



2019
THIRD QUARTER

JANUARY - FEBRUARY - MARCH - APRIL - MAY - JUNE - JULY - AUGUST - SEPTEMBER - OCTOBER - NOVEMBER - DECEMBER

CENTRAL BANK OF TRNC
ISSUE: 2019 - III

QUARTERLY BULLETIN



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I: FOREWORD

Global economic growth forecasts for 2019 by the Organization for Economic Cooperation and Development (OECD) and the International Monetary Fund (IMF) have been revised downwards for the third quarter of 2019. The respective estimates of the OECD and the IMF have been announced as 2.9 percent and 3.0 percent, respectively, and it was emphasized that these levels would be the lowest global growth rate after 2008 and 2009. In the reports published by the IMF and OECD, it was mentioned that the expansionary monetary policies of the central banks of developed economies such as the Fed and the ECB would reduce the effects of rising geopolitical tensions and trade wars hampering global trade and making global growth more fragile.

Declining to 19.75 percent as a result of the 425 base points decrease made after the Central Bank of the Republic of Turkey's Monetary Policy Committee (MPC) July 2019 meeting, the policy interest rate has been reduced by 325 basis points to 16.50 percent at the meeting held on September 12, 2019. Both interest rate reductions are higher than market expectations. At the MPC meeting held in October 2019, the policy interest rate has been reduced to 14 percent with a 250 basis point reduction. Thus, the policy rate is reduced from 24 percent to 14 percent as a result of a total of 1000 basis points reduction in the last three meetings.

In the third quarter of 2019, annual inflation rates in our country have been 23.24 percent, 14.10 percent, and 9.47 percent in July, August and September, respectively. The sectors with the highest annual price increases at the end of September 2019 have been communication, tobacco and alcoholic beverages and miscellaneous goods and services, which increased by 29.19 percent, 28.55 percent and 22.57 percent, respectively. The only item with a price decline in the related period has been the transportation item with a 2.24 percent decrease.

In the third quarter of 2019, TRNC total budget revenues increased by 70.2 percent and total expenditures increased by 45.7 percent, compared to the same period of the previous year. Following these increases, budget revenues and budget expenditures amounted to 2,400.8 and 2,014.9 million TRY, respectively. Thus, public finance has recorded a 385.9 million TRY surplus in the third quarter of fiscal year 2019. Tax revenues item with the largest share in budget revenues amounted to 1,437.4 million TRY and non-tax revenues item with the second-largest share has become 472.1 million TRY. Current transfers and personnel expenditures, the first two items having the largest share in the budget expenditures, increased compared to the same period of the previous year and reached 784.8 million TRY and 666 million TRY, respectively.

During the time that this bulletin was being prepared, only July data was published for 2019 foreign trade data. Accordingly, exports amounted to 5 million USD and imports to 125 million USD in the relevant period. Looking at the figures for the second quarter of 2019, it is seen that the exports figure is 24 million USD and the imports figure is 331 million USD. When the data for the first half of 2019 are analysed, it is seen that the total imports figure is 673 million USD and compared to the first six-month import totals, it is the lowest level in the last 10 years. In addition, when the first nine-month results of the taxes on

international trade and transactions included in the TRNC budget revenue figures are analysed by years, it is seen that the lowest income received in USD after 2009 is experienced in the first nine months of 2019.

In the third quarter of 2019, the total assets of the banking sector increased by 2.6 percent and reached 37,855.4 million TRY. While the share of gross loans which has the largest share in total assets decreased from 55.2 percent to 53.36 percent, the share of cash and cash equivalents with the second-largest share increased from 30.8 percent to 32.1 percent in the previous quarter. When the items having the largest share in total liabilities are analysed, it is seen that deposits have a share of 79.84 percent and share of shareholders' equity is 9.82 percent. In the third quarter of 2019, total loans and deposits amounted to 20,200.3 million TRY and 30,224.8 million TRY, respectively. Non-performing loans (NPL) increased by 16.02 percent and reached 1.140 million TRY, compared to the same period of the previous year.

Capital adequacy standard ratio (CASR) of the banking sector continued to increase in the third quarter of 2019 and rose to 19.02 percent from 18.3 percent in the previous quarter. CASR based on bank groups have been 19.11 percent in public banks, 15.88 percent in private banks and 22.89 percent in branch banks.

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 third quarter of 2019, and I hope that it will be beneficial for those interested in the issue.

Regards,



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II: ABBREVIATIONS

EU	European Union
USA	United States of America
ECB	European Central Bank
ATM	Automated Teller Machine/Cash Dispenser
IMM	Interbank Money Market
BoE	Bank of England
Brexit	Withdrawal 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
LON	Late Liquidity Window
GNP	Gross National Product
GDP	Gross Domestic Product
IMF	International Monetary Fund
CGF	Credit Guarantee Fund
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	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
D-PPI	Domestic Producer Price 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 the Banks +
Receivables from IMM Transactions

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1 INTERNATIONAL DEVELOPMENTS

1.1 OVERVIEW AND CURRENT DEVELOPMENTS

In the Interim Economic Outlook Report published by the OECD on September 19, 2019, it was mentioned that the global outlook has become more fragile and uncertain. Previous global growth forecasts for 2019 and 2020 have been revised downwards to 2.9 percent, down 0.3 percentage points, and to 3.0 percent, down 0.4 percentage points, respectively.

According to the OECD report, volatility and uncertainty in financial markets increased due to rising geopolitical tensions and disruptions in oil supply in Saudi Arabia led to a rapid rise in oil prices. It was also emphasized that global trade remains weak as a result of the ongoing trade tensions. At the end of 2018, global trade volume, especially goods and services items, came to a standstill and continued to decline in 2019 as well. When the new export orders are analysed according to the results obtained through the surveys, it is seen that the orders decreased in two-thirds of the related economies.

The OECD report also highlighted the impact of rising policy uncertainties on investments. The growth rate of total investments in G20 economies experienced a sharp decline and the annual investment growth rate, which was 5 percent at the beginning of 2018, decreased to 1 percent at the end of the first half of 2019. The report states that the production of capital goods, which is an indicator of company investments in developed economies, experienced a rapid decline in the first half of 2019.

In this report, it is predicted that the loss of momentum in the manufacturing industry sector will increase the risk of creating a negative impact on global economic growth expectations for a long period of time. In addition, the report includes suggestions for encouraging investments and increasing potential growth by using policy instruments against the risks of low-speed economic growth and uncertainties. The necessity of supporting the expansionary monetary policies already implemented in economies by fiscal policies and reforms was also mentioned.

In the IMF Global Economic Outlook report of October 2019, it was emphasized that the global growth rate,

which displayed a sharp decline in the last three quarters of 2018, continued to follow a weak course in 2019 as well. In the manufacturing industry, production remained very weak and fell to the lowest levels since the global financial crisis. Trade wars and the rise in geopolitical tensions have adversely affected investment decisions and global trade, increasing uncertainties regarding international cooperation and the global trade system. Although the trend towards expansionary monetary policies suppresses the negative effects of these tensions on financial market sentiment and financial market activities, the fragility in global growth still persists.

In the IMF report, global growth is projected to increase by 3 percent by the end of 2019. This is the lowest level of global growth since 2008-2009 and is 0.3 percentage points below the forecast in the IMF Global Economic Outlook report in April 2019.

In its report, the IMF announced the 2020 global growth forecast as 3.4 percent and underlined the expectations that the global economy will recover after 2019. This optimistic forecast for 2020 stems from the anticipated improvement in the performance of emerging economies such as Latin America and the Middle East. On the other hand, growth rates are expected to be more moderate in developed economies including the United States, Euro area, People's Republic of China and Japan, in 2020 and after.

Table 1.1: GDP Forecasts

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

Source: OECD, World Bank, IMF

¹ Initial forecasts of the relevant year.

² Latest forecasts for the relevant year.

In a report released in September 2019, international credit rating agency Fitch stated that Turkey's economy was stronger than expected in the second quarter of 2019, changing its previous forecast that Turkey's economy will contract 1.1 percent in 2019 and has revised this forecast as 0.3 percent.

1.2 ECONOMIC AND FINANCIAL OUTLOOK IN SELECTED COUNTRIES

1.2.1 GROWTH

The US economy grew by 2.1 percent in the second quarter of 2019. However, the related growth data was revised down by 0.1 percentage points and the GDP growth rate was announced as 2.0 percent. The US economy has grown by 1.9 percent in the third quarter of 2019, exceeding expectations. The increase in consumer expenditures, which was expected to be 2.6 percent, has become as 2.9 percent. This increase has been effective in the relevant growth results above the expectations.

According to the chained volume index data released by the UK's Office for National Statistics (ONS), Gross Domestic Product (GDP) has fallen by 0.2 percent in the second quarter of 2019, compared to the previous quarter. Quarter 1 data has been upwardly revised as 0.6 percent. In the same period, the UK's GDP increased by 1.3 percent, compared to the same quarter of the previous year. The relevant data was revised up by 0.3 percentage points to 2.1 percent for the first quarter of 2019.

