2018 | 701.495.845 | 3.997.999 | 2.827.946.391 | 7.539.692.434 | 0 | 0 | 11.073.132.669 |
| 31 Dec. 2018 | 596.636.956 | 5.503.526 | 2.886.583.754 | 6.838.280.699 | 0 | 172.590.899 | 10.499.595.834 |
| 31 Mar. 2019 | 703.356.751 | 5.503.326 | 2.788.997.426 | 7.087.363.508 | 0 | 247.266.991 | 10.833.216.002 |
| 30 Jun. 2019 | 684.254.253 | 5.503.526 | 2.956.877.407 | 7.386.165.087 | 0 | 390.163.969 | 11.423.695.382 |

Source: Central Bank of the TRNC

Table B.3: Loans Extended to the Banking Sector by Central Bank of the TRNC (TRY)

| Date | Agriculture | Commercial | Industry | Exports | Small Business Owners | Tourism | Education | Total |
|---------------|-------------|------------|----------|---------|-----------------------|---------|-----------|------------------|
| 31 Mar. 2014 | | | | | | | 2.431.745 | 2.431.745 |
| 30 Jun. 2014 | | | | | | | 2.381.303 | 2.381.303 |
| 30 Sept. 2014 | | | | | | | 2.580.963 | 2.580.963 |
| 31 Dec. 2014 | | | | | | | | - |
| 31 Mar. 2015 | | | | | | | 4.466.517 | 4.466.517 |
| 30 Jun. 2015 | | | | | | | 4.642.279 | 4.642.279 |
| 30 Sept. 2015 | | | | | | | 5.311.384 | 5.311.384 |
| 31 Dec. 2015 | | | | | | | | - |
| 31 Mar. 2016 | | | | | | | | - |
| 30 Jun. 2016 | | | | | | | 4.083.448 | 4.083.448 |
| 30 Sept. 2016 | | | | | | | 4.270.101 | 4.270.101 |
| 31 Dec. 2016 | | | | | | | 5.065.643 | 5.065.643 |
| 31 Mar. 2017 | | | | | | | | - |
| 30 Jun. 2017 | | | | | | | 4.943.377 | 4.943.377 |
| 30 Sept. 2017 | | | | | | | 5.415.736 | 5.415.736 |
| 31 Dec. 2017 | | | | | | | 5.807.899 | 5.807.899 |
| 31 Mar. 2018 | | | | | | | 5.789.550 | 5.789.550 |
| 30 Jun. 2018 | | | | | | | 6.912.450 | 6.912.450 |
| 30 Sept. 2018 | | | | | | | 9.112.800 | 9.112.800 |
| 31 Dec. 2018 | | | | | | | 7.933.350 | 7.933.350 |
| 31 Mar. 2019 | | | | | | | 8.313.450 | 8.313.450 |
| 30 Jun. 2019 | | | | | | | 8.649.750 | 8.649.750 |

Source: Central Bank of the TRNC

Note: Interest revenue rediscounts are included in the figures.

Table B.4: Deposits in Central Bank of the TRNC (TRY)

| Date | Public Deposits | | Banks | | | | Other | | Total |
|---------------|-----------------|------------|-------------|---------------|------------------------|---------------|------------|-------------|---------------|
| | | | A-Deposits | | B-Reserve Requirements | | | | |
| | TRY | FX | TRY | FX | TRY | FX | TRY | FX | |
| 30 Sept. 2014 | 69.233.058 | 18.698.887 | 502.033.797 | 1.136.473.300 | 526.918.645 | 411.606.299 | 27.425.327 | 163.196.494 | 2.855.585.807 |
| 31 Dec. 2014 | 17.094.271 | 9.256.228 | 567.445.436 | 868.076.651 | 532.525.648 | 422.456.910 | 629.724 | 30.617.391 | 2.448.102.259 |
| 31 Mar. 2015 | 10.753.910 | 21.354.653 | 497.415.629 | 849.731.141 | 555.437.616 | 451.116.516 | 441.602 | 28.745.353 | 2.414.996.420 |
| 30 Jun. 2015 | 18.278.584 | 34.669.328 | 421.856.540 | 988.595.032 | 565.747.200 | 496.943.810 | 428.189 | 18.886.057 | 2.545.404.740 |
| 30 Sept. 2015 | 14.819.534 | 30.301.580 | 346.773.076 | 1.141.287.770 | 578.364.670 | 581.329.450 | 396.168 | 20.720.977 | 2.713.993.225 |
| 31 Dec. 2015 | 57.528.409 | 19.608.857 | 377.112.293 | 1.111.941.851 | 583.627.835 | 559.842.202 | 751.281 | 30.147.234 | 2.740.559.962 |
| 31 Mar. 2016 | 6.022.339 | 9.748.736 | 300.772.726 | 1.024.849.739 | 596.821.843 | 562.053.210 | 529.628 | 26.170.021 | 2.526.968.242 |
| 30 Jun. 2016 | 78.931.631 | 12.662.410 | 294.047.768 | 975.886.690 | 606.507.229 | 565.656.764 | 479.769 | 114.222.197 | 2.648.394.458 |
| 30 Sept. 2016 | 51.544.433 | 68.733.216 | 389.781.881 | 1.098.732.181 | 622.344.234 | 610.938.092 | 527.417 | 97.065.848 | 2.939.667.302 |
| 31 Dec. 2016 | 29.069.115 | 35.483.804 | 459.264.539 | 1.442.174.000 | 652.163.031 | 707.537.389 | 794.582 | 116.233.895 | 3.442.720.355 |
| 31 Mar. 2017 | 58.041.406 | 24.242.055 | 461.185.477 | 1.467.785.063 | 691.268.617 | 757.415.401 | 624.885 | 110.118.765 | 3.570.681.669 |
| 30 Jun. 2017 | 78.704.320 | 22.436.407 | 374.581.174 | 1.734.713.467 | 710.390.248 | 802.422.801 | 573.332 | 106.712.270 | 3.830.534.019 |
| 30 Sept. 2017 | 15.915.165 | 32.448.413 | 425.277.954 | 1.918.976.979 | 734.899.763 | 880.296.337 | 760.406 | 111.718.912 | 4.120.293.929 |
| 31 Dec. 2017 | 42.219.684 | 73.593.138 | 490.652.950 | 1.955.533.333 | 781.455.275 | 947.545.441 | 1.072.860 | 118.842.745 | 4.410.915.426 |
| 31 Mar. 2018 | 76.501.751 | 66.921.045 | 471.340.988 | 2.111.203.615 | 804.457.502 | 1.047.100.136 | 1.011.021 | 143.609.706 | 4.722.145.764 |
| 30 Jun. 2018 | 91.040.695 | 30.311.907 | 417.186.670 | 2.414.035.090 | 768.010.729 | 1.225.901.286 | 985.662 | 152.062.795 | 5.099.534.834 |
| 30 Sept. 2018 | 62.415.658 | 80.786.260 | 405.694.465 | 3.028.839.065 | 704.301.812 | 1.348.565.351 | 843.643 | 138.567.660 | 5.770.013.914 |
| 31 Dec. 2018 | 51.246.900 | 52.306.160 | 706.945.906 | 2.976.986.010 | 707.399.584 | 1.177.912.036 | 1.128.634 | 129.365.537 | 5.803.290.767 |
| 31 Mar. 2019 | 21.273.436 | 50.459.675 | 494.142.152 | 3.283.867.588 | 730.743.668 | 1.280.967.493 | 902.785 | 189.363.624 | 6.051.720.421 |
| 30 Jun. 2019 | 19.926.492 | 44.079.068 | 379.912.114 | 3.621.457.724 | 748.007.362 | 1.353.563.658 | 905.629 | 198.423.103 | 6.366.275.150 |

Source: Central Bank of the TRNC

Table B.5: Central Bank of the TRNC Exchange Rates (End of Month)

| Years | Months | USD | | EURO | | GBP | |
|-------------|----------|--------|---------|--------|---------|--------|---------|
| | | Buying | Selling | Buying | Selling | Buying | Selling |
| 2012 | | 1,7826 | 1,7912 | 2,3517 | 2,3630 | 2,8708 | 2,8858 |
| 2013 | | 2,1343 | 2,1381 | 2,9365 | 2,9418 | 3,5114 | 3,5297 |
| 2014 | | 2,3189 | 2,3230 | 2,8207 | 2,8258 | 3,5961 | 3,6149 |
| 2015 | | 2,9076 | 2,9128 | 3,1776 | 3,1833 | 4,3007 | 4,3231 |
| 2016 | | 3,5192 | 3,5255 | 3,7099 | 3,7166 | 4,3189 | 4,3414 |
| 2017 | | 3,7719 | 3,7787 | 4,5155 | 4,5237 | 5,0803 | 5,1068 |
| 2018 | | 5,2609 | 5,2704 | 6,0280 | 6,0388 | 6,6528 | 6,6875 |
| 2019 | 1 | 5,2781 | 5,2876 | 6,0339 | 6,0447 | 6,9005 | 6,9364 |
| | 2 | 5,2905 | 5,3000 | 6,0257 | 6,0366 | 7,0133 | 7,0499 |
| | 3 | 5,6284 | 5,6386 | 6,3188 | 6,3302 | 7,3354 | 7,3736 |
| | 4 | 5,9282 | 5,9389 | 6,6151 | 6,6270 | 7,6541 | 7,6940 |
| | 5 | 5,9235 | 5,9342 | 6,5966 | 6,6084 | 7,4686 | 7,5076 |
| | 6 | 5,7551 | 5,7654 | 6,5507 | 6,5625 | 7,2855 | 7,3235 |

Source: Central Bank of the TRNC

Table B.6: Cross Rates

| Years | Months | Foreign Currency / USD | |
|-------|--------|------------------------|--------|
| | | £ | € |
| 2012 | | 1,6111 | 1,3192 |
| 2013 | | 1,6480 | 1,3759 |
| 2014 | | 1,5535 | 1,2164 |
| 2015 | | 1,4817 | 1,0929 |
| 2016 | | 1,2293 | 1,0542 |
| 2017 | | 1,3492 | 1,1972 |
| 2018 | | 1,2667 | 1,1458 |
| 2019 | 1 | 1,3096 | 1,1432 |
| | 2 | 1,3279 | 1,1390 |
| | 3 | 1,3055 | 1,227 |
| | 4 | 1,2933 | 1,1159 |
| | 5 | 1,2630 | 1,1136 |
| | 6 | 1,2681 | 1,1383 |

Source: Central Bank of the TRNC

Table B.7: Interest Rates Applied to Turkish Lira and Foreign Currency Deposits by Central Bank of the TRNC (%)

| Effective Date | Currency | | | | Board Decision | | Official Gazette | |
|----------------|----------|--------|--------|--------|----------------|--------|------------------|--------|
| | TRY | \$ | € | £ | Date | Number | Date | Number |
| | Demand | Demand | Demand | Demand | | | | |
| 29.02.2008 | 14,75 | 2,10 | 2,25 | 4,00 | 29.02.2008 | 640 | 13.03.2008 | 50 |
| 25.03.2008 | 14,75 | 1,50 | 2,25 | 4,00 | 25.03.2008 | 646 | 03.04.2008 | 59 |
| 22.05.2008 | 15,25 | 1,25 | 2,25 | 3,75 | 22.05.2008 | 652 | 16.06.2008 | 113 |
| 26.06.2008 | 15,75 | 1,25 | 2,25 | 3,75 | 26.06.2008 | 662 | 02.07.2008 | 124 |
| 30.07.2008 | 16,25 | 1,25 | 2,25 | 3,75 | 30.07.2008 | 666 | 15.08.2008 | 153 |
| 17.10.2008 | 16,25 | 0,75 | 2,00 | 3,25 | 16.10.2008 | 673 | 22.10.2008 | 187 |
| 14.11.2008 | 16,25 | 0,25 | 1,75 | 2,25 | 13.11.2008 | 676 | 26.11.2008 | 207 |
| 28.11.2008 | 15,75 | 0,25 | 1,75 | 2,25 | 27.11.2008 | 679 | 16.12.2008 | 217 |
| 22.12.2008 | 14,50 | 0,05 | 1,25 | 1,00 | 19.12.2008 | 682 | 25.12.2008 | 223 |
| 19.01.2009 | 12,60 | 0,05 | 1,25 | 0,75 | 16.01.2009 | 691 | 23.01.2009 | 18 |
| 20.02.2009 | 11,25 | 0,05 | 1,25 | 0,50 | 20.02.2009 | 698 | 04.03.2009 | 47 |
| 20.03.2009 | 10,25 | 0,05 | 1,25 | 0,50 | 20.03.2009 | 708 | 27.03.2009 | 58 |
| 17.04.2009 | 9,50 | 0,05 | 1,00 | 0,50 | 17.04.2009 | 712 | 27.04.2009 | 78 |
| 08.05.2009 | 9,50 | 0,05 | 0,75 | 0,50 | 08.05.2009 | 718 | 18.05.2009 | 85 |
| 15.05.2009 | 9,00 | 0,05 | 0,75 | 0,50 | 15.05.2009 | 720 | 28.05.2009 | 92 |
| 17.06.2009 | 8,50 | 0,05 | 0,75 | 0,50 | 17.06.2009 | 725 | 22.06.2009 | 107 |
| 17.07.2009 | 8,00 | 0,05 | 0,75 | 0,50 | 17.07.2009 | 729 | 03.08.2009 | 133 |
| 19.08.2009 | 7,50 | 0,05 | 0,75 | 0,50 | 19.08.2009 | 734 | 03.09.2009 | 152 |
| 18.09.2009 | 7,00 | 0,05 | 0,75 | 0,50 | 18.09.2009 | 738 | 06.10.2009 | 170 |
| 16.10.2009 | 6,50 | 0,05 | 0,75 | 0,50 | 16.10.2009 | 741 | 22.10.2009 | 182 |
| 07.12.2009 | 6,25 | 0,05 | 0,75 | 0,50 | 04.12.2009 | 749 | 15.12.2009 | 211 |
| 17.09.2010 | 6,00 | 0,05 | 0,75 | 0,50 | 17.09.2010 | 786 | 29.09.2010 | 167 |
| 15.10.2010 | 5,50 | 0,05 | 0,75 | 0,50 | 15.10.2010 | 788 | 25.10.2010 | 183 |
| 27.12.2010 | 5,00 | 0,05 | 0,75 | 0,50 | 24.12.2010 | 796 | 31.12.2010 | 220 |
| 01.01.2013 | 4,00 | 0,05 | 0,75 | 0,50 | 20.12.2012 | 835 | 21.12.2012 | 212 |
| 01.06.2013 | 3,50 | 0,05 | 0,75 | 0,50 | 09.05.2013 | 847 | 16.05.2013 | 85 |
| 01.09.2013 | 4,00 | 0,05 | 0,75 | 0,50 | 22.08.2013 | 853 | 29.08.2013 | 138 |
| 03.02.2014 | 5,00 | 0,25 | 0,75 | 0,50 | 30.01.2014 | 869 | 04.02.2014 | 26 |
| 01.04.2014 | 7,00 | 0,25 | 0,75 | 0,50 | 20.03.2014 | 876 | 27.03.2014 | 70 |
| 01.03.2015 | 6,50 | 0,25 | 0,25 | 0,50 | 10.02.2015 | 900 | 17.02.2015 | 25 |
| 03.04.2017 | 7,00 | 0,40 | 0,25 | 0,50 | 23.03.2017 | 947 | 03.04.2017 | 61 |
| 05.06.2018 | 11,00 | 0,40 | 0,25 | 0,50 | 04.06.2018 | 998 | 11.06.2018 | 89 |
| 25.06.2018 | 11,00 | 0,75 | 0,25 | 0,50 | 21.06.2018 | 1001 | 02.07.2018 | 102 |
| 24.09.2018 | 17,25 | 1,00 | 0,25 | 0,50 | 20.09.2018 | 1014 | 26.09.2018 | 140 |
| 29.07.2019 | 13,25 | 1,00 | 0,125 | 0,25 | 26.07.2019 | 1046 | 29.07.2019 | 107 |

Source: Central Bank of the TRNC

Note: The interest rates applied to Turkish Lira and foreign currency deposits are also valid for time deposits.