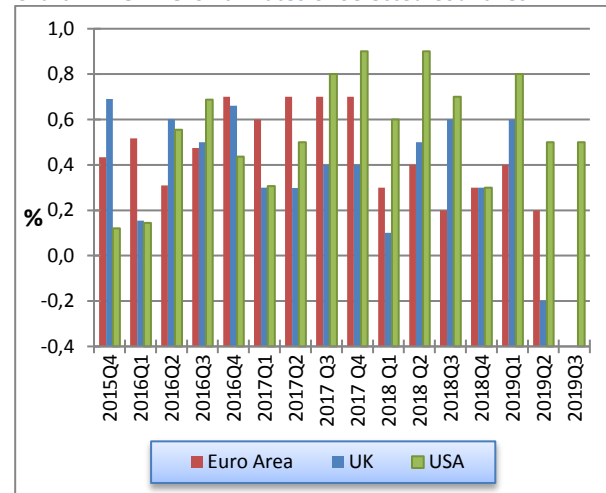
Based on the data released by EUROSTAT in the second quarter of 2019, seasonally adjusted GDP growth rate in the euro area declined by 0.2 points to 0.2 percent, compared to the previous quarter. In the same period, the economic growth rate was 1.2 percent compared to the same quarter of the previous year.

Based on the index of chained volume, Turkey's economy contracted less than expected and became 1.5 percent in the second quarter of 2019. According to seasonally adjusted data, Turkey's economy grew by 1.2 percent, compared to the previous quarter.

When the GDP data is analysed according to the expenditure method, it is seen that private consumption expenditures negatively affect growth by 0.6 points, while public expenditures support growth by 0.5 points. Net export data has been contributing to annual GDP growth since the second quarter of 2018 and has contributed 5.7 points to growth in the second quarter of 2019. Investment expenditures, on the other hand, pulled GDP down by 7.1 points.

According to the production approach, GDP increased in the second quarter of 2019 due to the expansion in services and agriculture and was affected by the contraction in industrial and construction sectors.

Chart 1.1: GDP Growth Rates of Selected Countries



Source: OECD

1.2.2 INFLATION

While the annual CPI rate in the US economy was 1.8 percent in July 2019, it has remained below the expectations in August and September and has fallen to 1.7 percent. Monthly CPI increases have been 0.3 percent, 0.1 percent, and 0 percent for July, August and September, respectively. In September 2019, month-on-month core CPI excluding energy and food prices has become 0.1 percent and recorded the highest increase of 11 years with a 2.4 percent year-on-year increase.

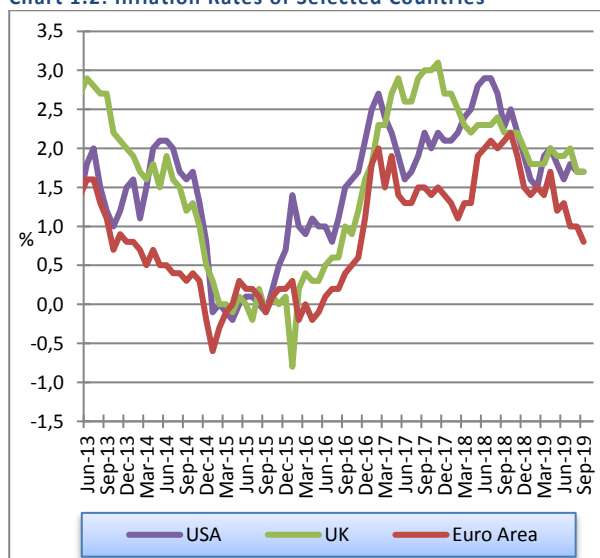
In the third quarter of 2019, the annual CPI rate announced by ONS has been 2 percent in July and 1.7 percent in August and September. Decreases in fuel, second-hand car sales and electricity, gas and other fuels have had a downward impact on the CPI rate in September, while this trend has been balanced by the rise in furniture, household appliances, hotel accommodations and entertainment and culture items.

According to the EUROSTAT data, the euro area annual inflation rate (harmonised indices of consumer prices) was 1.0 percent in July and August 2019, then it declined to 0.8 percent in September 2019. Compared to the previous months, CPI change rates have been -0.5 percent, 0.1 percent, and 0.2 percent in July, August and September, respectively.

According to data released by Turkey Statistical Institute (TSI), in July and August 2019, annual CPI increased by 16.65 percent and 15.01 percent, while D-PPI increased by 21.66 percent and 13.45 percent, respectively. According to September 2019 data, annual CPI increase has been 9.26 percent, while annual D-PPI decreased to its lowest level since September 2016 with 2.45 percent.

Based on the main expenditure groups, food and non-alcoholic beverages has fallen by 0.6 percent month-on-month in September 2019, pushing monthly inflation down by 14 basis points due to the fact that it is the group with the highest weight in the CPI calculation. In the same period, while the entertainment and culture group affected the CPI downwards, the price increases in housing, transportation and clothing and footwear groups have been the factors that caused the CPI inflation to rise.

Chart 1.2: Inflation Rates of Selected Countries



Source: OECD

1.2.3 POLICY INTEREST RATES

In its Federal Open Market Meeting (FOMC) meeting held in September 2019, the Fed lowered its policy rate by 25 basis points to 1.75 - 2.00 percent, in line with market expectations. Chair of the Fed, Jerome Powell stated that weak global growth and trade wars played an important role in interest rate reductions.

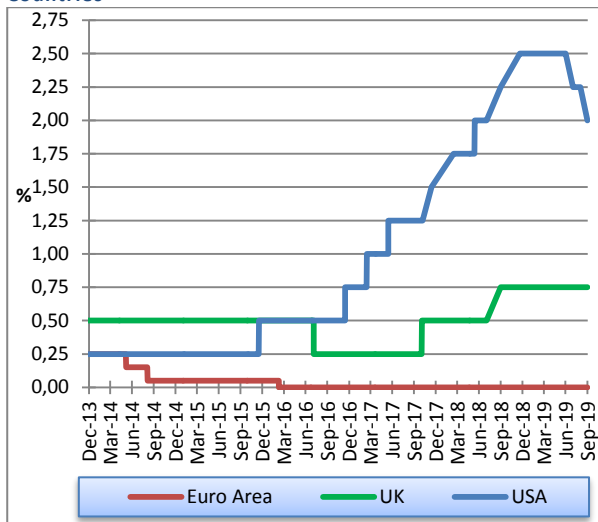
Afterwards, in its Federal Open Market Meeting (FOMC) meeting held in October 2019, the Fed lowered its policy rate by 25 basis points to 1.50 - 1.75 percent, in line with market expectations. Jerome Powell highlighted that as long as the economy remains consistent with moderate growth, a strong labour market and an inflation outlook near the target range at 2 percent, no rate hikes will be made and the current monetary policy will continue to be appropriate.

At the monetary policy meeting held in September 2019, the Bank of England (BoE) kept the policy rate unchanged at 0.75 percent. The Committee also voted unanimously to maintain the stock of UK government bond purchases at 435 billion GBP. In the statement published after the meeting, the BoE emphasized that the Brexit uncertainty had a negative impact on the national economy and pointed out that the failure to reach an agreement until October 31, 2019, would slow down growth and raise prices in the future.

The European Central Bank's (ECB) meeting held on July 12, 2019, maintained the policy rate at zero percent. At the meeting, it has been decided that as of November 1, 2019, 20 billion EUR of bonds will be purchased and the related asset purchases will continue as long as necessary. The slowdown in the Euro area economy, the ongoing trade wars between the US and the People's Republic of China interrupted European trade, and inflation data, which remained below the target of 2 percent, has been effective in this decision. Moreover, the downward revision of global economic growth expectations by international institutions such as OECD, World Bank and IMF has played an important role.

The ECB did not make any changes in policy interest at the October 2019 monetary policy meeting, which Mario Draghi attended for the last time as President of the European Central Bank.

Chart 1.3: CB Policy Interest Rates of Selected Developed Countries

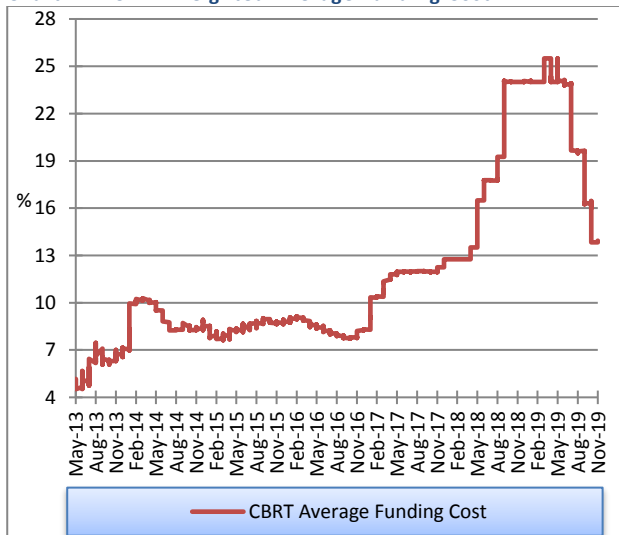


Source: FED, ECB, BoE

At its meeting held on September 12, 2019, CBRT Monetary Policy Committee (MPC) reduced the policy interest rate by 325 basis points from 19.75 percent to 16.50 percent. At the relevant meeting, market expectations included a 300 basis point reduction. The statement released after the meeting highlighted a downward trend in inflation and mentioned that the current monetary policy stance, to a large part, is considered to be consistent with the projected disinflation path.

At its October 2019 meeting, the CBRT reduced the policy rate from 16.50 to 14.50 percent with a 250 basis-point reduction above market expectations. Thus, in the last three MPC meetings held in 2019, the downward revisions in the policy interest rates amounted to a 10 percent reduction by a total of 1000 basis points.

Chart 1.4: CBRT Weighted Average Funding Cost

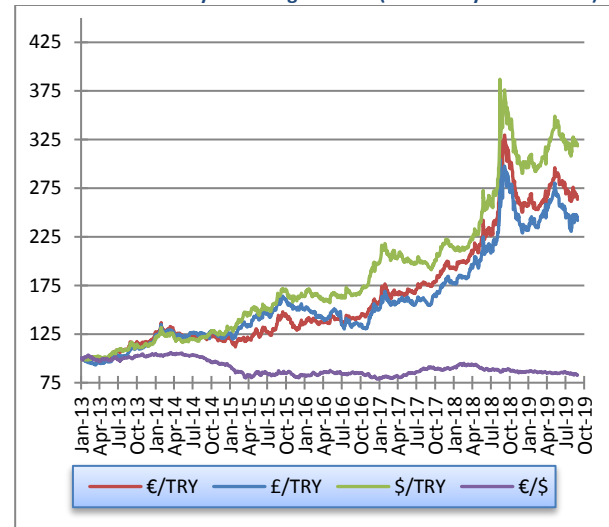


Source: CBRT

1.2.4 EXCHANGE RATES

As in the third quarter of 2019, the Turkish lira continued to experience a depreciation against other currencies in the fourth quarter of 2018, compared to the same period of the previous year. In the third quarter of 2018, while the average exchange rates for GBP/TRY, EUR/TRY, and USD/TRY were 7.27, 6.50 and 5.59, respectively, the averages for the same period of 2019 have been 6.99, 6.31 and 5.67, respectively. When the two periods are compared, it is seen that the Turkish lira appreciated by 2.87 percent against the euro and 3.85 percent against the pound sterling, while depreciated by 1.49 percent against the US dollar.

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



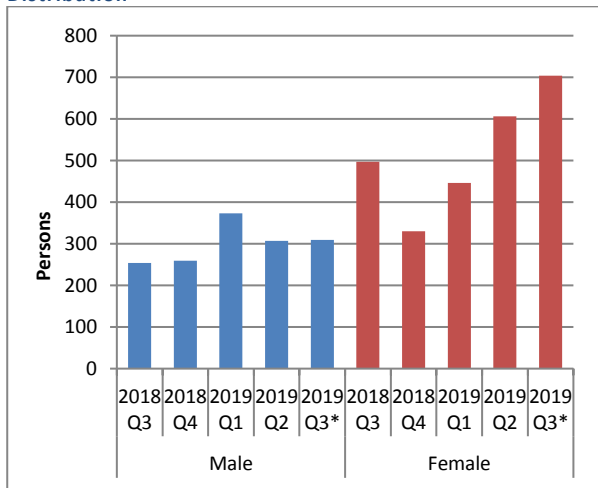
Source: Central Bank of TRNC

2 EMPLOYMENT AND PRICES

2.1 EMPLOYMENT

According to the unemployment data prepared by the TRNC Labour Office, by the end of the second quarter of 2019, the number of registered unemployed people, which was 692, increased to 1.013 as of the end of August 2019. When the unemployment rate for August 2019 is analysed by gender composition, it is seen that about 70 percent of the active registered unemployed people are composed of women and 30 percent of them are men.

Chart 2.1: Registered Active Unemployment - Periodic Distribution



Source: Labour Office

While the number of job seekers in June 2019 has been 912, the number of new job-seeking applicants has been 673 in the same period. When 573 people who were employed and unregistered are taken into consideration, the number of jobseekers has been 1.012 by the end of the relevant period.

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

	2018 Q3	2018 Q4	2019 Q1	2019 Q2	2019 Q3*
Jobseekers by the end of the previous period	852	750	588	818	912
Applicants applying for employment during the period	837	678	897	1072	673
Persons employed during the period	177	115	78	190	157
Persons unregistered during the period	762	725	589	788	416
Jobseekers by the end of the period	750	588	818	912	1.012

Source: Labour Office

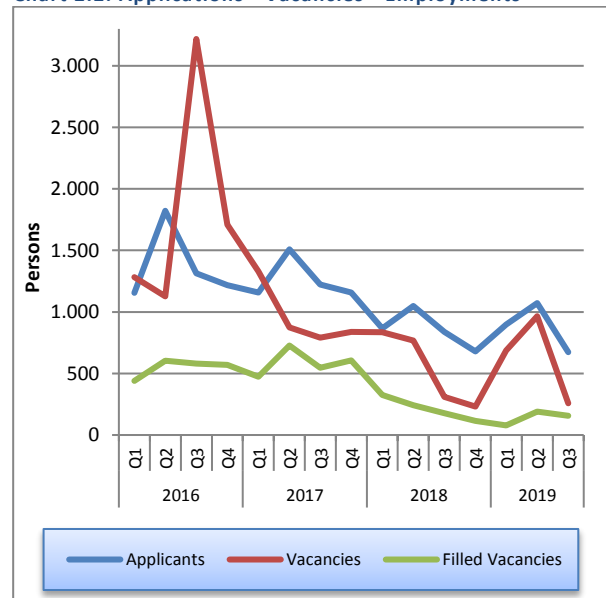
When the active vacancy listings are examined, it is seen that 1.500 vacancies were transferred to July as of the second quarter of 2019 and 257 new vacancies were opened in July and August. As of the end of August 2019, 1.558 vacancies were transferred to the next period as a result of 157 filled and 42 cancelled vacancies.

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

	2018 Q3	2018 Q4	2019 Q1	2019 Q2	2019 Q3*
Vacancies transferred from the previous period	1.504	1.623	720	1.089	1.500
Vacancies received during the period	309	231	687	964	257
Vacancies filled during the period	177	115	78	190	157
Vacancies cancelled during the period	13	1.019	240	363	42
Vacancies transferred to the next period	1.623	720	1.089	1.500	1.558

Source: Labour Office

Chart 2.2: Applications - Vacancies - Employments



Source: Labour Office

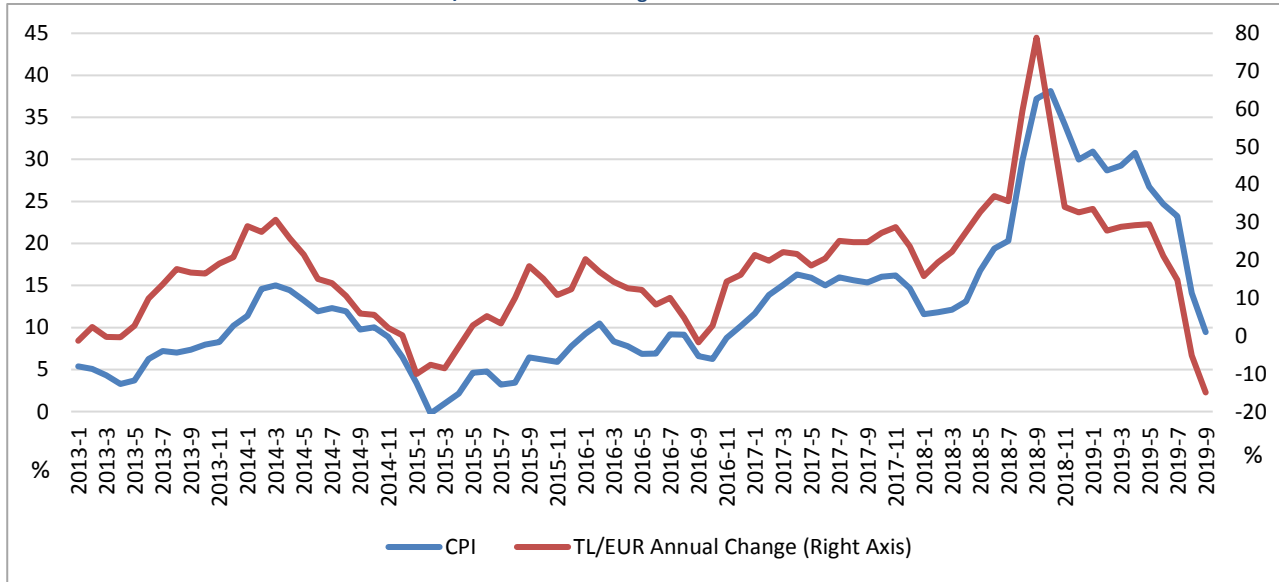
*Based on the data available in July and August 2019.

2.2 INFLATION

Looking at Graph 2.3, which shows the changes in CPI 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 rate of change has been declining since January 2019.