Table B.8: Interest Rates Applied to Reserve Requirements by Central Bank of the TRNC (%)

| Effective Date | Currency | | | | Board Decision | | Official Gazette | |
|----------------|----------|------|-------|-------|----------------|--------|------------------|--------|
| | TRY | \$ | € | £ | Date | Number | Date | Number |
| 01.09.2004 | 12,00 | 0,50 | 0,50 | 1,75 | 25.08.2004 | 531 | 01.09.2004 | 127 |
| 01.04.2005 | 10,00 | 0,75 | 0,50 | 1,75 | 29.03.2005 | 549 | 31.03.2005 | 47 |
| 01.11.2005 | 10,00 | 1,25 | 0,75 | 2,00 | 27.10.2005 | 567 | 08.11.2005 | 197 |
| 01.02.2006 | 10,00 | 2,00 | 1,00 | 2,00 | 31.01.2006 | 577 | 10.02.2006 | 27 |
| 03.07.2006 | 12,00 | 2,00 | 1,00 | 2,00 | 29.06.2006 | 587 | 14.07.2006 | 119 |
| 26.10.2007 | 11,75 | 2,00 | 1,00 | 2,00 | 26.10.2007 | 620 | 06.11.2007 | 197 |
| 22.11.2007 | 11,25 | 2,00 | 1,00 | 2,00 | 22.11.2007 | 622 | 04.12.2007 | 214 |
| 14.12.2007 | 10,75 | 2,00 | 1,00 | 2,00 | 14.12.2007 | 627 | 19.12.2007 | 224 |
| 18.01.2008 | 10,50 | 1,50 | 1,00 | 2,00 | 18.01.2008 | 632 | 24.01.2008 | 17 |
| 05.02.2008 | 10,50 | 1,00 | 1,00 | 2,00 | 05.02.2008 | 636 | 19.02.2008 | 32 |
| 29.02.2008 | 10,25 | 1,00 | 1,00 | 2,00 | 29.02.2008 | 638 | 13.03.2008 | 50 |
| 25.03.2008 | 10,25 | 0,50 | 1,00 | 2,00 | 25.03.2008 | 647 | 03.04.2008 | 59 |
| 22.05.2008 | 10,75 | 0,50 | 1,00 | 2,00 | 22.05.2008 | 653 | 16.06.2008 | 113 |
| 30.07.2008 | 11,00 | 0,50 | 1,00 | 2,00 | 30.07.2008 | 665 | 15.08.2008 | 153 |
| 17.10.2008 | 11,00 | 0,25 | 1,00 | 1,75 | 16.10.2008 | 674 | 22.10.2008 | 187 |
| 14.11.2008 | 11,00 | 0,10 | 1,00 | 1,25 | 13.11.2008 | 675 | 26.11.2008 | 207 |
| 28.11.2008 | 10,75 | 0,10 | 1,00 | 1,25 | 27.11.2008 | 680 | 16.12.2008 | 217 |
| 22.12.2008 | 9,75 | 0,00 | 0,75 | 0,50 | 19.12.2008 | 683 | 25.12.2008 | 223 |
| 19.01.2009 | 8,00 | 0,00 | 0,75 | 0,25 | 16.01.2009 | 692 | 23.01.2009 | 18 |
| 20.02.2009 | 6,50 | 0,00 | 0,75 | 0,25 | 20.02.2009 | 699 | 04.03.2009 | 47 |
| 08.05.2009 | 6,50 | 0,00 | 0,50 | 0,25 | 08.05.2009 | 719 | 18.05.2009 | 85 |
| 17.07.2009 | 6,00 | 0,00 | 0,50 | 0,25 | 17.07.2009 | 730 | 03.08.2009 | 133 |
| 19.08.2009 | 5,50 | 0,00 | 0,50 | 0,25 | 19.08.2009 | 735 | 15.09.2009 | 157 |
| 16.10.2009 | 5,25 | 0,00 | 0,50 | 0,25 | 16.10.2009 | 742 | 22.10.2009 | 182 |
| 07.12.2009 | 5,00 | 0,00 | 0,50 | 0,25 | 04.12.2009 | 750 | 15.12.2009 | 211 |
| 01.01.2013 | 4,00 | 0,00 | 0,50 | 0,25 | 20.12.2012 | 836 | 21.12.2012 | 212 |
| 01.06.2013 | 3,50 | 0,00 | 0,50 | 0,25 | 09.05.2013 | 849 | 16.05.2013 | 85 |
| 01.03.2015 | 3,50 | 0,00 | 0,00 | 0,00 | 10.02.2015 | 899 | 17.02.2015 | 25 |
| 01.02.2018 | 5,00 | 0,20 | 0,125 | 0,25 | 25.01.2018 | 979 | 31.01.2018 | 9 |
| 05.06.2018 | 7,50 | 0,20 | 0,125 | 0,25 | 04.06.2018 | 998 | 11.06.2018 | 89 |
| 25.06.2018 | 7,50 | 0,40 | 0,125 | 0,25 | 21.06.2018 | 1001 | 02.07.2018 | 102 |
| 15.08.2018 | 9,00 | 0,40 | 0,125 | 0,25 | 14.08.2018 | 1004 | 31.08.2018 | 127 |
| 24.09.2018 | 13,00 | 0,65 | 0,125 | 0,25 | 20.09.2018 | 1014 | 26.09.2018 | 140 |
| 29.07.2019 | 9,00 | 0,65 | 0,00 | 0,125 | 26.07.2019 | 1046 | 29.07.2019 | 107 |

Source: Central Bank of TRNC

Table B.9: Rediscount Interest Rates (%)

| Currency | | | | | | | | | | | | | | | | | |
|----------------|-------|-------------------------|-------|----------------|-----------------------------------|-------|-------------------|------|-----------------------------------|-------|-------------------|------|-----------------------------------|-------|-------------------|------|-----------------------------------|
| Effective Date | TRY | | | | | \$ | | | | € | | | | £ | | | |
| | Trade | Ind. Tourism Agri. Edu. | Exp. | Small Business | Advances Against Foreign Exchange | Trade | Ind. Tourism Edu. | Exp. | Advances Against Foreign Exchange | Trade | Ind. Tourism Edu. | Exp. | Advances Against Foreign Exchange | Trade | Ind. Tourism Edu. | Exp. | Advances Against Foreign Exchange |
| 10.12.04 | 42 | 32 | 30 | 28 | 28 | 10 | 6 | 6 | 8 | 10 | 6 | 6 | 8 | 11 | 7 | 7 | 9 |
| 04.02.05 | 35 | 30 | 28 | 26 | 26 | 10 | 6 | 6 | 6 | 10 | 6 | 6 | 6 | 11 | 7 | 7 | 7 |
| 01.04.05 | 33 | 28 | 26 | 24 | 24 | 10 | 6 | 6 | 6 | 10 | 6 | 6 | 6 | 11 | 7 | 7 | 7 |
| 03.06.05 | 30 | 26 | 24 | 22 | 22 | 10 | 6 | 6 | 6 | 10 | 6 | 6 | 6 | 11 | 7 | 7 | 7 |
| 01.11.05 | 26 | 24 | 22 | 20 | 20 | 10 | 6 | 6 | 6 | 10 | 6 | 6 | 6 | 11 | 7 | 7 | 7 |
| 01.06.06 | 26 | 24 | 22 | 20 | 20 | 12 | 8 | 8 | 8 | 10 | 6 | 6 | 6 | 11 | 7 | 7 | 7 |
| 03.07.06 | 33 | 28 | 26 | 24 | 24 | 12 | 8 | 8 | 8 | 10 | 6 | 6 | 6 | 11 | 7 | 7 | 7 |
| 21.09.07 | 30 | 26 | 24 | 22 | 22 | 12 | 8 | 8 | 8 | 10 | 6 | 6 | 6 | 11 | 7 | 7 | 7 |
| 26.10.07 | 30 | 26 | 24 | 22 | 22 | 10,5 | 6,5 | 6,5 | 6,5 | 10 | 6 | 6 | 6 | 11 | 7 | 7 | 7 |
| 29.02.08 | 28 | 24 | 22 | 20 | 20 | 9 | 6 | 6 | 6 | 9 | 6 | 6 | 6 | 11 | 7 | 7 | 7 |
| 25.03.08 | 28 | 24 | 22 | 20 | 20 | 9 | 6 | 6 | 6 | 9 | 6 | 6 | 6 | 11 | 7 | 7 | 7 |
| 29.12.08 | 22 | 19 | 19 | 18 | 19 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| 02.03.09 | 20 | 17 | 17 | 16 | 16 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| 25.06.09 | 17 | 15 | 15 | 14 | 14 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| 27.12.10 | 14 | 12 | 12 | 11 | 11 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| 01.01.13 | 11 | 8 | 8 | 8 | 8 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| 01.06.13 | 11 | 7 | 7 | 7 | 7 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| 05.06.18 | 17,5 | 14,5 | 14,5 | 13,5 | 13,5 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| 24.09.18 | 23,75 | 20,75 | 20,75 | 19,75 | 19,75 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| 29.07.2019 | 19,50 | 16,50 | 16,50 | 15,50 | 15,50 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |

Source: Central Bank of the TRNC

Table B.10: Reserve Requirements Ratios (%)

| Effective Date | Description | TRY Liabilities | FX Liabilities |
|-------------------|--|-----------------|----------------|
| 30.06.2002 | | 15 | 16 |
| 30.11.2002 | | 14 | 15 |
| 30.04.2003 | | 13 | 14 |
| 30.10.2003 | | 12 | 13 |
| 31.01.2004 | | 11 | 12 |
| 31.07.2004 | | 10 | 11 |
| 31.12.2005 | | 10 | 11 |
| 30.06.2006 | | 9 | 10 |
| 30.09.2007 | | 9 | 9 |
| 31.12.2008 | | 8 | 8 |
| 31.07.2012 | Deposits up to 3-month maturity | 8 | 8 |
| | Deposits with a maturity of 3-month to 6-month | 7 | 8 |
| | Deposits with a maturity of 6-month to 1-year | 6 | 8 |
| | Deposits with a maturity of 1-year and more | 5 | 8 |
| | Other liabilities excluding deposits | 8 | 8 |
| | Precious Metal Liabilities | 0 | 0 |
| 28.02.2014 | Deposits up to 3-month maturity | 8 | 8 |
| | Deposits with a maturity of 3-month to 6-month | 7 | 7 |
| | Deposits with a maturity of 6-month to 1-year | 6 | 6 |
| | Deposits with a maturity of 1-year and more | 5 | 5 |
| | Other liabilities excluding deposits | 8 | 8 |
| | Precious Metal Liabilities | 0 | 0 |
| 15.08.2018 | Deposits up to 3-month maturity | 7 | 7 |
| | Deposits with a maturity of 3-month to 6-month | 6 | 6 |
| | Deposits with a maturity of 6-month to 1-year | 5 | 5 |
| | Deposits with a maturity of 1-year and more | 4 | 4 |
| | Other liabilities excluding deposits | 7 | 7 |
| | Precious Metal Liabilities | 0 | 0 |

Source: Central Bank of the TRNC

Table B.11: Overdraft Checks

| Years | Months | People Restrained from Using Checks (Number of Persons) | |
|-------------|--------|---|------------------|
| | | Monthly Total | Cumulative Total |
| 2012 | | | 3.842 |
| 2013 | | | 2.910 |
| 2014 | | | 3,366 |
| 2015 | | | 3.699 |
| 2016 | | | 2.977 |
| 2017 | | | 2.469 |
| 2018 | | | 2.374 |
| 2019 | 1 | 279 | 279 |
| | 2 | 236 | 515 |
| | 3 | 297 | 812 |
| | 4 | 216 | 1028 |
| | 5 | 70 | 1098 |
| | 6 | 149 | 1247 |

Source: Central Bank of the TRNC

Table B.12: Assets / Liabilities Sum of Banking Sector (Million TRY)

| Date | Cash and Cash Equivalents | Securities Portfolio | Reserve Requirements | Gross Loans | Provisions for Non-Performing Loans | Other | Total Assets | Deposits | Other | Shareholders' Equity | Total Liabilities |
|----------------------|---------------------------|----------------------|----------------------|-------------|-------------------------------------|---------|-----------------|----------|---------|----------------------|-------------------|
| 30 Sept. 2015 | 3.879,7 | 1.033,9 | 1.151,8 | 10.891,5 | -429,1 | 770,1 | 17.297,9 | 14.007,8 | 1.699,5 | 1.590,6 | 17.297,9 |
| 31 Dec. 2015 | 3.953,2 | 1.031,3 | 1.141,5 | 11.168,1 | -475,4 | 490,9 | 17.309,6 | 13.950,5 | 1.741,1 | 1.618,0 | 17.309,6 |
| 31 Mar. 2016 | 3.872,0 | 1.223,0 | 1.152,5 | 11.115,4 | -485,4 | 630,1 | 17.507,6 | 14.024,1 | 1.757,3 | 1.726,2 | 17.507,6 |
| 30 Jun. 2016 | 3.871,0 | 1.314,7 | 1.166,8 | 11.420,4 | -467,5 | 727,1 | 18.032,5 | 14.300,5 | 1.928,1 | 1.803,9 | 18.032,5 |
| 30 Sept. 2016 | 4.360,1 | 1.408,8 | 1.229,1 | 11.521,2 | -485,9 | 839,7 | 18.873,0 | 14.969,8 | 1.999,6 | 1.903,6 | 18.873,0 |
| 31 Dec. 2016 | 5.275,8 | 1.587,8 | 1.358,4 | 12.763,1 | -521,6 | 670,7 | 21.134,2 | 16.635,2 | 2.432,8 | 2.066,2 | 21.134,2 |
| 31 Mar. 2017 | 5.589,2 | 1.596,6 | 1.445,4 | 13.231,5 | -500,4 | 742,7 | 22.105,0 | 17.652,4 | 2.293,4 | 2.159,2 | 22.105,0 |
| 30 Jun. 2017 | 6.103,5 | 1.601,3 | 1.511,6 | 13.666,3 | -502,4 | 851,8 | 23.232,1 | 18.494,1 | 2.512,2 | 2.225,8 | 23.232,1 |
| 30 Sept. 2017 | 6.840,0 | 1.632,6 | 1.606,9 | 14.028,2 | -506,1 | 1.001,1 | 24.602,7 | 19.672,9 | 2.595,6 | 2.334,3 | 24.602,7 |
| 31 Dec. 2017 | 7.161,7 | 1.704,7 | 1.729,3 | 15.306,2 | -526,0 | 739,3 | 26.115,3 | 21.098,1 | 2.640,4 | 2.376,8 | 26.115,3 |
| 31 Mar. 2018 | 7.303,9 | 1.980,8 | 1.835,4 | 16.195,6 | -525,9 | 908,8 | 27.698,6 | 22.352,7 | 2.830,2 | 2.515,7 | 27.698,6 |
| 30 Jun. 2018 | 8.021,5 | 2.140,2 | 1.983,5 | 17.330,4 | -539,1 | 1.115,4 | 30.051,9 | 24.131,2 | 3.233,5 | 2.687,2 | 30.051,9 |
| 30 Sept. 2018 | 9.661,8 | 2.611,7 | 2.019,9 | 19.752,4 | -595,3 | 1.506 | 34.956,5 | 28.163,1 | 3.785,3 | 3.008,1 | 34.956,5 |
| 31 Dec. 2018 | 9.940,9 | 2.043,4 | 1.886,4 | 18.906,1 | -713,5 | 916,9 | 32.980,2 | 26.441,8 | 3.443,3 | 3.095,1 | 32.980,2 |
| 31 Mar. 2019 | 10.792,8 | 2.255,0 | 2.017,1 | 19.823,9 | -731,1 | 1.295,1 | 35.452,8 | 28.449,2 | 3.699,9 | 3.303,7 | 35.452,8 |
| 30 Jun. 2019 | 11.354,1 | 2.184,8 | 2.093,5 | 20.347,3 | -733,0 | 1.647,8 | 36.894,5 | 29.572,1 | 3.828,3 | 3.494,1 | 36.894,5 |