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

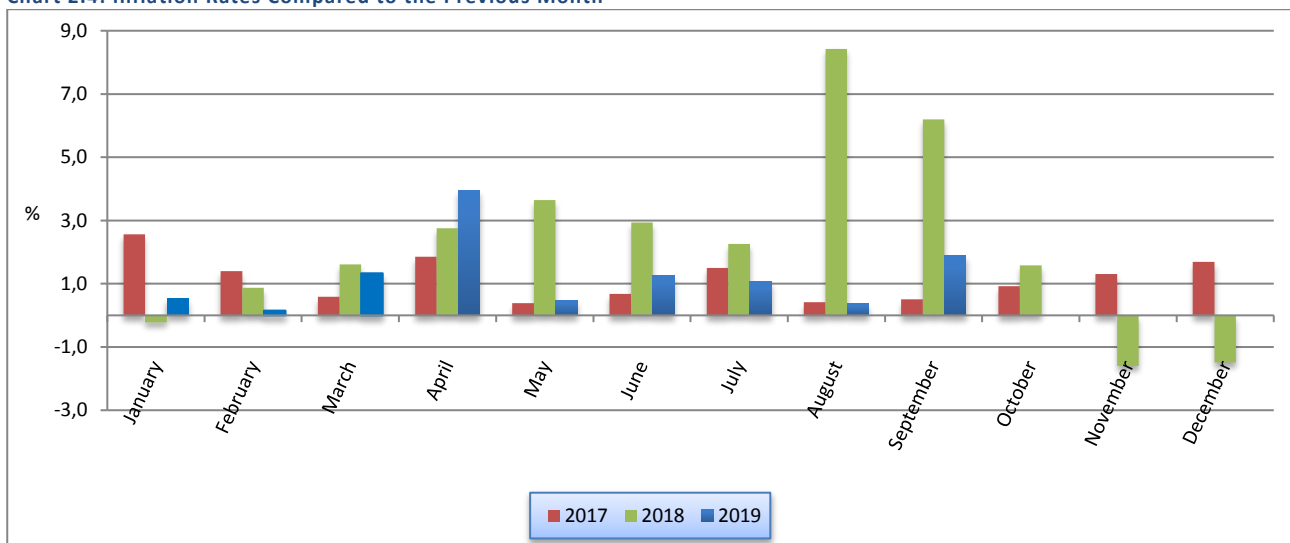


Source: SPO, TRNC Statistical Institute

When the inflation rates in the second quarter of 2019 with respect to the previous month are compared to the same periods of 2018, the rates of 2.26, 8.42 and

6.20 percent in July, August and September 2018 reached 1.07, 0.38 and 1.88 percent in the same months of 2019, respectively.

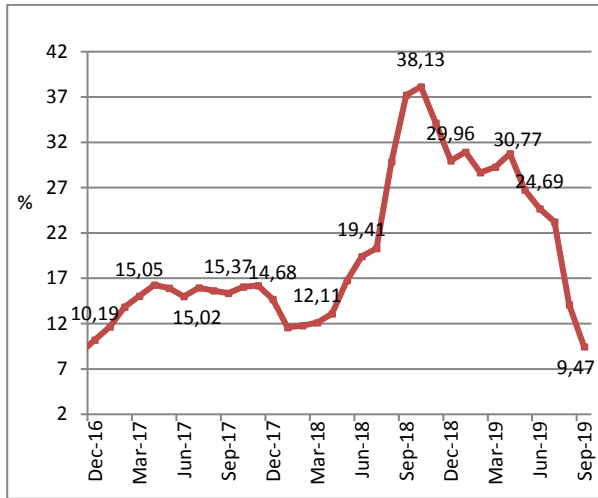
Chart 2.4: Inflation Rates Compared to the Previous Month



Source: SPO, TRNC Statistical Institute

Annual inflation rate, which was 20.30 percent in July, 29.88 percent in August and 37.23 percent in September 2018, reached 23.24 percent in July, 14.10 percent in August and 9.47 percent in September 2019.

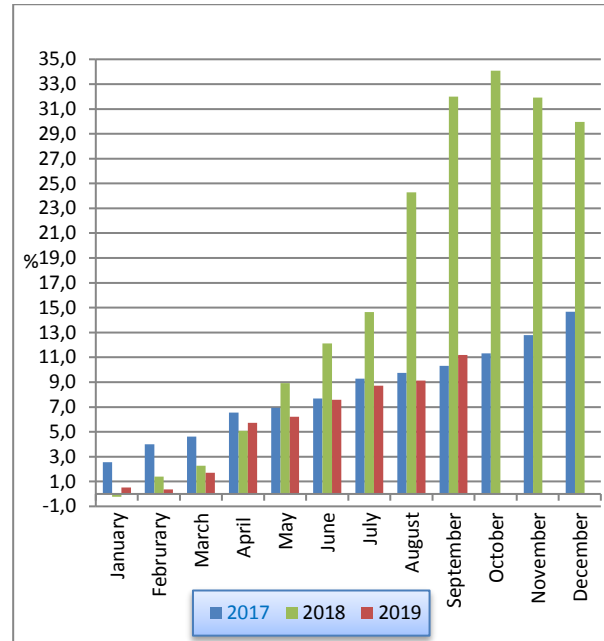
Chart 2.5: Inflation Rate Compared to the Same Month of the Previous Year



Source: SPO, TRNC Statistical Institute

In the third quarter of 2019, the rate of change has been 8.72 percent in July, 9.12 percent in August and 11.18 percent in September, compared to December 2018.

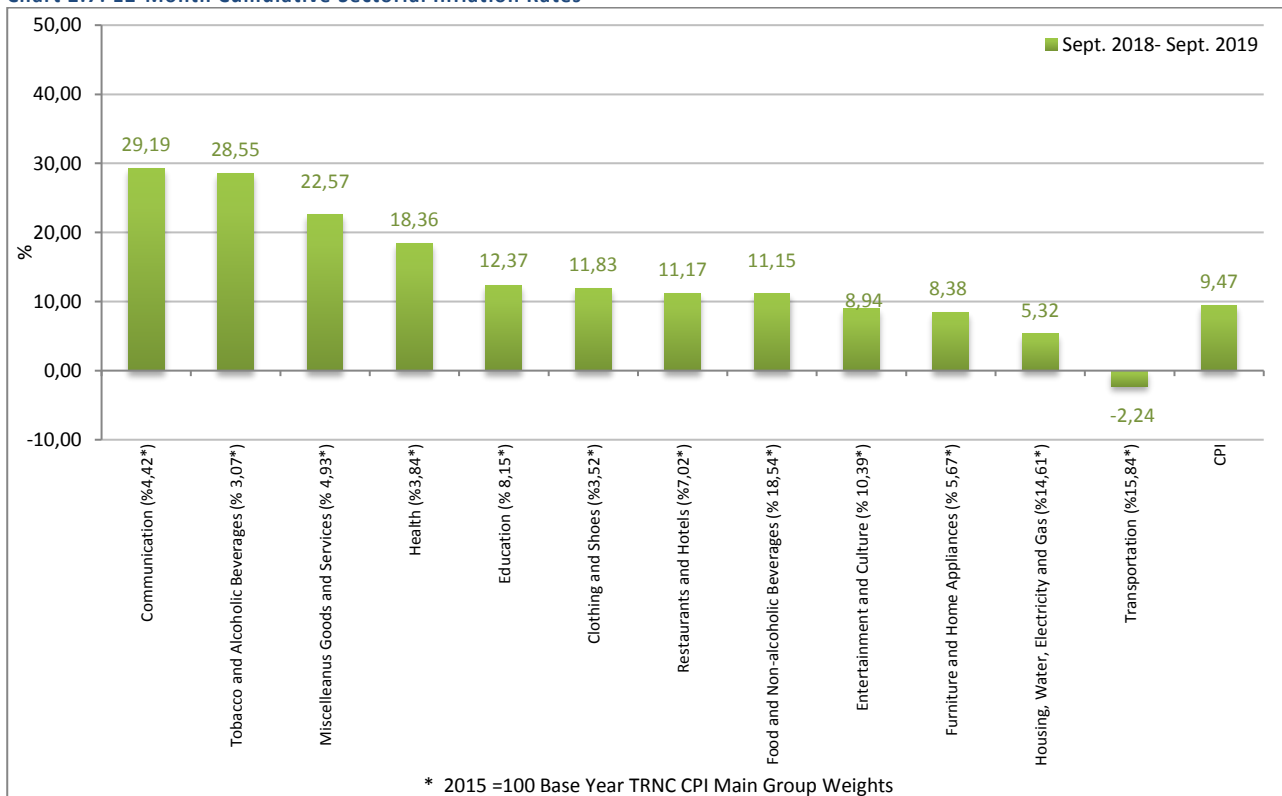
Chart 2.6: Cumulative Inflation Rate Compared to December of the Previous Year



Source: SPO, TRNC Statistical Institute

Sectors with the highest price increase at the end of June 2019 are communication by 29.19 percent, tobacco and alcoholic beverages by 28.55 percent and, miscellaneous goods and services by 22.57 percent. As of the end of September 2019, the only main group with a price decrease has been the transportation item by 2.24 percent.