Source: Central Bank of the TRNC

Table B.13: Loans (Total) - By Types (Million TRY)

| Date | Discount Loans | Exports Loans | Import Loans | Export Guaranteed Investment Loans | Other Investment Loans | Business Loans | Directed Loans | Loans of Funds Originated | Consumer Loans | Credit Cards | Loans to Purchase Security for Customers | Loans Extended by Central Bank of the TRNC | Loans Extended Through Central Bank of the TRNC | Other Loans | Total |
|----------------------|----------------|---------------|--------------|------------------------------------|------------------------|----------------|----------------|---------------------------|----------------|--------------|--|--|---|-------------|-----------------|
| 30 Sept. 2015 | 133,1 | 11,8 | 3,8 | 0,0 | 86,1 | 5.532,5 | 10,4 | 15,8 | 3.152,2 | 259,9 | 0,1 | 5,2 | 0,0 | 963,7 | 10.174,6 |
| 31 Dec. 2015 | 138,5 | 11,0 | 3,6 | 0,0 | 96,4 | 5.740,9 | 15,9 | 14,8 | 3.073,4 | 265,1 | 0,1 | 0,0 | 0,0 | 1.039,7 | 10.399,4 |
| 31 Mar. 2016 | 146,2 | 7,0 | 3,7 | 0,0 | 90,7 | 5.731,3 | 17,8 | 14,2 | 3.085,4 | 251,0 | 0,1 | 0,0 | 0,0 | 999,0 | 10.346,4 |
| 30 Jun. 2016 | 161,7 | 2,1 | 3,0 | 0,0 | 96,6 | 5.987,6 | 13,5 | 13,8 | 3.130,1 | 279,9 | 0,1 | 4,1 | 0,0 | 974,9 | 10.667,4 |
| 30 Sept. 2016 | 161,0 | 4,5 | 2,3 | 0,0 | 93,5 | 6.022,0 | 12,2 | 13,5 | 3.222,1 | 289,8 | 0,1 | 4,2 | 0,0 | 910,7 | 10.735,9 |
| 31 Dec. 2016 | 165,8 | 3,8 | 3,7 | 0,0 | 102,4 | 6.910,7 | 16,5 | 14,9 | 3.411,8 | 324,8 | 0,1 | 4,9 | 0,0 | 961,2 | 11.920,6 |
| 31 Mar. 2017 | 179,5 | 5,6 | 3,8 | 0,0 | 112,6 | 7.206,5 | 22,8 | 14,4 | 3.514,1 | 358,9 | 0,1 | 0,0 | 0,0 | 992,5 | 12.410,8 |
| 30 Jun. 2017 | 180,0 | 6,0 | 3,2 | 0,0 | 91,3 | 7.475,2 | 20,3 | 14,2 | 3.642,2 | 379,2 | 0,1 | 5,3 | 0,0 | 1.019,0 | 12.836,0 |
| 30 Sept. 2017 | 178,0 | 6,9 | 3,5 | 0,0 | 111,2 | 7.598,6 | 16,7 | 15,9 | 3.815,2 | 391,6 | 0,1 | 5,4 | 0,0 | 1.034,9 | 13.178,0 |
| 31 Dec. 2017 | 195,0 | 6,1 | 3,6 | 0,0 | 111,9 | 8.406,5 | 21,2 | 17,1 | 4.152,0 | 394,7 | 0,1 | 5,7 | 0,0 | 1.116,3 | 14.431,3 |
| 31 Mar. 2018 | 206,2 | 5,2 | 4,2 | 0,0 | 102,9 | 8.907,5 | 22,1 | 17,0 | 4.255,4 | 392,4 | 0,2 | 0,0 | 0,0 | 1.356,4 | 15.269,5 |
| 30 Jun. 2018 | 220,3 | 6,9 | 4,2 | 0,0 | 104,1 | 9.710,9 | 16,3 | 18,4 | 4.462,5 | 421,6 | 0,5 | 6,9 | 0,0 | 1.411,3 | 16.383,9 |
| 30 Sept. 2018 | 248,1 | 4,9 | 4,7 | 0,0 | 109,5 | 11.604,2 | 15,1 | 22,4 | 4.946,8 | 444,7 | 0,7 | 9,1 | 0,0 | 1.359,6 | 18.769,8 |
| 31 Dec. 2018 | 236,6 | 2,9 | 3,8 | 0,0 | 98,0 | 11.285,8 | 32,7 | 19,2 | 4.524,6 | 457,3 | 0,5 | 7,9 | 0,0 | 1.192,2 | 17.861,5 |
| 31 Mar. 2019 | 254,5 | 2,4 | 3,9 | 0,0 | 100,6 | 11.896,4 | 38,4 | 20,1 | 4.672,6 | 452,8 | 0,3 | 8,3 | 0,0 | 1.287,9 | 18.738,6 |
| 30 Jun. 2019 | 250,3 | 0,9 | 4,2 | 0,0 | 96,9 | 12.364,5 | 97,2 | 20,8 | 4.685,9 | 493,2 | 0,3 | 8,6 | 0,0 | 1.281,7 | 19.244,6 |

Source: Central Bank of the TRNC

Table B.14: Loans (TRY) - By Types (Million TRY)

| Date | Discount Loans | Export Loans | Import Loans | Export Guaranteed Investment Loans | Other Investment Loans | Business Loans | Directed Loans | Loans of Funds Originated | Consumer Loans | Credit Cards | Loans to Purchase Security for Customers | Loans Extended by Central Bank of the TRNC | Loans Extended Through Central Bank of the TRNC | Other Loans | Total |
|----------------------|----------------|--------------|--------------|------------------------------------|------------------------|----------------|----------------|---------------------------|----------------|--------------|--|--|---|-------------|----------------|
| 30 Sept. 2015 | 101,5 | 0 | 0,1 | 0 | 59,1 | 2.926,8 | 10,4 | 5,4 | 2.135,7 | 257,9 | 0,1 | 0 | 0 | 6.11,7 | 6.108,7 |
| 31 Dec. 2015 | 107,3 | 0 | 0,1 | 0 | 64,9 | 3.161,8 | 16,0 | 5,4 | 2.139,0 | 264,3 | 0,1 | 0 | 0 | 695,5 | 6.454,4 |
| 31 Mar. 2016 | 114,4 | 0 | 0,4 | 0 | 62,1 | 3.238,7 | 17,9 | 5,1 | 2.166,9 | 250,1 | 0 | 0 | 0 | 691,6 | 6.547,2 |
| 30 Jun. 2016 | 126,0 | 2,1 | 0,1 | 0 | 57,6 | 3.311,3 | 13,5 | 4,5 | 2.212,4 | 278,9 | 0 | 0 | 0 | 678,0 | 6.684,4 |
| 30 Sept. 2016 | 123,0 | 4,4 | 0,1 | 0 | 52,9 | 3.296,1 | 12,1 | 4,0 | 2.243,5 | 288,2 | 0,1 | 0 | 0 | 644,8 | 6.669,2 |
| 31 Dec. 2016 | 117,6 | 3,8 | 0,3 | 0 | 53,2 | 3.575,9 | 16,5 | 3,8 | 2.270,9 | 323,1 | 0,1 | 0 | 0 | 644,9 | 7.010,1 |
| 31 Mar. 2017 | 127,2 | 5,6 | 0,5 | 0 | 61,7 | 3.637,1 | 22,8 | 3,5 | 2.310,6 | 356,9 | 0,1 | 0 | 0 | 675,1 | 7.201,1 |
| 30 Jun. 2017 | 131,8 | 6,1 | 0,1 | 0 | 60,2 | 3.664,0 | 20,3 | 3,8 | 2.401,9 | 376,9 | 0,1 | 0 | 0 | 698,8 | 7.364,0 |
| 30 Sept. 2017 | 135,3 | 6,9 | 0,2 | 0 | 74,4 | 3.631,2 | 16,7 | 5,3 | 2.457,6 | 389,1 | 0,1 | 0 | 0 | 684,7 | 7.401,6 |
| 31 Dec. 2017 | 140,4 | 6,1 | 0,1 | 0 | 75,9 | 3.918,0 | 21,2 | 5,9 | 2.627,5 | 392,6 | 0,1 | 0 | 0 | 698,4 | 7.886,4 |
| 31 Mar. 2018 | 149,1 | 5,2 | 0,5 | 0 | 69,3 | 3.973,9 | 22,1 | 5,8 | 2.566,2 | 390,3 | 0,2 | 0 | 0 | 840,8 | 8.023,4 |
| 30 Jun. 2018 | 156,9 | 6,9 | 0,1 | 0 | 68,3 | 4.053,6 | 16,3 | 5,5 | 2.640,4 | 419,1 | 0,5 | 0 | 0 | 875,4 | 8.243,1 |
| 30 Sept. 2018 | 166,2 | 4,9 | 0,1 | 0 | 62,5 | 4.130,1 | 15,1 | 5,7 | 2.617,2 | 441,9 | 0,7 | 0 | 0 | 700,0 | 8.144,4 |
| 31 Dec. 2018 | 170,5 | 2,9 | 0,1 | 0 | 58,5 | 4.700,1 | 32,7 | 4,3 | 2.548,2 | 454,4 | 0,4 | 0 | 0 | 670,9 | 8.643,1 |
| 31 Mar. 2019 | 168,7 | 2,4 | 0,8 | 0 | 59,6 | 4.753,6 | 38,4 | 4,3 | 2.567,0 | 450,1 | 0,3 | 0 | 0 | 772,4 | 8.817,2 |
| 30 Jun. 2019 | 158,7 | 0,9 | 0,5 | 0 | 56,4 | 4.873,0 | 37,2 | 4,5 | 2.608,4 | 489,7 | 0,3 | 0 | 0 | 762,3 | 8.991,5 |

Source: Central Bank of the TRNC

Table B.15: Loans (FX) - By Types (Million TRY)

| Date | Discount Loans | Export Loans | Import Loans | Export Guaranteed Investment Loans | Other Investment Loans | Business Loans | Directed Loans | Loans of Funds Originated | Consumer Loans | Credit Cards | Loans to Purchase Security for Customers | Loans Extended by Central Bank of the TRNC | Loans Extended Through Central Bank of the TRNC | Other Loans | Total |
|----------------------|----------------|--------------|--------------|------------------------------------|------------------------|----------------|----------------|---------------------------|----------------|--------------|--|--|---|-------------|-----------------|
| 30 Sept. 2015 | 31,7 | 11,7 | 3,5 | 0 | 27,1 | 2.605,7 | 0 | 10,3 | 1.016,7 | 2,0 | 0 | 5,1 | 0 | 352,1 | 4.065,9 |
| 31 Dec. 2015 | 31,2 | 11,0 | 3,2 | 0 | 31,5 | 2.579,1 | 0 | 9,4 | 934,4 | 1,0 | 0 | 0 | 0 | 344,2 | 3.945,0 |
| 31 Mar. 2016 | 31,8 | 7,0 | 3,3 | 0 | 28,6 | 2.492,6 | 0 | 9,1 | 918,5 | 1,0 | 0 | 0 | 0 | 307,3 | 3.799,2 |
| 30 Jun. 2016 | 35,6 | 0 | 2,9 | 0 | 39,0 | 2.676,3 | 0 | 9,3 | 917,7 | 1,0 | 0 | 4,1 | 0 | 297,1 | 3.983,0 |
| 30 Sept. 2016 | 38 | 0 | 2,7 | 0 | 40,6 | 2.725,8 | 0 | 9,5 | 978,5 | 1,5 | 0 | 4,2 | 0 | 265,9 | 4.066,7 |
| 31 Dec. 2016 | 48,2 | 0 | 3,3 | 0 | 49,1 | 3.334,8 | 0 | 11,1 | 1.141 | 1,7 | 0 | 5,0 | 0 | 316,3 | 4.910,5 |
| 31 Mar. 2017 | 52,3 | 0 | 3,3 | 0 | 51,0 | 3.569,4 | 0 | 11,0 | 1.203,5 | 1,9 | 0 | 0 | 0 | 317,3 | 5.209,7 |
| 30 Jun. 2017 | 48,2 | 0 | 3,1 | 0 | 31,1 | 3.811,2 | 0 | 10,4 | 1.240,3 | 2,2 | 0 | 5,3 | 0 | 320,2 | 5.472,0 |
| 30 Sept. 2017 | 42,7 | 0 | 3,3 | 0 | 36,8 | 3.967,3 | 0 | 10,6 | 1.357,6 | 2,5 | 0 | 5,4 | 0 | 350,2 | 5.776,4 |
| 31 Dec. 2017 | 54,5 | 0 | 3,6 | 0 | 36,0 | 4.488,4 | 0 | 11,1 | 1.525,4 | 2,1 | 0 | 5,7 | 0 | 417,8 | 6.544,8 |
| 31 Mar. 2018 | 57,1 | 0 | 3,7 | 0 | 33,6 | 4.933,6 | 0 | 11,2 | 1.689,3 | 2,1 | 0 | 0 | 0 | 515,5 | 7.246,1 |
| 30 Jun. 2018 | 63,4 | 0 | 4,1 | 0 | 35,7 | 5.657,2 | 0 | 12,9 | 1.822,1 | 2,5 | 0 | 6,9 | 0 | 535,9 | 8.140,8 |
| 30 Sept. 2018 | 81,9 | 0 | 4,6 | 0 | 47,0 | 7.474,0 | 0 | 16,8 | 2.329,6 | 2,8 | 0 | 9,1 | 0 | 659,6 | 10.625,4 |
| 31 Dec. 2018 | 66,1 | 0 | 3,7 | 0 | 39,5 | 6.585,7 | 0 | 14,9 | 1.976,4 | 2,9 | 0 | 7,9 | 0 | 521,2 | 9.218,3 |
| 31 Mar. 2019 | 85,7 | 0 | 3,8 | 0 | 40,9 | 7.142,7 | 0 | 15,8 | 2.105,5 | 2,8 | 0 | 8,3 | 0 | 515,5 | 9.921,4 |
| 30 Jun. 2019 | 91,6 | 0 | 4,2 | 0 | 40,5 | 7.491,4 | 0 | 16,2 | 2.077,5 | 3,5 | 0 | 8,6 | 0 | 519,4 | 10.253,1 |

Source: Central Bank of the TRNC

Table B.16: Loans - By Terms (Million TRY)

| Date | Short-Term Loans | Quarter-on-quarter Percentage Change | Medium and Long-Term Loans | Quarter-on-quarter Percentage Change | Total | Quarter-on-quarter Percentage Change |
|---------------|------------------|--------------------------------------|----------------------------|--------------------------------------|----------|--------------------------------------|
| 30 Sept. 2015 | 4.384,3 | 3,38 | 5.790,3 | 6,6 | 10.174,6 | 5,17 |
| 31 Dec. 2015 | 4.602,5 | 4,98 | 5.796,8 | 0,11 | 10.399,4 | 2,21 |
| 31 Mar. 2016 | 4.535,0 | -1,47 | 5.811,4 | 0,25 | 10.346,4 | -0,51 |
| 30 Jun. 2016 | 5.034,6 | 11,02 | 5.632,8 | -3,08 | 10.667,4 | 3,11 |
| 30 Sept. 2016 | 5.012,0 | -0,45 | 5.723,9 | 1,62 | 10.735,9 | 0,64 |
| 31 Dec. 2016 | 5.660,9 | 12,95 | 6.259,7 | 9,36 | 11.920,6 | 11,03 |
| 31 Mar. 2017 | 5.889,9 | 4,05 | 6.520,9 | 4,17 | 12.410,8 | 4,11 |
| 30 Jun. 2017 | 3.331,8 | -43,43 | 9.504,2 | 45,75 | 12.836,0 | 3,43 |
| 30 Sept. 2017 | 3.414,7 | 2,49 | 9.763,3 | 2,73 | 13.178,0 | 2,66 |
| 31 Dec. 2017 | 3.696,0 | 8,24 | 10.735,3 | 9,95 | 14.431,3 | 9,51 |
| 31 Mar. 2018 | 3.996,5 | 8,13 | 11.273,0 | 5,00 | 15.269,5 | 5,81 |
| 30 Jun. 2018 | 4.416,5 | 10,51 | 11.967,4 | 6,16 | 16.383,9 | 7,30 |
| 30 Sept. 2018 | 5.213,6 | 18,05 | 13.556,2 | 13,28 | 18.769,8 | 14,56 |
| 31 Dec. 2018 | 5.000,9 | -4,08 | 12.860,6 | -5,13 | 17.861,5 | -4,84 |
| 31 Mar. 2019 | 5.294,3 | 5,86 | 13.444,2 | 4,53 | 18.738,6 | 4,91 |
| 30 Jun. 2019 | 5.588,7 | 5,56 | 13.655,9 | 1,57 | 19.244,6 | 2,70 |

Source: Central Bank of the TRNC

Table B.17: Loans - Public and Private (Million TRY)

| Date | Public Loans | Quarter-on-quarter Percentage Change | Private Loans | Quarter-on-quarter Percentage Change | Total | Quarter-on-quarter Percentage Change |
|----------------------|---------------------|---|----------------------|---|-----------------|---|
| 30 Sept. 2015 | 2.484,0 | 3,02 | 7.690,6 | 5,89 | 10.174,6 | 5,17 |
| 31 Dec. 2015 | 2.692,1 | 8,38 | 7.707,3 | 0,22 | 10.399,4 | 2,21 |
| 31 Mar. 2016 | 2.679,4 | -0,47 | 7.667,0 | -0,52 | 10.346,4 | -0,51 |
| 30 Jun. 2016 | 2.662,4 | -0,63 | 8.005,0 | 4,41 | 10.667,4 | 3,10 |
| 30 Sept. 2016 | 2.656,7 | -0,21 | 8.079,2 | 0,93 | 10.735,9 | 0,64 |
| 31 Dec. 2016 | 2.995,6 | 12,76 | 8.925,0 | 10,47 | 11.920,6 | 11,03 |
| 31 Mar. 2017 | 3.005,0 | 0,31 | 9.405,8 | 5,39 | 12.410,8 | 4,11 |
| 30 Jun. 2017 | 2.948,7 | -1,87 | 9.887,3 | 5,12 | 12.836,0 | 3,43 |
| 30 Sept. 2017 | 2.874,9 | -2,50 | 10.303,1 | 4,21 | 13.178,0 | 2,66 |
| 31 Dec. 2017 | 3.192,9 | 11,06 | 11.238,4 | 9,08 | 14.431,3 | 9,51 |
| 31 Mar. 2018 | 3.228,1 | 1,10 | 12.041,4 | 7,15 | 15.269,5 | 5,81 |
| 30 Jun. 2018 | 3.322,8 | 2,93 | 13.061,1 | 8,47 | 16.383,9 | 7,30 |
| 30 Sept. 2018 | 3.639,5 | 9,53 | 15.130,3 | 15,84 | 18.769,8 | 14,56 |
| 31 Dec. 2018 | 4.035,0 | 10,87 | 13.826,5 | -8,62 | 17.861,5 | -4,84 |
| 31 Mar. 2019 | 4.118,0 | 2,05 | 14.620,6 | 5,74 | 18.738,6 | 4,91 |
| 30 Jun. 2019 | 4.186,5 | 1,66 | 15.058,1 | 2,99 | 19.244,6 | 2,70 |

Source: Central Bank of the TRNC

Table B.18: Distribution of Total Loans by Size (Million TRY)

| Date | > 100 Thousand TRY | 51-100 Thousand TRY | 11-50 Thousand TRY | 1 - 10 Thousand TRY | < 1 Thousand TRY | Grand Total |
|----------------------|--------------------|---------------------|--------------------|---------------------|------------------|-----------------|
| 30 Sept. 2015 | 7.912,1 | 780,3 | 1.024,0 | 443,8 | 14,4 | 10.174,6 |
| 31 Dec. 2015 | 8.154,1 | 780,1 | 1.017,5 | 432,5 | 15,2 | 10.399,4 |
| 31 Mar. 2016 | 8.137,3 | 776,4 | 1.025,0 | 392,7 | 15,0 | 10.346,4 |
| 30 Jun. 2016 | 8.422,4 | 772,3 | 1.038,8 | 408,5 | 25,4 | 10.667,4 |
| 30 Sept. 2016 | 8.520,5 | 797,2 | 1.002,0 | 395,1 | 21,4 | 10.735,9 |
| 31 Dec. 2016 | 9.711,1 | 801,8 | 998,2 | 388,2 | 21,3 | 11.920,6 |
| 31 Mar. 2017 | 10.156,3 | 817,8 | 984,8 | 400,1 | 51,8 | 12.410,8 |
| 30 Jun. 2017 | 10.547,2 | 847,3 | 993,7 | 423,9 | 23,9 | 12.836,0 |
| 30 Sept. 2017 | 10.861,7 | 879,5 | 996,5 | 416,4 | 23,9 | 13.178,0 |
| 31 Dec. 2017 | 12.136,8 | 882,5 | 1.011,7 | 375,0 | 25,2 | 14.431,3 |
| 31 Mar. 2018 | 12.971,9 | 883,1 | 1.016,5 | 372,6 | 25,5 | 15.269,6 |
| 30 Jun. 2018 | 14.083,6 | 874,0 | 1.020,5 | 380,7 | 25,1 | 16.383,9 |
| 30 Sept. 2018 | 16.499,8 | 855,7 | 1.010,4 | 379,5 | 24,4 | 18.769,8 |
| 31 Dec. 2018 | 15.221,9 | 803,4 | 1.195,9 | 423,3 | 217,0 | 17.861,5 |
| 31 Mar. 2019 | 16.081,0 | 804,7 | 1.189,0 | 432,4 | 231,4 | 18.738,6 |
| 30 Jun. 2019 | 16.543,1 | 814,6 | 1.208,1 | 432,7 | 246,1 | 19.244,6 |

Source: Central Bank of the TRNC

Table B.19: Development of Shareholders' Equity (Million TRY)

| Date | Paid-in Capital | Reserve Requirements | Fixed Asset Rev. Fund | Securities Value Increment Fund | Period Profit (Loss) | Accumulated Profit (Loss) | Total |
|----------------------|------------------------|-----------------------------|------------------------------|--|-----------------------------|----------------------------------|----------------|
| 30 Sept. 2015 | 778,9 | 355,0 | 1,4 | 12,6 | 185,4 | 257,3 | 1.590,6 |
| 31 Dec. 2015 | 791,4 | 367,3 | 0,2 | 12,6 | 201,8 | 244,7 | 1.618,0 |
| 31 Mar. 2016 | 791,8 | 426,1 | 0,2 | 78,7 | 56,2 | 373,2 | 1.726,2 |
| 30 Jun. 2016 | 848,5 | 425,3 | 0,3 | 72,3 | 156,3 | 301,2 | 1.803,9 |
| 30 Sept. 2016 | 878,5 | 423,7 | 0,2 | 72,7 | 227,5 | 301,0 | 1.903,6 |
| 31 Dec. 2016 | 976,7 | 426,4 | 0,3 | 82,1 | 306,8 | 273,9 | 2.066,2 |
| 31 Mar. 2017 | 992,4 | 520,0 | 0,3 | 86,0 | 104,7 | 455,8 | 2.159,2 |
| 30 Jun. 2017 | 1.011,7 | 558,0 | 0,9 | 88,8 | 185,4 | 381,0 | 2.225,8 |
| 30 Sept. 2017 | 1.021,4 | 558,0 | 0,9 | 92,6 | 297,4 | 364,0 | 2.334,3 |
| 31 Dec. 2017 | 1.099,6 | 409,5 | 0,9 | 101,1 | 407,5 | 358,1 | 2.376,8 |
| 31 Mar. 2018 | 1.153,7 | 572,8 | 0,9 | 110,0 | 123,1 | 555,2 | 2.515,7 |
| 30 Jun. 2018 | 1.180,3 | 616,8 | 0,9 | 124,0 | 316,1 | 449,1 | 2.687,2 |
| 30 Sept. 2018 | 1.181,6 | 618,7 | 0,9 | 163,5 | 596,2 | 447,2 | 3.008,1 |
| 31 Dec. 2018 | 1.262,4 | 593,9 | 0,9 | 140,7 | 689,8 | 407,4 | 3.095,1 |
| 31 Mar. 2019 | 1.265,6 | 795,7 | 1,6 | 158,3 | 235,8 | 849,3 | 3.306,7 |
| 30 Jun. 2019 | 1.315,3 | 923,6 | 2,0 | 158,3 | 518,1 | 576,7 | 3.494,1 |

Source: Central Bank of the TRNC

Table B.20: Capital Adequacy Ratio (%)

| Date | Public Banks | Private Banks | Branch Banks | Banking Sector | Legal Limit |
|---------------|--------------|---------------|--------------|----------------|-------------|
| 30 Sept. 2015 | 25,83 | 14,62 | 17,18 | 17,33 | 10,00 |
| 31 Dec. 2015 | 23,95 | 14,53 | 17,35 | 17,06 | 10,00 |
| 31 Mar. 2016 | 24,19 | 14,94 | 17,66 | 17,39 | 10,00 |
| 30 Jun. 2016 | 24,48 | 15,14 | 16,85 | 17,18 | 10,00 |
| 30 Sept. 2016 | 25,26 | 16,14 | 18,38 | 18,36 | 10,00 |
| 31 Dec. 2016 | 24,06 | 15,09 | 19,15 | 18,24 | 10,00 |
| 31 Mar. 2017 | 24,09 | 15,35 | 19,45 | 18,26 | 10,00 |
| 30 Jun. 2017 | 23,85 | 15,40 | 19,00 | 18,04 | 10,00 |
| 30 Sept. 2017 | 24,20 | 15,26 | 19,72 | 18,27 | 10,00 |
| 31 Dec. 2017 | 22,95 | 14,61 | 18,67 | 17,29 | 10,00 |
| 31 Mar. 2018 | 21,76 | 14,80 | 19,12 | 17,40 | 10,00 |
| 30 Jun. 2018 | 23,14 | 14,74 | 19,11 | 17,57 | 10,00 |
| 30 Sept. 2018 | 20,51 | 15,38 | 20,68 | 18,19 | 10,00 |
| 31 Dec. 2018 | 16,49 | 15,28 | 21,93 | 17,86 | 10,00 |
| 31 Mar. 2019 | 16,74 | 15,08 | 21,64 | 17,79 | 10,00 |
| 30 Jun. 2019 | 18,14 | 15,43 | 22,04 | 18,29 | 10,00 |

Source: Central Bank of TRNC

Table B.21: Profit / Loss Table (Million TRY)

| Date | Interest Revenues | Interest Expenditures | Non-Interest Revenues | Non-Interest Expenditures | Net Profit / Loss |
|----------------------|--------------------------|------------------------------|------------------------------|----------------------------------|--------------------------|
| 30 Sept. 2015 | 1.028,1 | 308,5 | 191,3 | 354,2 | 185,4 |
| 31 Dec. 2015 | 1.391,1 | 378,4 | 272,9 | 485,6 | 201,8 |
| 31 Mar. 2016 | 375,6 | 118,3 | 77,8 | 125,5 | 56,1 |
| 30 Jun. 2016 | 758,1 | 252,3 | 173,5 | 251,6 | 156,3 |
| 30 Sept. 2016 | 1.150,1 | 373,9 | 242,0 | 373,9 | 227,5 |
| 31 Dec. 2016 | 1.558,7 | 465,1 | 334,8 | 519,3 | 306,7 |
| 31 Mar. 2017 | 433,5 | 156,3 | 92,1 | 141,5 | 104,7 |
| 30 Jun. 2017 | 885,7 | 308,4 | 195,5 | 295,1 | 185,4 |
| 30 Sept. 2017 | 1.383,6 | 802,7 | 298,9 | 456,9 | 297,4 |
| 31 Dec. 2017 | 1.891,8 | 1.101,7 | 396,9 | 630,9 | 407,5 |
| 31 Mar. 2018 | 562,5 | 329,5 | 108,4 | 179,9 | 123,1 |
| 30 Jun. 2018 | 1.191,7 | 689,8 | 226,4 | 373,1 | 316,1 |
| 30 Sept. 2018 | 2.048,5 | 1.165,0 | 353,3 | 580,3 | 596,2 |
| 31 Dec. 2018 | 2.999,4 | 1.762,5 | 500,3 | 823,5 | 689,8 |
| 31 Mar. 2019 | 982,5 | 611,8 | 161,0 | 230,4 | 235,9 |
| 30 Jun. 2019 | 2.016,4 | 1.256,0 | 320,2 | 480,4 | 518,1 |