Chart 2.7: 12-Month Cumulative Sectorial Inflation Rates



Source: SPO, TRNC Statistical Institute

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 last 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
	July	1,07	8,72	23,24
	August	0,38	9,12	14,10
	September	1,88	11,18	9,47

Source: SPO

3 FOREIGN TRADE AND TOURISM

(August - September 2019 exports and imports data prepared by the TRNC Department of Trade could not be obtained. Therefore, the data for the relevant period has not been updated.)

3.1 DEVELOPMENTS IN EXPORTS AND IMPORTS

According to the exports and imports data announced by the Department of Trade, total exports of the TRNC was 27 million USD in the second quarter of 2018, and it has decreased to 24 million USD in the same period of 2019. Examining the exports data for July 2019, a 29 percent decrease is observed when compared to the same period of the previous year.

In the second quarter of 2019, imports decreased by 27 percent, compared to the same period of the previous year. Analysing the import figures for July 2019, it is seen that imports decreased by 13 percent and declined to 125 million USD compared to the same period of the previous year.

Table 3.1: Exports and Imports

	Exports (US Dollar)			Imports (US Dollar)		
	2018	2019	Percentage Change	2018	2019	Percentage Change
January	10.005.513	6.467.864	-35,4	140.243.668	121.679.870	-13,2
February	14.786.580	10.992.833	-25,7	133.232.746	109.008.160	-18,2
March	12.136.187	11.551.179	-4,8	157.426.888	111.218.781	-29,4
Quarter I	36.928.280	29.011.876	-21,4	430.903.302	341.906.811	-20,7
April	11.138.772	11.641.647	4,5	161.867.887	124.013.619	-23,4
May	9.388.843	8.479.248	-9,7	163.653.077	121.194.214	-25,9
June	6.285.919	3.560.394	-43,4	129.217.286	85.829.649	-33,6
Quarter II	26.813.534	23.681.289	-11,7	454.738.250	331.037.482	-27,2
July	7.259.445	5.160.899	-28,9	144.922.049	125.513.234	-13,4
August						
September						
Quarter III	7.259.445	5.160.899	-28,9	144.922.049	125.513.234	-13,4
Year Total (January – July)	71.001.259	57.854.064	-18,5	1.030.563.601	798.457.527	-22,5

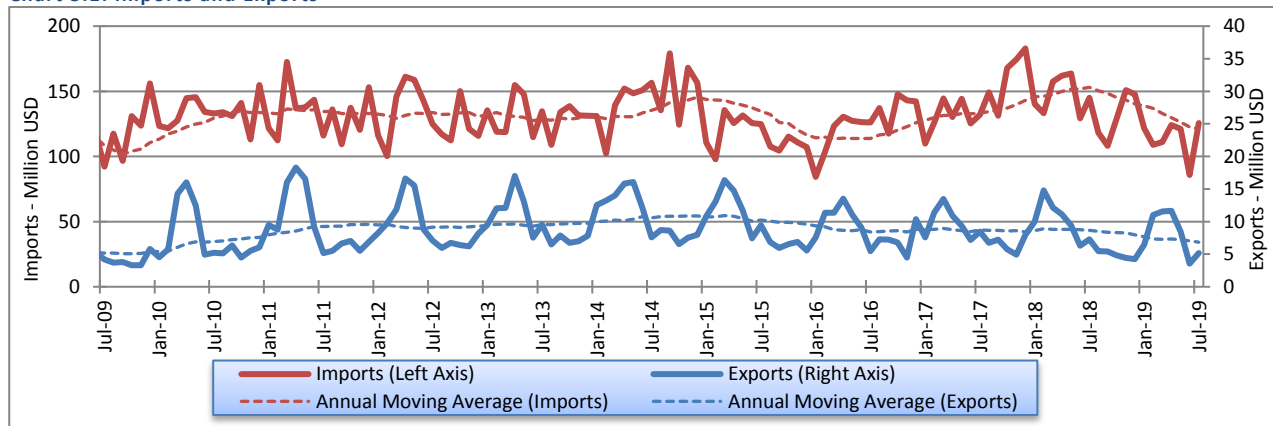
Source: Department of Trade

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 July 2009 and July 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 has been recorded as 86 million USD in June 2019. 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.

Chart 3.1: Imports and Exports

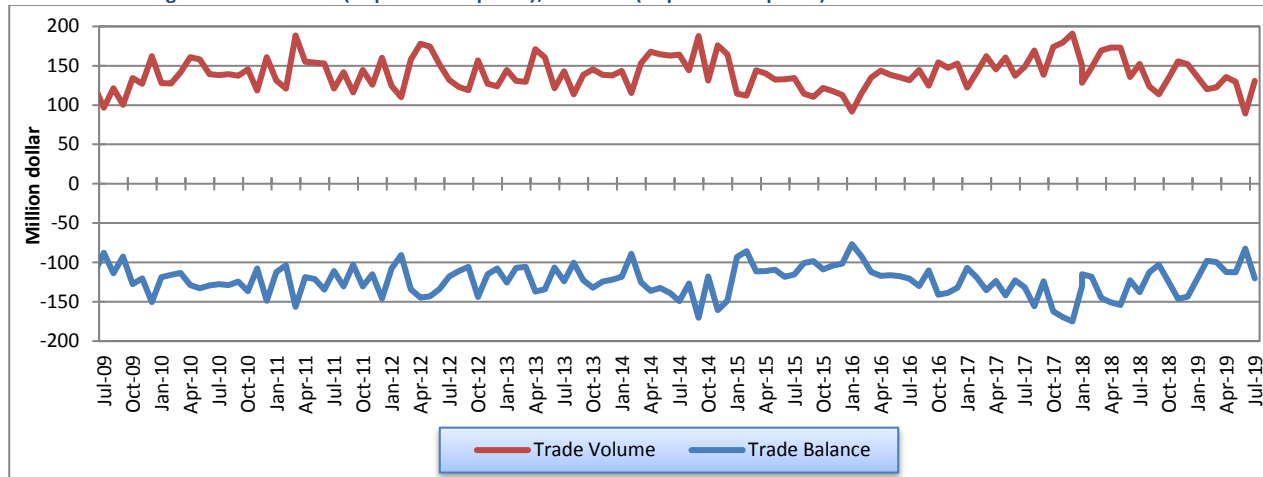


Source: Department of Trade

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 July 2019, trade volume has decreased from 152 million USD to 130.6 million USD compared to the same period of the previous year, while foreign trade deficit has been 137.7 million USD and 120.3 million USD, respectively.

While the average exports to imports ratio was 5 percent between 2006 and 2010, it 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 7.2 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 same period of 2018, exports to the Middle East and Arab Countries increased, while exports to Turkey, EU Countries, other EU Countries and other countries decreased in January – July 2019.

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

Years	Turkey	EU	Other EU Countries	Middle Eastern 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 – July)	54,1	2,7	3,7	35,3	4,2

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 for 2017, imports from Turkey, other European countries, Middle Eastern and Arab countries and other countries increased, while imports from EU countries and Far Eastern Countries decreased in 2018.

Referring to the figures for January – July 2019, the share of imports from Turkey has been 62.4 percent, while the share of imports from the EU countries has been 14.8 percent. Compared to the same period of 2018, imports from Turkey, Middle Eastern and Arab countries, EU countries and Far Eastern countries decreased, while imports from other countries and other EU countries increased.

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

Years	Turkey	EU	Far Eastern Countries	Other EU Countries	Middle Eastern 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 – July)	62,4	14,8	9,2	4,8	6,2	2,6

Source: Department of Trade

3.2 TOURISM

Total number of arriving passengers, which was 493,425 in the third quarter of 2018, increased by 2.1 percent and became 503,620 in the same period of 2019.

In the third quarter of 2019, the number of Turkish Citizen passengers arriving to TRNC increased by 2.7 percent, and the number of passengers from third countries increased by 0.1 percent, compared to the same period of the previous year.

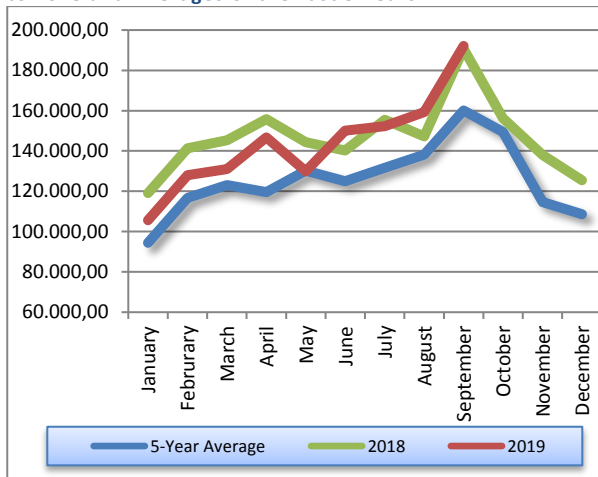
Table 3.4: Number of Passengers Arriving to TRNC by Air and Sea

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
July	119.565	117.512	-1,7	35.983	34.735	-3,5	155.548	152.247	-2,1
August	111.635	122.807	10,0	35.512	36.443	2,6	147.147	159.250	8,2
September	146.028	147.043	0,7	44.702	45.080	0,8	190.730	192.123	0,7
Quarter III	377.228	387.362	2,7	116.197	116.258	0,1	493.425	503.620	2,1
Total (January – September)	1.036.987	991.706	-4,4	302.710	303.322	0,2	1.339.697	1.295.028	-3,3

Source: Tourism Planning Department

When the number of arriving passengers in the first quarter of 2019 is compared to the previous year and the average of the last five years, it is observed that this figure is below the average of 2018 until June. However, it has been progressing above the average of 2018 and the last 5 years as of June.