Source: Central Bank of the TRNC

Table B.22: Deposits (Total) - By Maturity Groups (Million TRY)

| Date | Demand | 1-Month | 3-Month | 6-Month | 1-Year | Total |
|---------------|---------|----------|---------|---------|---------|----------|
| 30 Sept. 2015 | 1.864,3 | 7.773,2 | 2.394,4 | 598,2 | 1.377,7 | 14.007,8 |
| 31 Dec. 2015 | 1.859,2 | 7.689,2 | 2.516,1 | 566,5 | 1.319,5 | 13.950,5 |
| 31 Mar. 2016 | 1.750,4 | 7.918,7 | 2.488,7 | 591,5 | 1.274,8 | 14.024,1 |
| 30 Jun. 2016 | 1.912,7 | 7.930,3 | 2.584,2 | 603,7 | 1.269,6 | 14.300,5 |
| 30 Sept. 2016 | 2.064,9 | 8.206,5 | 2.751,7 | 608,2 | 1.338,5 | 14.969,8 |
| 31 Dec. 2016 | 2.394,0 | 8.623,1 | 3.360,7 | 689,5 | 1.567,9 | 16.635,2 |
| 31 Mar. 2017 | 2.480,3 | 9.674,2 | 3.161,1 | 723,8 | 1.613,0 | 17.652,4 |
| 30 Jun. 2017 | 2.771,0 | 9.919,8 | 3.407,0 | 736,9 | 1.659,4 | 18.494,1 |
| 30 Sept. 2017 | 2.916,9 | 10.069,4 | 4.041,3 | 862,7 | 1.782,6 | 19.672,9 |
| 31 Dec. 2017 | 3.118,5 | 10.808,9 | 4.257,6 | 920,4 | 1.992,7 | 21.098,1 |
| 31 Mar. 2018 | 3.098,2 | 11.840,3 | 4.238,1 | 912,5 | 2.263,6 | 22.352,7 |
| 30 Jun. 2018 | 3.580,7 | 11.979,8 | 5.082,1 | 961,5 | 2.527,1 | 24.131,2 |
| 30 Sept. 2018 | 4.201,9 | 13.615,9 | 6.006,3 | 1.166,1 | 3.172,9 | 28.163,1 |
| 31 Dec. 2018 | 3.698,4 | 13.742,5 | 4.950,1 | 1.282,7 | 2.768,1 | 26.441,8 |
| 31 Mar. 2019 | 3.866,9 | 13.793,4 | 6.513,5 | 1.252,6 | 3.022,6 | 28.449,2 |
| 30 Jun. 2019 | 4.145,1 | 14.244,0 | 6.921,1 | 1.181,2 | 3.101,0 | 29.572,1 |

Source: Central Bank of the TRNC

Table B.23: Deposits (TRY) - By Maturity Groups (Million TRY)

| Date | Demand | 1-Month | 3-Month | 6-Month | 1-Year | Total |
|---------------|---------|---------|---------|---------|--------|----------|
| 30 Sept. 2015 | 837,2 | 4.427,9 | 1.171,5 | 202,1 | 266,5 | 6.905,2 |
| 31 Dec. 2015 | 865,0 | 4.452,8 | 1.259,1 | 201,5 | 283,0 | 7.061,4 |
| 31 Mar. 2016 | 797,1 | 4.557,7 | 1.280,1 | 225,0 | 261,6 | 7.121,5 |
| 30 Jun. 2016 | 898,2 | 4.618,9 | 1.341,7 | 221,6 | 263,3 | 7.343,7 |
| 30 Sept. 2016 | 968,4 | 4.690,1 | 1.463,3 | 203,2 | 258,9 | 7.583,9 |
| 31 Dec. 2016 | 1.122,6 | 4.796,3 | 1.611,5 | 231,0 | 297,1 | 8.058,5 |
| 31 Mar. 2017 | 1.083,7 | 5.157,3 | 1.503,4 | 283,7 | 274,1 | 8.302,2 |
| 30 Jun. 2017 | 1.276,2 | 5.173,5 | 1.636,5 | 273,9 | 282,2 | 8.642,3 |
| 30 Sept. 2017 | 1.318,5 | 5.221,5 | 1.831,2 | 358,1 | 302,8 | 9.032,1 |
| 31 Dec. 2017 | 1.412,7 | 5.481,0 | 1.993,8 | 381,3 | 313,4 | 9.582,3 |
| 31 Mar. 2018 | 1.275,9 | 5.724,4 | 2.037,6 | 385,5 | 309,1 | 9.732,5 |
| 30 Jun. 2018 | 1.409,7 | 5.495,6 | 2.261,4 | 383,8 | 292,9 | 9.843,4 |
| 30 Sept. 2018 | 1.418,0 | 5.669,1 | 2.512,3 | 314,7 | 269,3 | 10.183,4 |
| 31 Dec. 2018 | 1.427,2 | 6.123,7 | 2.315,6 | 449,6 | 288,4 | 10.604,5 |
| 31 Mar. 2019 | 1.445,6 | 5.624,1 | 3.000,2 | 383,9 | 274,6 | 10.728,4 |
| 30 Jun. 2019 | 1.544,0 | 5.856,2 | 3.249,2 | 310,3 | 378,3 | 11.338,0 |

Source: Central Bank of the TRNC

Table B.24: Deposits (FX) - By Maturity Groups (Million TRY)

| Date | Demand | 1-Month | 3-Month | 6-Month | 1-Year | Total |
|---------------|---------|---------|---------|---------|---------|-----------------|
| 30 Sept. 2015 | 1.027,1 | 3.345,3 | 1.222,9 | 396,1 | 1.111,2 | 7.102,6 |
| 31 Dec. 2015 | 994,3 | 3.236,4 | 1.256,9 | 365,0 | 1.036,5 | 6.889,1 |
| 31 Mar. 2016 | 953,3 | 3.361,1 | 1.208,6 | 366,5 | 1.013,0 | 6.902,5 |
| 30 Jun. 2016 | 1.014,5 | 3.311,4 | 1.242,5 | 382,1 | 1.006,3 | 6.956,8 |
| 30 Sept. 2016 | 1.096,5 | 3.516,5 | 1.288,3 | 405,0 | 1.079,6 | 7.385,9 |
| 31 Dec. 2016 | 1.271,4 | 3.826,8 | 1.749,2 | 458,5 | 1.270,7 | 8.576,7 |
| 31 Mar. 2017 | 1.396,6 | 4.516,9 | 1.657,7 | 440,1 | 1.338,9 | 9.350,2 |
| 30 Jun. 2017 | 1.494,9 | 4.746,3 | 1.770,5 | 463,0 | 1.377,2 | 9.851,9 |
| 30 Sept. 2017 | 1.598,4 | 4.847,8 | 2.210,1 | 504,7 | 1.479,7 | 10.640,8 |
| 31 Dec. 2017 | 1.705,8 | 5.327,8 | 2.263,8 | 539,1 | 1.679,3 | 11.515,8 |
| 31 Mar. 2018 | 1.822,4 | 6.115,9 | 2.200,5 | 526,9 | 1.954,5 | 12.620,2 |
| 30 Jun. 2018 | 2.171,0 | 6.484,2 | 2.820,7 | 577,7 | 2.234,2 | 14.287,8 |
| 30 Sept. 2018 | 2.783,9 | 7.946,8 | 3.494,0 | 851,4 | 2.903,6 | 17.979,7 |
| 31 Dec. 2018 | 2.271,3 | 7.618,8 | 2.634,6 | 833,0 | 2.479,7 | 15.837,4 |
| 31 Mar. 2019 | 2.421,2 | 8.169,3 | 3.513,3 | 868,7 | 2.748,1 | 17.720,7 |
| 30 Jun. 2019 | 2.601,2 | 8.367,8 | 3.671,9 | 871,0 | 2.722,4 | 18.234,2 |

Source: Central Bank of the TRNC

Table B.25: Deposits (Total) - By Types (Million TRY)

| Date | Official | Commercial | Savings | Other | Banks | Total |
|---------------|----------|------------|----------|-------|---------|-----------------|
| 30 Jun. 2015 | 792,2 | 2.063,5 | 9.858,0 | 286,3 | 805,0 | 13.805,0 |
| 30 Sept. 2015 | 787,1 | 2.408,0 | 10.576,4 | 236,3 | 867,4 | 14.875,2 |
| 31 Dec. 2015 | 822,7 | 2.350,4 | 10.537,9 | 239,5 | 961,3 | 14.911,8 |
| 31 Mar. 2016 | 825,4 | 2.380,7 | 10.581,1 | 236,9 | 1.024,2 | 15.048,3 |
| 30 Jun. 2016 | 881,2 | 2.442,5 | 10.745,4 | 231,4 | 1.025,7 | 15.326,2 |
| 30 Sept. 2016 | 913,5 | 2.744,1 | 11.022,3 | 289,9 | 1.148,4 | 16.118,2 |
| 31 Dec. 2016 | 991,7 | 3.040,5 | 12.287,2 | 315,8 | 1.597,8 | 18.233,0 |
| 31 Mar. 2017 | 1.107,4 | 3.310,6 | 12.895,4 | 339,0 | 1.460,1 | 19.112,5 |
| 30 Jun. 2017 | 1.294,5 | 3.512,2 | 13.373,9 | 313,5 | 1.551,4 | 20.045,5 |
| 30 Sept. 2017 | 1.344,5 | 3.914,2 | 14.146,6 | 267,5 | 1.600,8 | 21.273,5 |
| 31 Dec. 2017 | 1.499,0 | 3.942,5 | 15.380,3 | 276,3 | 1.637,5 | 22.735,6 |
| 31 Mar. 2018 | 1.504,5 | 4.270,9 | 16.210,0 | 367,3 | 1.638,0 | 23.990,7 |
| 30 Jun. 2018 | 1.730,4 | 4.686,0 | 17.357,3 | 357,5 | 2.004,8 | 26.136,0 |
| 30 Sept. 2018 | 1.990,1 | 5.620,5 | 20.093,4 | 459,1 | 2.328,1 | 30.491,2 |
| 31 Dec. 2018 | 1.917,8 | 4.922,5 | 19.010,8 | 590,7 | 2.028,6 | 28.470,4 |
| 31 Mar. 2019 | 2.103,5 | 5.251,0 | 20.574,6 | 520,1 | 2.163,6 | 30.612,9 |
| 30 Jun. 2019 | 2.260,8 | 5.434,1 | 21.290,5 | 586,7 | 2.190,3 | 31.762,4 |

Source: Central Bank of the TRNC

Table B.26: Deposits (TRY) - By Types (Million TRY)

| Date | Official | Commercial | Savings | Other | Banks | Total |
|----------------------|-----------------|-------------------|----------------|--------------|--------------|-----------------|
| 30 Sept. 2015 | 571,4 | 1.076,5 | 5.130,1 | 127,3 | 237,6 | 7.142,9 |
| 31 Dec. 2015 | 614,6 | 1.110,6 | 5.193,0 | 143,2 | 254,6 | 7.316,0 |
| 31 Mar. 2016 | 615,7 | 1.101,8 | 5.286,0 | 118,1 | 285,5 | 7.407,1 |
| 30 Jun. 2016 | 669,7 | 1.107,3 | 5.441,0 | 125,7 | 208,8 | 7.552,5 |
| 30 Sept. 2016 | 708,4 | 1.216,8 | 5.492,2 | 166,5 | 227,8 | 7.811,7 |
| 31 Dec. 2016 | 756,3 | 1.319,0 | 5.823,8 | 159,4 | 331,8 | 8.390,3 |
| 31 Mar. 2017 | 809,7 | 1.352,5 | 5.963,4 | 176,8 | 351,3 | 8.653,7 |
| 30 Jun. 2017 | 1.022,5 | 1.368,4 | 6.116,2 | 135,1 | 313,2 | 8.955,4 |
| 30 Sept. 2017 | 1.029,4 | 1.516,0 | 6.387,8 | 98,9 | 319,0 | 9.351,2 |
| 31 Dec. 2017 | 1.150,6 | 1.522,5 | 6.802,0 | 107,2 | 279,1 | 9.861,4 |
| 31 Mar. 2018 | 1.144,2 | 1.558,4 | 6.912,0 | 117,9 | 302,7 | 10.035,2 |
| 30 Jun. 2018 | 1.298,4 | 1.506,7 | 6.909,0 | 129,2 | 404,0 | 10.247,3 |
| 30 Sept. 2018 | 1.394,1 | 1.622,1 | 7.021,3 | 145,9 | 420,4 | 10.603,8 |
| 31 Dec. 2018 | 1.421,0 | 1.577,0 | 7.382,8 | 223,6 | 390,5 | 10.994,9 |
| 31 Mar. 2019 | 1.437,6 | 1.533,1 | 7.517,8 | 239,9 | 478,2 | 11.206,7 |
| 30 Jun. 2019 | 1.602,7 | 1.681,0 | 7.783,8 | 270,4 | 302,4 | 11.640,3 |

Source: Central Bank of the TRNC

Table B.27: Deposits (FX) - By Types (Million TRY)

| Date | Official | Commercial | Savings | Other | Banks | Total |
|----------------------|-----------------|-------------------|----------------|--------------|--------------|-----------------|
| 30 Jun. 2015 | 203,3 | 1.048,0 | 4.737,1 | 156,9 | 528,8 | 6.674,1 |
| 30 Sept. 2015 | 215,8 | 1.331,5 | 5.446,3 | 108,9 | 629,8 | 7.732,3 |
| 31 Dec. 2015 | 208,1 | 1.239,8 | 5.345,0 | 96,3 | 706,6 | 7.595,8 |
| 31 Mar. 2016 | 209,7 | 1.279,0 | 5.295,1 | 118,8 | 738,6 | 7.641,2 |
| 30 Jun. 2016 | 211,6 | 1.335,2 | 5.304,3 | 105,6 | 817,0 | 7.773,7 |
| 30 Sept. 2016 | 205,1 | 1.527,4 | 5.530,0 | 123,4 | 920,6 | 8.306,5 |
| 31 Dec. 2016 | 235,4 | 1.721,5 | 6.463,4 | 156,4 | 1.266,0 | 9.842,7 |
| 31 Mar. 2017 | 297,7 | 1.958,2 | 6.932,1 | 162,2 | 1.108,7 | 10.458,9 |
| 30 Jun. 2017 | 272,0 | 2.143,8 | 7.257,6 | 178,4 | 1.238,2 | 11.090,0 |
| 30 Sept. 2017 | 315,1 | 2.398,3 | 7.758,8 | 168,6 | 1.281,6 | 11.922,3 |
| 31 Dec. 2017 | 348,5 | 2.420,0 | 8.578,2 | 169,1 | 1.358,3 | 12.874,1 |
| 31 Mar. 2018 | 360,3 | 2.712,6 | 9.298,0 | 249,3 | 1.335,3 | 13.955,5 |
| 30 Jun. 2018 | 432,0 | 3.179,4 | 10.448,2 | 228,2 | 1.600,9 | 15.888,7 |
| 30 Sept. 2018 | 596,0 | 3.998,4 | 13.072,1 | 313,2 | 1.907,7 | 19.887,4 |
| 31 Dec. 2018 | 496,8 | 3.345,6 | 11.628,0 | 367,0 | 1.638,1 | 17.475,5 |
| 31 Mar. 2019 | 665,9 | 3.717,8 | 13.056,9 | 280,2 | 1.685,4 | 19.406,2 |
| 30 Jun. 2019 | 658,1 | 3.753,1 | 13.506,7 | 316,2 | 1.887,9 | 20.122,1 |