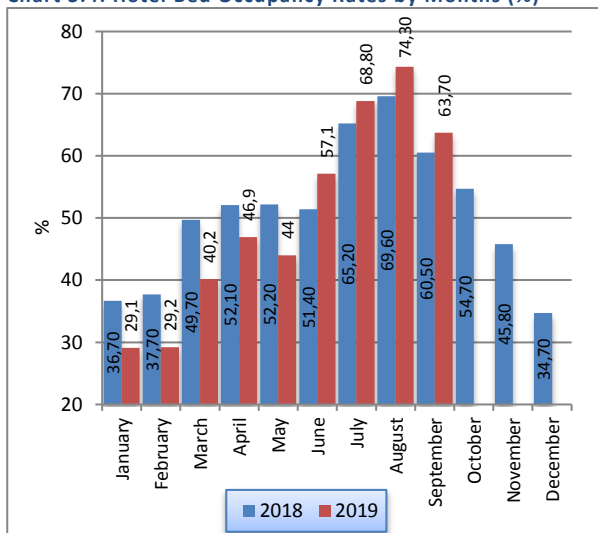
Chart 3.3: Number of Arriving Passengers in 2019 Compared to 2018 and Averages of the Last 5 Years



Source: Tourism Planning Department

When the occupancy rates of the touristic facilities in our country in the years 2018 and 2019 are examined, it is observed that the occupancy rate of third-quarter 2019 is higher than the same period of the previous year.

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

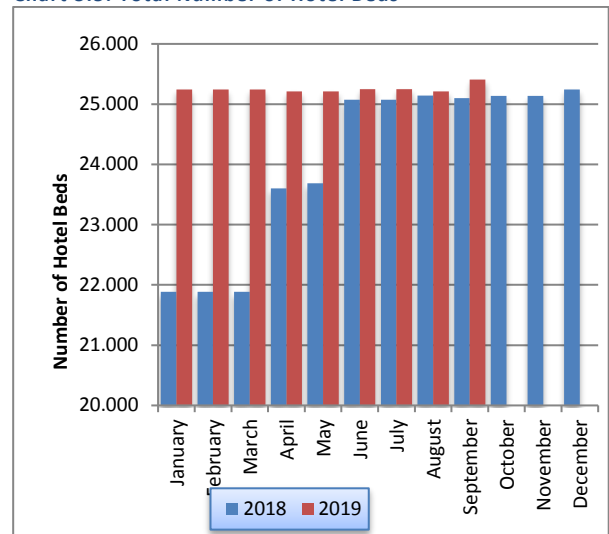


Source: Tourism Planning Department

*Tourism Planning Department forecast figures have been used for the third 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 25,101 in the third quarter of 2018 has reached 25,409 by the same period 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 started to increase as of the second quarter of 2018.

Comparing the third quarter data of 2018 and 2019, it is seen that the total entries increased in 2019 and especially the increase in the entries from Southern Cyprus had a significant contribution to the grand total.

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

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	185.157	133.585	224.977	162.629	212.027	450.035	622.161
August	135.096	190.241	180.729	261.727	191.970	231.897	507.795	683.865
September	140.318	192.118	186.477	212.741	192.924	205.454	519.719	610.313
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	1.563.222	1.667.091	1.814.473	1.760.846	1.594.724	5.203.606	4.972.419

Source: Tourism Planning Department

4 BUDGETARY DEVELOPMENTS

4.1 THIRD QUARTER 2019 RESULTS

In the third quarter of the fiscal year 2019, TRNC total budget revenues increased by 70.2 percent and total expenditures increased by 45.7 percent, compared to the same period of the previous year. Following these changes, budget revenues and budget expenditures have been 2,400.8 and 2,014.9 million TRY respectively, in the third quarter of 2019. In the third quarter of 2018, public finance, which had a surplus of 27.4 million TRY, has had a surplus of 385.9 million TRY in the same period of 2019.

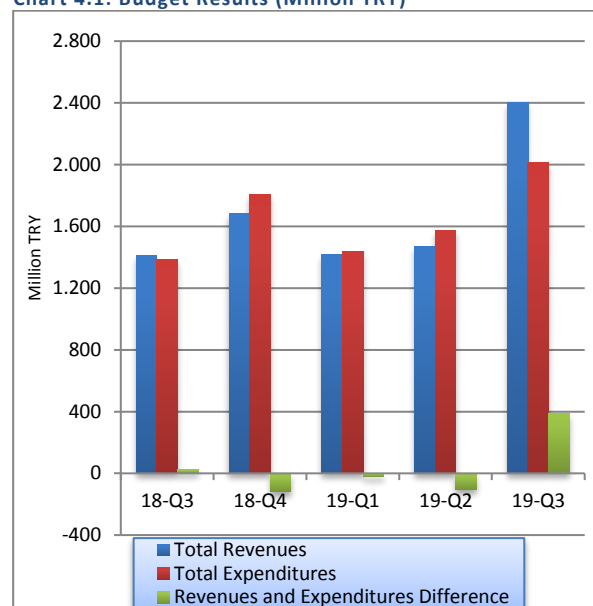
Table 4.1: Budget Balance (Million TRY)

	2018		2019		% Change
	Annual Results	July-Sept. Results	Annual Forecast	July-Sept. Results	
Budget Revenues	5.502,4	1.410,6	7.482,1	2.400,8	70,2
Budget Expenditures	5.452,3	1.383,2	8.275,1	2.014,9	45,7
Budget Balance	50,1	27,4	-793	385,9	1.308,4

Source: Ministry of Finance

25.6 percent of the total budget revenues of 5,502.4 million TRY obtained in 2018 were collected in the third quarter. In the same period of 2019, 32.1 percent of the foreseen total budget revenues have been collected. In 2019, 24.3 percent of 8,275.1 million TRY, estimated to be used in the execution of services and activities have been used within the third quarter. This rate was 25.4 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 third quarter of fiscal year 2019, budget revenues increased by 990.2 million TRY compared to the same period of the previous year and amounted to 2,400.8 million TRY. Tax revenues item with the largest share in budget revenues have totalled 1,437.4 million TRY in the third quarter of 2019. Total tax revenues were 1,035.7 million TRY in the same period of 2018. Non-tax revenues item, which had the second-highest share in budget revenues, increased by 95.6 percent compared to the same period of the previous year and reached 472,1 million TRY in the third quarter of 2019. Donations, grants and loans item amounted to 426.7 million TRY in the third quarter of 2019.

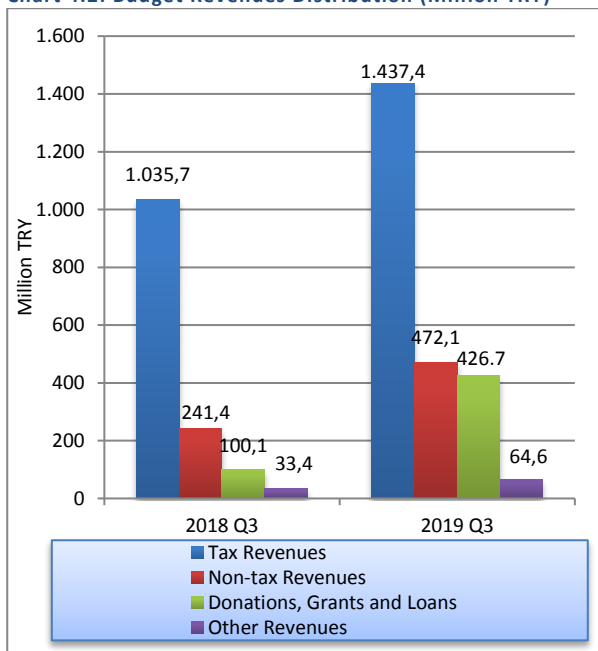
Table 4.2: Budget Revenues (Million TRY)

	2018 July-Sept.	2019 July-Sept.	% Change
Tax Revenues	1.035,7	1.437,4	38,8
Non-Tax Revenues	241,4	472,1	95,6
Donations, Grants and Loans	100,1	426,7	326,3
Other Revenues	33,4	64,6	93,4
Total	1.410,6	2.400,8	70,2

Source: Ministry of Finance

While the share of donations, grants and loans in total budget revenues was 7.1 percent in the third quarter of 2018, it has been 17.8 percent in the same period of 2019. In the same periods, while the share of tax revenues item was 73.4 percent, it has fallen to 59.9 percent, and while the share of non-tax revenues was 17.1 percent and it has reached 19.7 percent. The share of other revenues item increased from 2.4 percent to 2.7 percent.