Source: Central Bank of the TRNC

Table B.28: Money Supply (Million TRY)

| Year | Quarter | M1 | Year-on-year Percentage Change | M2 | Year-on-year Percentage Change | M3 | Quarter-on- quarter Percentage Change |
|------|---------|---------|--------------------------------------|----------|--------------------------------------|----------|--|
| 2015 | I | 2.338,5 | 14,08 | 12.470,8 | 15,53 | 13.249,2 | 14,20 |
| | II | 2.532,7 | 17,67 | 13.211,3 | 18,69 | 14.056,5 | 17,55 |
| | III | 2.829,9 | 30,83 | 14.279,5 | 23,32 | 15.106,7 | 21,50 |
| | IV | 2.841,2 | 28,50 | 14.215,9 | 19,66 | 15.109,8 | 19,35 |
| 2016 | I | 2.797,9 | 19,64 | 14.340,3 | 14,99 | 15.181,6 | 14,59 |
| | II | 2.976,9 | 17,54 | 14.620,3 | 10,66 | 15.593,1 | 10,93 |
| | III | 3.158,0 | 11,59 | 15.285,2 | 7,04 | 16.319,0 | 8,02 |
| | IV | 3.544,1 | 24,74 | 16.946,4 | 19,21 | 17.996,6 | 19,10 |
| 2017 | I | 3.754,8 | 34,20 | 18.019,6 | 25,66 | 19.209,2 | 26,53 |
| | II | 3.906,7 | 31,23 | 18.670,5 | 27,70 | 20.066,2 | 28,69 |
| | III | 4.126,2 | 30,66 | 19.847,4 | 29,85 | 21.240,3 | 30,16 |
| | IV | 4.403,3 | 24,24 | 21.181,5 | 24,99 | 22.789,8 | 26,63 |
| 2018 | I | 4.826,2 | 28,53 | 22.844,7 | 26,78 | 24.492,6 | 27,50 |
| | II | 5.342,4 | 36,75 | 24.489,5 | 31,17 | 26.341,2 | 31,27 |
| | III | 6.244,7 | 51,34 | 28.565,7 | 43,93 | 30.698,9 | 44,53 |
| | IV | 5.726,7 | 30,05 | 26.846,9 | 26,75 | 28.868,4 | 26,67 |
| 2019 | I | 6.297,8 | 30,49 | 29.051,7 | 27,17 | 31.226,9 | 27,50 |
| | II | 6.581,7 | 23,20 | 30.066,1 | 22,77 | 32.390,9 | 22,97 |

Source: Central Bank of the TRNC

Table B.29: Licensed Banks Operating under the Banking Law

| | |
|----|--|
| 1 | KIBRIS VAKIFLAR BANKASI LTD. |
| 2 | AKFİNANS BANK LTD. |
| 3 | CREDITWEST BANK LTD. |
| 4 | NOVA BANK LTD. |
| 5 | ASBANK LTD. |
| 6 | KIBRIS İKTİSAT BANKASI LTD. |
| 7 | KIBRIS TÜRK KOOPERATİF MERKEZ BANKASI LTD. |
| 8 | LİMASOL TÜRK KOOPERATİF BANKASI LTD. |
| 9 | ŞEKERBANK (KIBRIS) LTD. |
| 10 | TÜRK BANKASI LTD. |
| 11 | UNIVERSAL BANK LTD. |
| 12 | VİYABANK LTD. |
| 13 | YAKINDOĞU BANK LTD. |
| 14 | KIBRIS KAPİTAL BANK LTD. |
| 15 | KIBRIS FAİSAL İSLAM BANKASI LTD. |
| 16 | T. GARANTİ BANKASI A.Ş. |
| 17 | T. HALK BANKASI A.Ş. |
| 18 | T. İŞ BANKASI A.Ş. |
| 19 | T.C. ZİRAAT BANKASI A.Ş. |
| 20 | ALBANK LTD. |
| 21 | TÜRK EKONOMİ BANKASI A.Ş. |

Source: Central Bank of the TRNC

Table B.30: Main Economic and Social Indicators

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 ^(F) |
|---|----------|----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|--------------------|-------------------------|---------------------|
| GNP (Current Prices, Million TRY) | 5.079,9 | 5.376,3 | 5.614,1 | 6.508,9 | 6.955,1 | 7.606,9 | 8.858,5 | 10.222,4 | 11.601,2 | 14.544,8 | 18.612,5 ^(F) | 24.554,6 |
| GNP (Million USD) | 3.957,9 | 3.447,3 | 3.727,1 | 3.878,6 | 3.862,6 | 3.983,9 | 4.040,2 | 3.749,0 | 3.837,9 | 3.983,8 | 3.674,3 ^(F) | 3.711,3 |
| GNP per capita (Current Prices, TRY) | 20.739,0 | 21.537,8 | 22.146,9 | 25.850,2 | 27.077,2 | 29.216,8 | 33.127,8 | 37.413 | 42.022 | 51.799 | 64.753** | 82.708** |
| GNP per capita (USD) | 16.158 | 13.930 | 14.703 | 15.403 | 15.037,9 | 15.301,6 | 15.109 | 13.721 | 13.902 | 14.187 | 12.783** | 12.501** |
| Inflation Rate (%) | 14,5 | 5,7 | 3,3 | 14,7 | 3,6 | 10,2 | 6,5 | 7,8 | 10,2 | 14,7 | 29,96 | 24,69* |
| Exports (Million USD) (3) | 83,6 | 71,1 | 96,4 | 119,9 | 116,3 | 120,7 | 134,0 | 118,1 | 105,5 | 105,6 | 111,2 ^(F) | 116,8 |
| Imports (Million USD) (4) | 1.680,7 | 1.326,2 | 1.604,2 | 1.699,9 | 1.703,9 | 1.699,4 | 1.538,8 | 1.500,6 | 1.557,2 | 1.778,4 | 2.080,7 ^(F) | 2.247,2 |
| Foreign Trade Balance (Million USD) | -1,597.1 | -1,255.1 | -1,507.8 | -1,580.0 | -1,587.6 | -1,578.7 | -1,404.8 | -1,382.5 | -1,415,2 | -1,672,8 | -1,969,5 ^(F) | -2,130,4 |
| Exports / Imports (%) | 4,4 | 5,4 | 6,0 | 9,0 | 7,2 | 7,1 | 7,5 | 7,9 | 6,9 | 5,9 | 5,3 ^(T) | 5,2 |
| Number of Arriving Tourists | 808.682 | 800.376 | 902.390 | 1.022.089 | 1.166.186 | 1.232.753 | 1.366.007 | 1.483.244 | 1.577.073 | 1.734.330 | 1.759.625 | 791.408* |
| a) Turkey | 650.405 | 638.700 | 741.925 | 801.326 | 904.505 | 923.308 | 1.020.577 | 1.110.795 | 1.218.232 | 1.324.248 | 1.359.420 | 604.344* |
| b) Other | 158.277 | 161.676 | 160.465 | 220.763 | 261.681 | 309.445 | 345.430 | 372.449 | 358.841 | 410.082 | 400.205 | 187.064* |
| Net Tourism Income (Million USD) | 383,7 | 390,7 | 405,8 | 459,4 | 571,9 | 613,4 | 691,6 | 697,7 | 714,4 | 864,9 | 960,3 ^(F) | 1.025,7 |
| Employment | 91.223 | 91.550 | 93.498 | 93.470 | 96.539 | 97.867 | 103.149 | 112.811 | 118.387 | 120.999 | 124.497 ^(F) | 128.389 |
| Number of Unemployed | 9.881 | 12.941 | 12.619 | 9.864 | 9.174 | 8.929 | 9.320 | 9.043 | 8.075 | 7.452 | 9.093 ^(F) | 9.743 |
| Unemployment Rate (%) | 9,8 | 12,4 | 11,9 | 9,5 | 8,7 | 8,4 | 8,3 | 7,4 | 6,4 | 5,8 | 6,8 ^(F) | 7,1 |
| Population (5) | 274.436 | 283.736 | 277.680 | 283.281 | 292.129 | 301.988 | 313.626 | 326.158 | 335.455 | 345.722 | n.a | n.a |
| Annual Population Growth (%) | 2,4 | 3,3 | 1,1 | -1,3 | 3,1 | 3,3 | 3,8 | 3,9 | 2,9 | 3,1 ^(F) | n.a | n.a |

Source: SPO, Central Bank of the TRNC, Department of Trade, Tourism Planning Department

1) Foreign aids are not included.

2) Exports to the Southern Cyprus are not included.

3) Hydrocarbon imports are not included.

4) 2017-2018 population figures are estimated data. These population figures are not used in GNP per capita calculation. Population used in the calculation of GNP per capita: (mid-year population) + (TRNC citizen students studying abroad) - (Turkish students studying in TRNC + third country citizen students)

^(F) Forecast * Based on January - June data. ** Based on GDP per capita forecast figures.

Table B.31: Sectorial Developments in Gross Domestic Product (Current Prices, Million TRY)

| Sectors | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 ^(F) | 2019 ^(F) |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------|-----------------|-----------------|---------------------|---------------------|
| 1. Agriculture | 259,2 | 300,6 | 330,3 | 366,4 | 386,5 | 405,0 | 489,3 | 552,5 | 647,6 | 658,8 | 809,8 | 1.069,1 |
| 2. Industry | 542,8 | 516,7 | 552,4 | 558,5 | 587,1 | 636,6 | 779,7 | 937,7 | 1.064,7 | 1.413,3 | 1.903,9 | 2.626,5 |
| 3. Construction | 362,2 | 346,4 | 312,1 | 408,5 | 335,8 | 370,7 | 370,2 | 480,5 | 511,6 | 836,4 | 1.064,5 | 1.315,9 |
| 4. Trade - Tourism | 721,7 | 766,3 | 900,0 | 1.216,8 | 1.385,3 | 1.527,9 | 1.829,1 | 2.012,9 | 2.280,6 | 2.921,8 | 3.988,8 | 5.440,8 |
| 5. Transportation - Communication | 614,5 | 597,3 | 525,2 | 553,1 | 642,9 | 711,4 | 788,0 | 896,6 | 965,3 | 1.156,6 | 1.505,3 | 1.977,6 |
| 6. Financial Institutions | 357,8 | 388,4 | 404,4 | 472,6 | 506,0 | 579,7 | 637,4 | 719,4 | 887,6 | 1.007,7 | 1.281,4 | 1.678,5 |
| 7. Housing Income | 175,9 | 202,5 | 220,6 | 274,4 | 305,8 | 358,2 | 398,9 | 456,2 | 535,3 | 655,6 | 842,6 | 1.107,0 |
| 8. Self-Employment and Services | 525,2 | 609,3 | 652,3 | 727,5 | 801,8 | 891,6 | 1.026,1 | 1.422,6 | 1.679,9 | 2.289,8 | 2.923,0 | 3.895,9 |
| 9. Public Services | 1.104,0 | 1.201,2 | 1.180,1 | 1.294,3 | 1.294,9 | 1.349,9 | 1.603,6 | 1.715,2 | 1.850,1 | 2.193 | 2.678,8 | 3.451,8 |
| 10. Import Taxes | 416,6 | 447,6 | 536,3 | 637,0 | 709,1 | 775,9 | 936,4 | 971,8 | 1.178,3 | 1.411,5 | 1.614,2 | 1.991,5 |
| 11. GDP | 5.079,9 | 5.376,3 | 5.614,1 | 6.509,0 | 6.955,1 | 7.606,9 | 8.858,6 | 10.222,5 | 11.601,2 | 14.544,8 | 18.612,5 | 24.554,6 |
| 12. Net Factor Income from Abroad | 48,4 | 38,9 | 35,4 | 50,2 | -39,3 | -27,5 | -18,2 | -11,7 | 4,2 | 6,9 | 8,7 | 11,2 |
| GNP | 5.128,3 | 5.415,3 | 5.649,5 | 6.559,2 | 6.915,8 | 7.579,4 | 8.840,4 | 10.210,7 | 11.605,5 | 14.551,8 | 18.621,1 | 24.565,8 |

Source: SPO

^(F) Forecast

Table B.32: Percentage Distribution of Gross Domestic Product

| Sectors | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 ^(F) | 2019 ^(F) |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|---------------------|---------------------|
| 1. Agriculture | 5,1 | 5,6 | 5,9 | 5,6 | 5,6 | 5,3 | 5,5 | 6,0 | 5,6 | 4,5 | 4,4 | 4,4 |
| 2. Industry | 10,7 | 9,6 | 9,8 | 8,6 | 8,4 | 8,4 | 8,8 | 9,2 | 9,2 | 9,7 | 10,2 | 10,7 |
| 2.1. Quarrying | 0,8 | 0,7 | 0,6 | 0,7 | 0,6 | 0,6 | 0,5 | 0,7 | 0,7 | 0,9 | 0,9 | 0,9 |
| 2.2. Manufacturing Industry | 4,0 | 3,2 | 2,3 | 2,5 | 2,8 | 2,9 | 3,1 | 3,7 | 3,7 | 3,3 | 3,2 | 3,2 |
| 2.3. Electricity-Water | 5,9 | 5,8 | 6,9 | 5,3 | 5,1 | 4,8 | 5,1 | 4,8 | 4,8 | 5,5 | 6,1 | 6,6 |
| 3. Construction | 7,1 | 6,5 | 5,6 | 6,3 | 4,8 | 4,9 | 4,2 | 4,7 | 4,4 | 5,8 | 5,7 | 5,4 |
| 4. Trade - Tourism | 14,2 | 14,3 | 16,0 | 18,7 | 19,9 | 20,1 | 20,6 | 19,7 | 19,7 | 20,1 | 21,4 | 22,2 |
| 4.1. Wholesale and Retail Trade | 9,7 | 9,0 | 10,7 | 11,1 | 11,4 | 11,2 | 12,3 | 10,7 | 11,0 | 11,1 | 11,5 | 11,7 |
| 4.2. Hotel and Restaurant Management | 4,5 | 5,2 | 5,4 | 7,6 | 8,5 | 8,9 | 8,3 | 9,0 | 8,7 | 9,0 | 10,0 | 10,5 |
| 5. Transportation - Communication | 12,1 | 11,1 | 9,4 | 8,5 | 9,3 | 9,4 | 8,9 | 8,8 | 8,3 | 8,0 | 8,1 | 8,1 |
| 6. Financial Institutions | 7,1 | 7,2 | 7,2 | 7,2 | 7,3 | 7,6 | 7,2 | 7,0 | 7,6 | 6,9 | 6,9 | 6,8 |
| 7. Housing Ownership | 3,5 | 3,8 | 3,9 | 4,2 | 4,4 | 4,7 | 4,5 | 4,4 | 4,6 | 4,5 | 4,5 | 4,5 |
| 8. Self-Employment and Services | 10,3 | 11,3 | 11,6 | 11,2 | 11,5 | 11,7 | 11,6 | 13,9 | 14,5 | 15,7 | 15,7 | 15,9 |
| 9. Public Services | 21,7 | 22,3 | 21,0 | 19,9 | 18,6 | 17,7 | 18,1 | 16,8 | 15,9 | 15,1 | 14,4 | 14,1 |
| 10. Import Taxes | 8,2 | 8,3 | 9,6 | 9,8 | 10,2 | 10,2 | 10,6 | 9,5 | 10,2 | 9,7 | 8,7 | 8,1 |
| GDP | 100,0 | 100,0 | 100,0 | 100,0 | 100,0 | 100,0 | 100,0 | 100,0 | 100,0 | 100,0 | 100,0 | 100,0 |