Chart 4.2: Budget Revenues Distribution (Million TRY)



Source: Ministry of Finance

4.3 EXPENDITURES

As of the third quarter of 2019, total budget expenditures increased by 45.7 percent compared to the same period of the previous year and reached from 1,383.2 million TRY to 2,014.9 million TRY. In the mentioned periods, current transfers, goods and service purchase and personnel expenditures items changed by 16.8, 359.2 and 28.6 percent, respectively.

Current transfers expenditure item of the TRNC budget reached 784.8 million TRY in the third quarter of 2019. In this period, personnel expenditures item, which increased by 28.6 percent compared to the same period of the previous year, reached to 666 million TRY. Capital expenditures and transfers item decreased by 20.8 percent during the same periods and amounted to 47.6 million TRY in the third quarter of 2019.

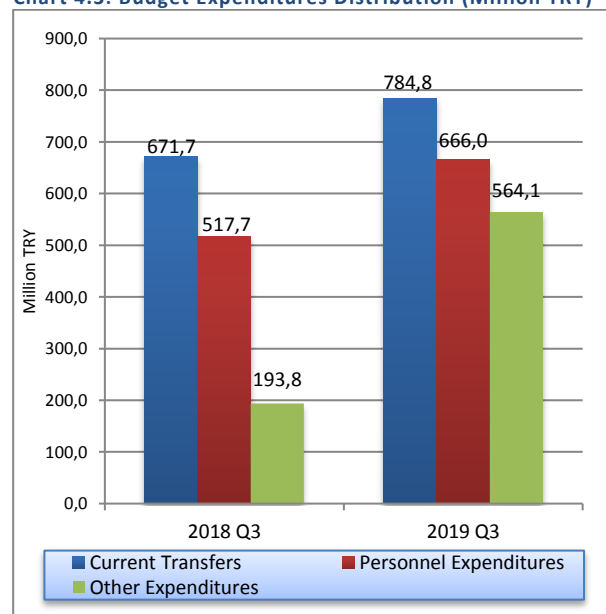
Table 4.3: Budget Expenditures (Million TRY)

	2018 July-Sept.	2019 July-Sept.	% Change
Current Transfers	671,7	784,8	16,8
Personnel Expenditures	517,7	666,0	28,6
Capital Expenditures and Transfers	60,1	47,6	-20,8
Goods and Service Purchase Expenditures	103,8	476,6	359,2
Other Expenditures	29,9	39,9	33,4
Total	1.383,2	2.014,9	45,7

Source: Ministry of Finance

The share of personnel expenditures item in total expenditures was 37.4 percent in the third quarter of 2018, while it is 33.1 percent in the third quarter of 2019. The share of the current transfers constituting 48.6 percent of the total budget expenditures in the third quarter of 2018, has increased to 38.9 percent in the third quarter of 2019. The share of personnel expenditures and current transfers in budget expenditures was 86 percent in the third quarter of 2018 and it has become 72 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 third quarter of 2019, 70.7 percent of the budget revenues expected for 2019 have been collected and 60.8 percent of the expected total budget expenditures have been spent. For the same period of 2018, these rates were 69.4 and 66.9 percent, respectively.

In the first nine months of 2018, budget revenues totalled 3,818.7 million TRY, while reaching 5,289.7 million TRY in the same period of 2019. By the end of

the first nine-month period of 2018, budget revenues totalled 3,648.3 million TRY, while reaching 5,027.8 million TRY in the same period of 2019. When the first nine-month data are examined, by the end of the second quarter of 2018, budget balance, which had a surplus of 170.4 million TRY, has had a surplus of 261.9 million TRY in the same period of 2019.

Table 4.4: Budget Implementation Results (Million TRY)

	2018 Results	2019 Forecast	2018 – 2019 Change (%)	2018 Nine-Month Results	2019 Nine-Month Results	2018 Nine-Month Results (%)	2019 Nine-Month Results (%)	2018 – 2019 Nine-Month Results (% Change)	
Revenues	Tax Revenues	3.775,4	4.379,3	16,00	2.651,7	3.482,4	70,24	79,52	13,21
	Non-Tax Revenues	1.107,5	1.158,9	4,64	812,2	1.262,3	73,34	108,92	48,51
	Donations, Grants and Loans	487,5	1.270,0	160,51	263,2	426,7	53,99	33,60	-37,77
	Other Revenues	132,0	673,9	410,53	91,6	118,3	69,39	17,55	-74,71
	Total Revenues	5.502,4	7.482,1	35,98	3.818,7	5.289,7	69,40	70,70	1,87
Expenditures	Current Transfers	2.577,3	3.388,6	31,48	1.793,1	2.277,5	69,57	67,21	-3,39
	Personnel Expenditures	1.995,0	2.749,4	37,81	1.401,4	1.846,5	70,25	67,16	-4,40
	Capital Expenditures and Transfers	339,5	410,5	20,91	125,4	105,5	36,94	25,70	-30,43
	Goods and Service Purchase Expenditures	421,3	953,3	126,28	240,4	680,2	57,06	71,35	25,04
	Other Expenditures	119,2	773,3	548,74	88,0	118,1	73,83	15,27	-79,32
	Total Expenditures	5.452,3	8.275,1	51,77	3.648,3	5.027,8	66,91	60,76	-9,19
Revenues - Expenditures	50,1	-793,0		170,4	261,9				

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, increased in the third quarter of 2019 compared to the same period of 2018 and had a surplus of 385.9 million TRY. Total loans extended by Turkey, used as a source of funding to meet the budget deficit was 9.6 million TRY in the third quarter of 2018, however, it hasn't been used in this period.

In the third quarter of 2019, tax revenues item increased by 401.7 million TRY and non-tax revenues item by 230.7 million TRY, compared to the same period of 2018. Accordingly, domestic income item increased by 50.6 percent and reached 1,974.1 million TRY.

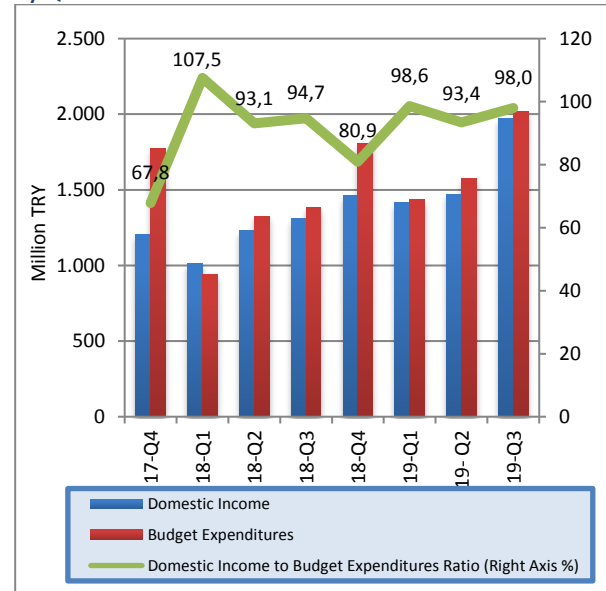
Table 4.5: Financing Balance (Million TRY)

	2018 July – September	2019 July – September
Budget Revenues	1.401,0	2.400,8
1. Domestic Income	1.310,5	1.974,1
Tax Revenues	1.035,7	1.437,4
Non-Tax Revenues	241,4	472,1
Other Revenues	33,4	64,6
2. Foreign Aids	90,5	426,7
Grants Extended by Turkey	90,5	426,7
Budget Expenditures	1.383,2	2.014,9
Personnel Expenditures	517,7	666,0
Current Transfers	671,7	784,8
Capital Expenditures	60,1	47,6
Other Expenditures	133,7	516,5
Financing Balance	17,8	385,9
Financing	9,6	0,0
Loans Extended by Turkey	9,6	0,0
Domestic Borrowing	0,0	0,0

Source: Ministry of Finance

According to the budget figures for the third quarter of 2019, the domestic income to budget expenditures ratio has been 98 percent. The same ratio was 94.7 percent in the third quarter of 2018.

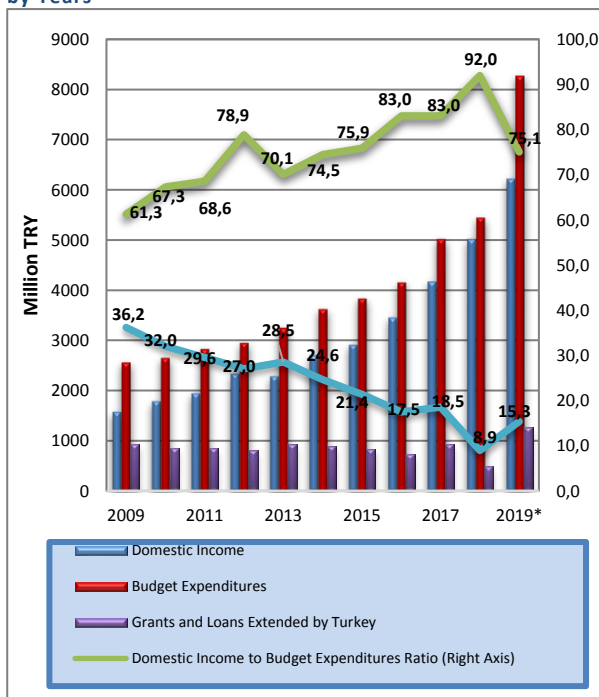
Chart 4.4: Domestic Income to Budget Expenditures Ratio by Quarters



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 reached 90 percent from 60 percent in the last 10 years. Although this ratio was predicted to be 75.1 percent according to the 2019 Budget Law, it has been realized as 96.7 percent in the first 9 months. 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, decreased from 36 percent to 9 percent. Estimated to become 15.3 percent in 2019, this ratio has become 8.4 percent in the first 9-month period. Though a positive outlook has emerged over the last 10 years in the sense of covering the budget expenditures by using 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 figures envisaged in the FY 2019 Budget.