Source: SPO

Table B.33: General Balance of the Economy (Current Prices, Million TRY)

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 ^(F) | 2019 ^(F) |
|-------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|----------|----------|---------------------|---------------------|
| 1. Total Resources | 5.629,3 | 5.516,7 | 6.065,0 | 6.849,7 | 7.141,1 | 7.664,8 | 8.866,0 | 9.470,2 | 10.499,0 | 13.476,9 | 17.926,6 | 23.821,7 |
| 2. Total Investments | 1.049,1 | 946,6 | 1.049,6 | 1.266,5 | 1.175,5 | 1.147,8 | 1.276,7 | 1.598,5 | 1.791,2 | 2.836,0 | 4.013,6 | 5.656,8 |
| 3. Total Consumption | 4.580,1 | 4.570,0 | 5.015,4 | 5.583,1 | 5.965,6 | 6.516,9 | 7.589,3 | 7.871,7 | 8.707,8 | 10.640,9 | 13.913,1 | 18.165,1 |
| 4. Public Disposable Income | 1.105,6 | 751,9 | 962,2 | 1.059,2 | 1.491,8 | 1.341,3 | 1.688,9 | 2.123,1 | 2.317,2 | 3.451,1 | 4.099,3 | 4.906,1 |
| 5. Private Disposable Income | 4.022,7 | 4.663,3 | 4.687,3 | 5.449,9 | 5.424,0 | 6.238,1 | 7.151,5 | 8.087,7 | 8.962,7 | 11.100,7 | 14.521,8 | 19.659,7 |
| 6. Private Savings Ratio (%) | 20,1 | 33,9 | 26,0 | 28,0 | 20,8 | 25,0 | 23,3 | 29,8 | 29,4 | 29,0 | 28,1 | 29,7 |
| 7. Total Domestic Savings | 548,2 | 845,2 | 634,1 | 976,1 | 950,3 | 1.062,5 | 1.251,0 | 2.339,0 | 2.572,1 | 3.910,9 | 4.708,0 | 6.400,7 |

Source: SPO

^(F) Forecast

Table B.34: Real Growth Rates of Sectorial Value Added (%)

| Sectors | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 ^(F) | 2019 ^(F) |
|--|-------------|-------------|------------|------------|------------|------------|------------|------------|------------|------------|---------------------|---------------------|
| 1. Agriculture | -18,2 | 8,2 | 10,0 | 10,8 | 3,7 | -1,6 | 4,8 | 14,5 | -7,3 | 4,9 | -1,5 | 2,0 |
| 2. Industry | -10,3 | -9,1 | -0,2 | 3,4 | -0,7 | 1,7 | 8,5 | 19,5 | 7,3 | 4,4 | 2,0 | 1,7 |
| 3. Construction | -8,0 | -18,5 | 3,8 | 3,3 | -16,0 | -0,3 | -4,5 | 6,5 | 5,7 | 10,6 | 2,0 | -4,5 |
| 4. Trade-Tourism | -2,1 | -8,7 | 18,3 | 6,0 | 6,1 | 1,4 | 8,5 | -0,8 | 4,8 | 9,0 | 7,7 | 4,8 |
| 5. Transportation-Communication | 2,2 | -2,8 | -20,0 | -4,3 | 5,7 | 2,0 | 3,2 | 5,7 | 1,8 | 6,9 | 4,3 | 1,5 |
| 6. Financial Institutions | 9,6 | 1,7 | 0,3 | 1,4 | 8,1 | 7,5 | 0,8 | 1,6 | 2,0 | 3,1 | 1,9 | 1,2 |
| 7. Housing Ownership | 2,7 | 3,8 | 4,0 | 3,9 | 3,7 | 3,2 | 2,6 | 3,0 | 3,5 | 3,8 | 3,0 | 1,5 |
| 8. Self-Employment and Services | 4,3 | 3,4 | -5,3 | 4,3 | 1,5 | 2,3 | 8,8 | 9,5 | 3,6 | 7,7 | 2,3 | 3,0 |
| 9. Public Services | 1,2 | -5,0 | 0,4 | 2,8 | 1,9 | 1,4 | -0,1 | 0,1 | -0,2 | -0,8 | -0,5 | 0,5 |
| 10. Import Taxes | -0,8 | -7,1 | 18,6 | 3,9 | 8,9 | -2,1 | 7,9 | -9,6 | 9,0 | 0,5 | -1,5 | 3,0 |
| 11. GDP | -2,9 | -5,5 | 3,7 | 3,9 | 1,8 | 1,1 | 4,8 | 4,0 | 3,6 | 5,4 | 2,6 | 1,9 |
| 12. Net Factor Income from Abroad | -36,4 | -28,2 | -9,8 | 27,1 | -174,5 | 35,3 | 40,5 | 41,9 | 133,0 | -38,4 | 0,0 | 0,0 |
| GNP | -3,4 | -5,7 | 3,6 | 4,0 | 0,5 | 1,3 | 4,9 | 4,1 | 3,8 | 5,5 | 2,5 | 1,9 |

Source: SPO

^(F) Forecast

Table B.35: Balance of Payments (Million USD)

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 ^(F) |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------------------|
| 1. Current Accounts Balance | -390,3 | -65,4 | -275,8 | -173,1 | -125,1 | -44,7 | -11,7 | 271,6 | 287,6 | 294,4 | 131,9 | 112,5 |
| 2. Balance of Capital Movements | 410,5 | 495,0 | 438,5 | 326,5 | 346,2 | 259,7 | 186,9 | 168,9 | 71,4 | 131,4 | 157,1 | 164,7 |
| 3. Reserve Movements (- Increase, + Decrease) | 269,5 | -172,1 | -94,4 | -47,3 | -340,8 | -219,9 | -176,7 | -75,8 | -79,4 | -826,6 | +69,1 | -365,1 |
| 4. Net Errors and Omissions | -289,7 | -257,5 | -68,3 | -106,1 | 119,7 | 4,9 | 1,5 | -364,7 | -279,6 | 400,8 | -358,1 | 87,9 |

Source: SPO

^(F) Forecast**Table B.36: Percentage Change of Consumer Prices Index Compared to December of Last Year**

| Months | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|------------------|------|------|------|------|------|------|------|-------|-------|-------|-------|------|-------|-------|-------|-------|------|
| January | 3,4 | 0,7 | -0,9 | 1,0 | 1,3 | 1,6 | -0,1 | -0,27 | 1,39 | -0,70 | 1,00 | 2,09 | -0,88 | 0,47 | 2,56 | -0,22 | 0,53 |
| February | 6,0 | 0,3 | -0,9 | 0,7 | 2,0 | 2,2 | 0,1 | -0,31 | 2,10 | -0,95 | 0,46 | 4,43 | -2,14 | 0,31 | 4,00 | 1,39 | 0,37 |
| March | 7,9 | 1,8 | -0,9 | 2,5 | 3,5 | 3,8 | 1,1 | 0,00 | 3,88 | -0,03 | 0,66 | 5,02 | -0,41 | 0,09 | 4,61 | 2,26 | 1,71 |
| April | 9,8 | 2,4 | 0,5 | 4,2 | 4,2 | 6,3 | 1,2 | 0,71 | 4,85 | 1,83 | 1,51 | 5,38 | 1,09 | 1,09 | 6,54 | 5,07 | 5,72 |
| May | 12,9 | 4,6 | -0,2 | 6,4 | 4,3 | 7,9 | 2,5 | 0,29 | 6,46 | 1,69 | 1,80 | 4,56 | 2,73 | 1,86 | 6,95 | 8,91 | 6,22 |
| June | 9,0 | 4,2 | -0,4 | 8,5 | 3,4 | 9,8 | 3,2 | 0,31 | 5,95 | 0,73 | 3,30 | 4,89 | 3,18 | 2,33 | 7,68 | 12,11 | 7,57 |
| July | 6,9 | 4,2 | -0,2 | 10,2 | 3,6 | 11,5 | 0,8 | 0,92 | 7,02 | -0,28 | 3,21 | 5,15 | 1,90 | 3,23 | 9,29 | 14,64 | |
| August | 7,1 | 6,5 | 0,5 | 12,6 | 5,9 | 11,3 | 2,6 | 1,92 | 9,49 | 0,84 | 4,17 | 5,77 | 2,72 | 4,00 | 9,75 | 24,29 | |
| September | 9,1 | 8,4 | 2,0 | 15,9 | 7,7 | 14,3 | 3,3 | 2,58 | 10,39 | 2,57 | 6,30 | 5,84 | 5,78 | 4,63 | 10,31 | 31,99 | |
| October | 10,9 | 10,3 | 2,5 | 18,6 | 9,3 | 15,6 | 4,9 | 3,61 | 11,90 | 3,52 | 7,89 | 7,69 | 7,39 | 5,85 | 11,32 | 34,08 | |
| November | 11,7 | 10,9 | 2,3 | 19,0 | 9,0 | 16,4 | 6,0 | 3,54 | 13,91 | 3,61 | 8,29 | 6,97 | 6,38 | 7,36 | 12,78 | 31,93 | |
| December | 12,6 | 11,6 | 2,7 | 19,2 | 9,4 | 14,5 | 5,7 | 3,27 | 14,72 | 3,60 | 10,22 | 6,49 | 7,78 | 10,19 | 14,68 | 29,96 | |

Source: SPO

Table B.37: TRNC and TR Inflation Rates

| Years | TRNC | TR | Years | TRNC | TR | Years | TRNC | TR |
|-------|-------|-------|-------|------|------|-------|-------|-------|
| 1984 | 70,7 | 49,7 | 1998 | 66,5 | 69,7 | 2012 | 3,60 | 6,16 |
| 1985 | 43,0 | 44,2 | 1999 | 55,3 | 68,8 | 2013 | 10,22 | 7,40 |
| 1986 | 48,1 | 30,7 | 2000 | 53,2 | 39,0 | 2014 | 6,49 | 8,17 |
| 1987 | 43,0 | 55,1 | 2001 | 76,8 | 68,5 | 2015 | 7,78 | 8,81 |
| 1988 | 62,6 | 77,1 | 2002 | 24,5 | 29,8 | 2016 | 10,19 | 8,53 |
| 1989 | 51,8 | 64,3 | 2003 | 12,6 | 18,4 | 2017 | 14,68 | 11,92 |
| 1990 | 69,4 | 60,4 | 2004 | 11,6 | 9,3 | 2018 | 29,96 | 20,30 |
| 1991 | 46,3 | 71,1 | 2005 | 2,7 | 7,7 | 2019* | 24,69 | 15,72 |
| 1992 | 63,4 | 66,0 | 2006 | 19,2 | 9,7 | | | |
| 1993 | 61,2 | 71,1 | 2007 | 9,4 | 8,4 | | | |
| 1994 | 215,0 | 125,5 | 2008 | 14,5 | 10,1 | | | |
| 1995 | 72,2 | 76,1 | 2009 | 5,7 | 6,5 | | | |
| 1996 | 87,5 | 79,8 | 2010 | 3,2 | 6,4 | | | |
| 1997 | 81,7 | 99,1 | 2011 | 14,7 | 10,4 | | | |

Source: SPO, CBRT

* (June 2019 inflation figure)

Table B.38: Consumer Price Index (2015 = 100 Base Year)

Change Rates of Main Goods and Services Groups Compared to the Previous Month

| Main Groups | 2019 | | | | | | | | | | | |
|---|-------------|--------------|-------------|-------------|-------------|-------------|---|---|---|----|----|----|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 |
| 1. Food and Non-Alcoholic Beverages | 1,19 | 0,31 | 0,40 | 1,33 | -0,38 | -1,63 | | | | | | |
| 2. Alcoholic Beverages and Tobacco | 0,09 | 0,26 | -0,21 | 11,96 | 1,44 | 0,39 | | | | | | |
| 3. Clothing & Shoes | -5,35 | -4,22 | -0,24 | 10,69 | 2,06 | 0,64 | | | | | | |
| 4. Housing, Water, Electricity, Gas and Other Fuels | -0,78 | 0,90 | 0,86 | 7,85 | -3,15 | -0,23 | | | | | | |
| 5. Furniture, Home Appliances and Home Maintenance Services | 0,45 | -0,56 | 0,90 | 0,65 | 0,72 | 2,61 | | | | | | |
| 6. Health | -0,15 | 5,02 | 1,09 | 0,75 | 0,53 | 0,54 | | | | | | |
| 7. Transportation | -1,49 | -0,34 | 1,65 | 4,63 | 1,69 | -0,89 | | | | | | |
| 8. Communication | 0,25 | 0,43 | -0,17 | 0,48 | 0,09 | 1,44 | | | | | | |
| 9. Entertainment and Culture | 4,84 | -4,54 | 3,69 | 4,33 | 1,80 | 8,96 | | | | | | |
| 10. Education | 0,50 | -0,68 | 0,76 | 1,60 | 1,61 | -0,76 | | | | | | |
| 11. Restaurants and Hotels | -0,07 | 2,12 | 4,27 | 6,63 | 3,20 | 7,77 | | | | | | |
| 12. Miscellaneous Goods and Services | 6,37 | 0,70 | 1,39 | 1,24 | 0,91 | 2,05 | | | | | | |
| General | 0,53 | -0,15 | 1,33 | 3,95 | 0,47 | 1,27 | | | | | | |

Source: SPO

Table B.39: Minimum Wage Developments

| Years | Minimum Wage (TRY) | Exercise Date |
|--------------|---------------------------|----------------------|
| 1991 | 520.000 | 01.01.1991 |
| 1992 | 806.000 | 01.01.1992 |
| 1993 | 1.373.000 | 01.01.1993 |
| 1994 | 3.000.000 | 01.01.1994 |
| 1994 | 5.000.000 | 01.08.1994 |
| 1995 | 9.420.000 | 01.01.1995 |
| 1995 | 11.590.000 | 01.09.1995 |
| 1996 | 14.800.000 | 01.01.1996 |
| 1997 | 23.000.000 | 01.01.1997 |
| 1997 | 33.800.000 | 01.09.1997 |
| 1998 | 50.250.000 | 01.01.1998 |
| 1998 | 67.000.000 | 01.09.1998 |
| 1999 | 85.000.000 | 01.01.1999 |
| 1999 | 103.000.000 | 01.01.1999 |
| 2000 | 137.000.000 | 01.01.2000 |
| 2000 | 160.000.000 | 01.07.2000 |
| 2001 | 200.000.000 | 01.01.2001 |
| 2001 | 240.000.000 | 01.08.2001 |
| 2002 | 320.000.000 | 01.01.2002 |
| 2002 | 380.000.000 | 01.10.2002 |
| 2003 | 440.000.000 | 01.01.2003 |
| 2003 | 500.000.000 | 01.08.2003 |
| 2004 | 550.000.000 | 01.03.2004 |
| 2004 | 627.000.000 | 01.07.2004 |
| 2005 | 720 | 01.06.2005 |
| 2006 | 780 | 01.01.2006 |
| 2006 | 860 | 01.08.2006 |
| 2007 | 950 | 01.02.2007 |
| 2008 | 1.060 | 01.01.2008 |
| 2008 | 1.190 | 01.09.2008 |
| 2009 | 1.237 | 01.10.2009 |
| 2011 | 1.300 | 01.01.2011 |
| 2013 | 1.415 | 01.01.2013 |
| 2014 | 1.560 | 01.01.2014 |
| 2014 | 1.675 | 01.11.2014 |
| 2015 | 1.730 | 01.09.2015 |
| 2016 | 1.834 | 01.07.2016 |
| 2017 | 2.020 | 01.02.2017 |
| 2017 | 2.175 | 01.07.2017 |
| 2018 | 2.365 | 01.03.2018 |
| 2018 | 2.620 | 01.09.2018 |
| 2019 | 3.150 | 01.02.2019 |
| 2019 | 3.400 | 01.08.2019 |

Source: SPO

Note: As of 2005, 6 zeros have been removed from TRY.

Table B.40: Fuel Retail Prices

| Date | Unleaded Gas | | Euro Diesel | Diesel | Petroleum |
|------------|--------------|-----------|-------------|--------|-----------|
| | 95 Octane | 97 Octane | | | |
| 14.01.2015 | 2,99 | 3,18 | 3,06 | 2,67 | 2,67 |
| 04.02.2015 | 2,95 | 3,14 | 2,97 | 2,58 | 2,58 |
| 25.02.2015 | 3,04 | 3,23 | 3,06 | 2,67 | 2,67 |
| 18.03.2015 | 3,13 | 3,32 | 3,15 | 2,76 | 2,76 |
| 01.05.2015 | 3,31 | 3,50 | 3,32 | 2,93 | 2,93 |
| 23.05.2015 | 3,40 | 3,59 | 3,41 | 3,02 | 3,02 |
| 07.07.2015 | 3,40 | 3,59 | 3,39 | 2,99 | 2,99 |
| 28.07.2015 | 3,30 | 3,49 | 3,22 | 2,82 | 2,82 |
| 18.08.2015 | 3,27 | 3,46 | 3,22 | 2,82 | 2,82 |
| 09.09.2015 | 3,27 | 3,46 | 3,22 | 2,85 | 2,85 |
| 30.09.2015 | 3,29 | 3,48 | 3,26 | 2,92 | 2,92 |
| 21.10.2015 | 3,27 | 3,46 | 3,23 | 2,92 | 2,92 |
| 16.01.2016 | 3,18 | 3,38 | 3,07 | 2,86 | 2,86 |
| 23.01.2016 | 3,18 | 3,38 | 2,97 | 2,86 | 2,86 |
| 06.02.2016 | 3,12 | 3,32 | 2,86 | 2,86 | 2,86 |
| 19.03.2016 | 3,20 | 3,40 | 2,94 | 2,94 | 2,94 |
| 05.05.2016 | 3,27 | 3,47 | 3,03 | 2,94 | 3,02 |
| 26.05.2016 | 3,39 | 3,59 | 3,20 | - | 3,17 |
| 17.06.2016 | 3,41 | 3,61 | 3,29 | - | 3,26 |
| 12.07.2016 | 3,41 | 3,61 | 3,29 | - | 3,26 |
| 24.08.2016 | 3,47 | 3,67 | 3,30 | - | 3,26 |
| 20.09.2016 | 3,54 | 3,74 | 3,36 | - | 3,32 |
| 11.10.2016 | 3,57 | 3,77 | 3,36 | - | 3,35 |
| 01.11.2016 | 3,63 | 3,83 | 3,45 | - | 3,41 |
| 07.01.2017 | 3,83 | 4,03 | 3,62 | - | 3,56 |
| 11.03.2017 | 3,76 | 3,96 | 3,59 | - | 3,51 |
| 01.04.2017 | 3,71 | 3,91 | 3,51 | - | 3,43 |
| 18.05.2017 | 3,67 | 3,87 | 3,47 | - | 3,39 |
| 29.11.2017 | 3,67 | 3,87 | 3,63 | - | 3,40 |
| 03.02.2018 | 3,85 | 4,04 | 3,78 | - | 3,55 |
| 17.03.2018 | 3,88 | 4,07 | 3,82 | - | 3,59 |
| 11.04.2018 | 4,19 | 4,37 | 4,02 | - | 3,78 |
| 03.05.2018 | 4,30 | 4,48 | 4,13 | 4,13 | 3,91 |
| 10.07.2018 | 4,32 | 4,50 | 4,13 | 4,13 | 4,01 |
| 31.07.2018 | 4,42 | 4,60 | 4,18 | 4,18 | 4,11 |
| 28.08.2018 | 4,97 | 5,16 | 4,76 | 4,76 | 4,65 |
| 20.09.2018 | 5,81 | 6,01 | 5,76 | 5,76 | 5,59 |
| 01.11.2018 | 5,61 | 5,71 | 5,55 | 5,76 | 5,46 |
| 22.11.2018 | 5,21 | 5,31 | 5,15 | - | 5,06 |
| 13.12.2018 | 5,06 | 5,16 | 4,95 | - | 4,86 |
| 10.01.2019 | 5,00 | 5,10 | 4,85 | - | 4,78 |
| 21.02.2019 | 5,06 | 5,16 | 4,91 | - | 4,75 |
| 14.03.2019 | 5,06 | 5,16 | 4,91 | - | 4,85 |
| 04.04.2019 | 5,41 | 5,51 | 5,01 | - | 4,95 |
| 08.08.2019 | 5,36 | 5,46 | 4,96 | - | 4,90 |

Source: Ministry of Economy and Energy

Table B.41: Exports of TRNC by Country Groups (USD)

| Years | Turkey | European Union Countries | Other EU Countries | Middle East Countries | Other Countries | Total Exports |
|-------------------------------|---------------|---------------------------------|---------------------------|------------------------------|------------------------|----------------------|
| 2006 | 30.875.362 | 9.708.799 | 9.805.754 | 11.543.938 | 2.933.694 | 64.867.547 |
| 2007 | 48.907.443 | 13.225.555 | 7.369.006 | 9.702.231 | 4.480.578 | 83.684.813 |
| 2008 | 41.770.636 | 17.147.124 | 4.953.414 | 14.220.270 | 5.572.694 | 83.664.138 |
| 2009 | 38.482.808 | 13.156.210 | 1.206.347 | 13.833.521 | 4.384.880 | 71.063.766 |
| 2010 | 44.741.216 | 11.816.654 | 3.475.821 | 31.104.188 | 5.282.030 | 96.419.909 |
| 2011 | 61.333.755 | 9.515.772 | 1.514.866 | 36.886.525 | 10.645.168 | 119.896.086 |
| 2012 | 58.878.076 | 8.678.585 | 1.014.857 | 39.821.898 | 9.873.712 | 116.267.128 |
| 2013 | 62.969.817 | 9.145.514 | 2.733.484 | 38.472.891 | 7.359.533 | 120.681.239 |
| 2014 | 78.446.382 | 8.304.840 | 835.323 | 40.583.800 | 5.814.745 | 133.985.090 |
| 2015 | 66.228.637 | 6.195.715 | 3.811.828 | 35.611.170 | 5.885.294 | 117.732.644 |
| 2016 | 65.926.162 | 10.664.066 | 893.816 | 23.981.854 | 4.022.010 | 105.487.908 |
| 2017 | 63.818.406 | 8.362.779 | 1.681.343 | 22.247.673 | 9.505.787 | 105.615.988 |
| 2018 | 52.127.770 | 10.376.400 | 2.536.815 | 26.110.465 | 9.700.495 | 100.851.945 |
| 2019 (January – April) | 22.345.011 | 878.407 | 2.117.382 | 14.004.566 | 1.371.380 | 40.716.746 |

Source: Ministry of Economy and Energy

Table B.42: Imports of TRNC by Country Groups (USD)

| Years | Turkey | European Union Countries | Far Eastern Countries | Other EU Countries | Middle East Countries | Other Countries | Total Imports |
|-------------------------------|---------------|---------------------------------|------------------------------|---------------------------|------------------------------|------------------------|----------------------|
| 2006 | 946.978.969 | 247.072.030 | 82.977.243 | 16.460.425 | 65.267.005 | 17.464.606 | 1.376.220.278 |
| 2007 | 1.044.965.855 | 248.220.981 | 111.304.222 | 40.423.905 | 66.253.726 | 28.022.604 | 1.539.191.293 |
| 2008 | 1.172.502.792 | 236.344.802 | 109.156.742 | 78.503.072 | 56.482.297 | 27.673.475 | 1.680.657.180 |
| 2009 | 923.438.219 | 205.604.209 | 87.720.997 | 30.311.431 | 52.507.371 | 26.582.965 | 1.326.165.192 |
| 2010 | 1.137.378.970 | 251.285.189 | 90.266.660 | 29.873.873 | 69.000.395 | 26.375.578 | 1.604.180.665 |
| 2011 | 1.165.712.306 | 286.204.302 | 82.493.886 | 42.982.735 | 87.880.256 | 34.654.478 | 1.699.927.963 |
| 2012 | 1.234.214.030 | 247.749.409 | 81.109.808 | 28.245.460 | 81.484.144 | 31.111.112 | 1.703.913.963 |
| 2013 | 1.155.334.547 | 257.018.820 | 113.400.316 | 59.110.065 | 86.239.017 | 28.323.666 | 1.699.426.431 |
| 2014 | 995.563.199 | 238.330.438 | 125.280.677 | 70.915.525 | 75.481.630 | 33.204.743 | 1.538.776.212 |
| 2015 | 967.563.226 | 271.360.515 | 115.042.857 | 45.084.868 | 70.781.057 | 30.744.861 | 1.500.577.384 |
| 2016 | 940.845.300 | 326.806.415 | 133.943.157 | 51.872.616 | 69.557.193 | 34.165.573 | 1.557.190.254 |
| 2017 | 1.043.002.512 | 387.506.424 | 150.130.828 | 61.166.015 | 87.668.520 | 48.929.706 | 1.778.404.005 |
| 2018 | 1.068.509.898 | 356.271.158 | 149.333.076 | 90.732.549 | 100.527.838 | 50.989.832 | 1.816.364.351 |
| 2019 (January – April) | 272.672.660 | 63.402.458 | 36.640.971 | 31.865.586 | 27.662.518 | 12.626.410 | 444.870.603 |

Source: Ministry of Economy and Energy

Table B.43: Distribution of Passengers Arriving in the TRNC by Ports

| Years | Ercan | Kyrenia | Famagusta | Karpasia | Total |
|------------------------------|-----------|---------|-----------|----------|------------------|
| 2014 | 1.577.347 | 49.967 | 18.608 | 291 | 1.646.213 |
| 2015 | 1.693.694 | 60.733 | 19.196 | 342 | 1.773.965 |
| 2016 | 1.785.746 | 57.513 | 19.004 | 295 | 1.862.558 |
| 2017 | 1.794.483 | 71.619 | 21.668 | 283 | 1.888.053 |
| 2018 | 1.968.345 | 84.974 | 26.260 | 382 | 2.079.961 |
| 2019 (January – June) | 892.473 | 24.027 | 11.460 | 170 | 928.130 |

Source: Tourism Planning Department

Table B.44: Total Border Gate Crossings in 2018 - 2019 (Entries) (Number of Persons)

| Nationality | TRNC | | Southern Cyprus | | Other Countries | | Total | |
|------------------|------------------|----------------|------------------|------------------|------------------|----------------|------------------|------------------|
| | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 |
| January | 142.730 | 150.377 | 93.241 | 152.451 | 82.017 | 112.207 | 317.988 | 415.035 |
| February | 149.291 | 165.802 | 83.267 | 139.516 | 88.643 | 113.106 | 321.201 | 418.424 |
| March | 152.981 | 163.402 | 97.704 | 182.463 | 120.484 | 149.119 | 371.169 | 494.984 |
| April | 139.336 | 157.512 | 106.602 | 203.143 | 137.044 | 184.496 | 382.982 | 545.151 |
| May | 146.289 | 174.290 | 110.945 | 208.708 | 151.169 | 191.193 | 408.403 | 574.191 |
| June | 156.475 | 184.323 | 123.941 | 228.747 | 151.981 | 195.225 | 432.397 | 608.295 |
| July | 153.821 | | 133.585 | | 162.629 | | 450.035 | |
| August | 135.096 | | 180.729 | | 191.970 | | 507.795 | |
| September | 140.318 | | 186.477 | | 192.924 | | 519.719 | |
| October | 146.145 | | 183.490 | | 195.681 | | 525.316 | |
| November | 148.467 | | 178.571 | | 156.019 | | 483.057 | |
| December | 164.720 | | 188.539 | | 130.285 | | 483.544 | |
| Total | 1.775.669 | 995.706 | 1.667.091 | 1.115.028 | 1.760.846 | 945.346 | 5.203.606 | 3.056.080 |

Source: Tourism Planning Department

Table B.45: Number of Persons Accommodating in Touristic Accommodation Facilities

| Countries | Number of Persons | | | | | | | |
|--------------------|--------------------------|----------------|----------------|----------------|----------------|------------------|------------------|--------------------------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 (January-June) |
| Turkey | 459.529 | 464.397 | 529.909 | 588.045 | 621.819 | 656.365 | 776.428 | 344.651 |
| TRNC | 45.175 | 40.125 | 49.598 | 52.335 | 53.224 | 42.491 | 49.344 | 16.124 |
| Other | 183.651 | 209.379 | 224.881 | 235.661 | 266.208 | 317.984 | 312.701 | 145.273 |
| Grand Total | 688.355 | 713.901 | 804.387 | 876.041 | 941.251 | 1.016.840 | 1.138.473 | 506.048 |

Source: Tourism Planning Department

ANNEX C. NOTES

Money Supply

'Money Supply' in the broadest sense refers to the sum of means that are in circulation and used as money in an economy. Although they vary from country to

country or time, the 'money supply' is defined as M1 (Narrow Money Supply), M2 (Intermediate Money Supply) and M3 (Wide Money Supply) according to their liquidity ratios and is calculated as follows.

M1= Money in Circulation + Demand Deposits in the Banks + Deposits in the Central Bank of TRNC

M2= M1 + Time Deposits in the Banks

M3= M2 + Official Deposits in the Banks + Other Deposits in the Central Bank of TRNC

Deposits and Loans

The deposits and loan item totals in the bulletin are prepared according to the definitions in the "TRNC Banks' Uniform Chart of Accounts".

Other Points Related to the Bulletin

In the bulletin, banking data is usually issued on a monthly, quarterly and annual basis. The monthly data regarding the banking sector is also published on our Bank's official website (www.mb.gov.ct.tr).

Bank

It describes the banks established under the "Companies Law" and "TRNC Banking Law" numbered 39/2001 and the branches of foreign banks opened in the Turkish Republic of Northern Cyprus. There are currently 21 deposit banks operating in the TRNC.

Since banking data is collected from temporary balances, our bank does not guarantee the accuracy of such financial data and does not take responsibility for this information, which is published for information purposes only. In addition, our Bank reserves the right to amend/modify related data in whole or in part without prior notice. For this reason, periodic information contained in the Bulletin may change as a result of updates to previous or subsequent bulletins for various reasons.

Banking Sector

It refers to the sector consisting of the banks described above. All kinds of financial institutions other than the 21 eligible banks are excluded from the sector.

Monetary Data of the Banking Sector

The monetary aggregates of the sector are compiled from temporary balances that banks presented to the Central Bank of the TRNC. These balances are prepared on the last day of each calendar month and show the balance sheet status of the banks as of that day. However, since the Central Bank may request amendments to certain items of these balance sheets as a result of some examinations, these balance sheets are considered 'Temporary'.

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For information and suggestions: www.mb.gov.ct.tr