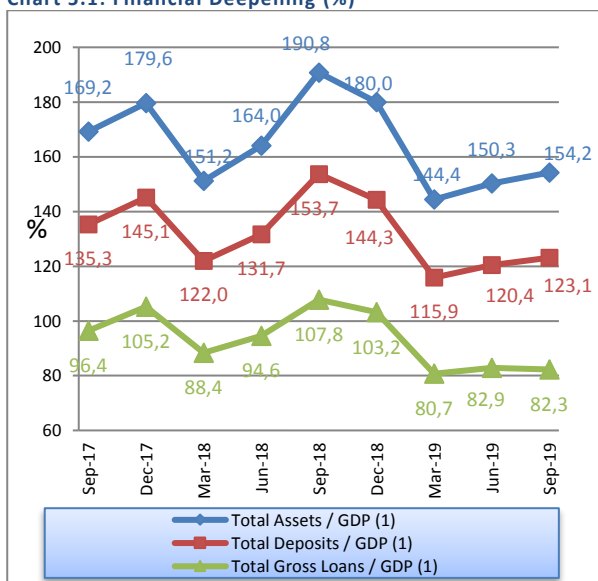
5 MONETARY AND FINANCIAL DEVELOPMENTS

5.1 OVERVIEW OF THE BANKING SECTOR

5.1.1 FINANCIAL DEEPENING

Financial deepening figures for the third quarter of 2019 increased compared to the previous quarter, excluding gross loans. Total gross loans to GDP ratio decreased from 82.9 to 82.3 percent, while total assets to GDP ratio increased from 150.3 to 154.2 percent and total deposits to GDP ratio from 120.4 to 123.1 percent.

Chart 5.1: Financial Deepening (%)



Source: Central Bank of the TRNC, SPO

Note: (1) 2019 GDP forecast figures by SPO.

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 32.1 percent in the third quarter of 2019. This rate was 27.64 percent in the same period of the previous year.

CASR (Capital Adequacy Standard Ratio), which was 18.19 percent at the end of September 2018, has increased by 0.83 points to 19.02 percent in the third quarter of 2019.

The share of NPL in gross loans increased from 5.42 to 5.64 percent at the end of September 2019, compared to the previous quarter.

Gross loans to deposits ratio decreased by 1.98 percentage points to 66.83 percent in the third quarter of 2019, compared to the previous period.

The share of gross loans in total assets, which was 56.51 percent in September 2018, has declined to 53.36 percent in the third quarter of 2019. It has decreased by 1.79 points, compared to the previous quarter.

Gross loans decreased by 7.2 per mille in the third quarter of 2019, compared to the previous quarter. This item had increased by 13.98 percent in the same period of the previous year.

Deposits increased by 3.95 percent in the second quarter of 2019, and then by 19.9 percent in the third quarter.

The financial leverage ratio, which was 9.56 at the end of June 2019, declined to 9.18 in the third quarter of 2019.

Table 5.1: Performance Ratios

	2018		2019		
	Sept.	Dec.	Mar.	Jun.	Sept.
Cash and Cash Equivalents / Total Assets (%)	27,64	30,14	30,44	30,77	32,10
CASR (%)	18,19	17,86	17,79	18,29	19,02
NPL / Gross Loans (%)	4,97	5,53	5,47	5,42	5,64
Gross Loans / Total Deposits (%)	70,14	71,50	69,68	68,81	66,83
Gross Loans / Total Assets (%)	56,51	57,33	55,92	55,15	53,36
Quarterly Growth Rate on Gross Loans (%)	13,98	-4,28	4,85	2,64	-0,72
Quarterly Growth Rate on Deposits (%)	16,71	-6,11	7,59	3,95	2,21
Financial Leverage ¹	10,62	9,66	9,72	9,56	9,18

Source: Central Bank of TRNC

Note: (1) Liabilities / 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 56.03 percent, and the share of the top ten banks in total assets is 79.84 percent in the third 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 56.4 percent and the share of the top ten banks is 81.76 percent.

In terms of deposit size, the share of the five largest banks in total deposits is 57.04 percent and the share of the top ten banks is 81.24 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 54.41 percent, while the share of the top ten banks is 80.83 percent.

Lastly, in terms of the size of the debts to banks item, share of the first five banks in the sector is 67.19 percent and the share of the top ten banks is 92.06 percent,

Table 5.2: Concentration in the Banking Sector (%)

Shares of the First Five Banks in the Sector	2018			2019	
	September	December	March	June	September
Assets	54,96	55,07	55,85	56,20	56,03
Gross Loans	55,57	56,90	53,12	56,18	56,40
Deposits	56,51	56,54	57,46	57,72	57,04
Debts to Banks	63,37	63,07	67,67	63,51	67,19
Shareholders' Equity	52,35	51,90	52,87	53,54	54,41
Shares of the First Ten Banks in the Sector					
Assets	78,34	78,54	79,73	79,71	79,84
Gross Loans	80,40	81,58	79,70	81,68	81,76
Deposits	79,55	79,80	80,91	81,12	81,24
Debts to Banks	92,39	91,84	94,09	92,13	92,06
Shareholders' Equity	79,63	79,80	80,18	80,49	80,83

Source: Central Bank of 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 September 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

	Sept.17	Dec.17	Mar.18	Jun.18	Sept.18	Dec.18	Mar.19	Jun.19	Sept.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	5	5	5	5	5	5	5	5
Total	22	21	21	21	21	21	21	21	21

Source: Central Bank of TRNC

The number of bank branches in the sector is 232 in the third quarter of 2019. When the distribution of branch numbers based bank groups is examined, it is seen that

68.97 percent of the total number of branches belongs to private banks, 16.81 percent to branch banks and 14.22 percent to public banks.

Table 5.4: Number of Branches and Personnel

Number of Branches									
	Sept.17	Dec.17	Mar.18	Jun.18	Sept.18	Dec.18	Mar.19	Jun.19	Sept.19
Public Banks	34	33	32	33	33	33	33	33	33
Private Banks	156	161	161	160	159	157	158	159	160
Branch Banks	43	39	39	39	39	39	39	39	39
Total	233	233	232	232	231	229	230	231	232
Number of Personnel									
	Sept.17	Dec.17	Mar.18	Jun.18	Sept.18	Dec.18	Mar.19	Jun.19	Sept.19
Public Banks	565	558	554	550	547	546	537	534	528
Private Banks	1.965	2.024	2.038	2.042	2.062	2.075	2.077	2.078	2.096
Branch Banks	570	524	519	528	531	527	526	533	539
Total	3.100	3.106	3.111	3.120	3.140	3.148	3.140	3.145	3.163

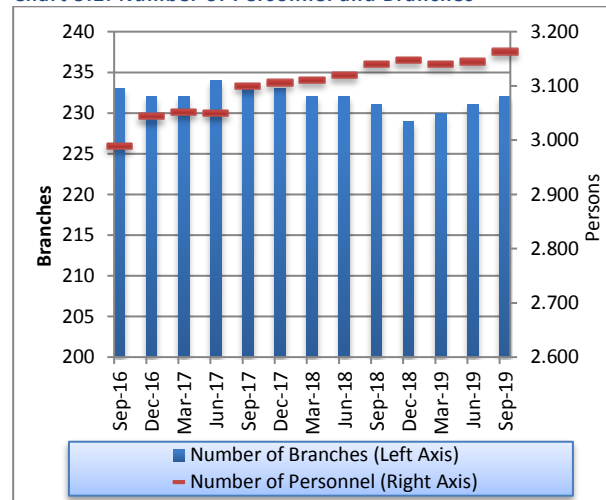
Source: Central Bank of TRNC

The number of personnel employed in the sector increased by 18 persons and reached from 3,145 to 3,163 during June 2019 - September 2019 period. 528 of this personnel are working in public banks, 2,096 in private banks and 539 in branch banks. In this period, the number of personnel employed in private banks increased from 2,078 to 2,096, the number of personnel in branch banks increased from 533 to 539, and the number of personnel in public banks decreased from 534 to 528.

During September 2018 - September 2019 period, the number of personnel working in the banking sector increased by 23 persons to reach 3,163 from 3,140. In the mentioned period, when the change in the number of personnel is analysed based on bank groups, there was an increase of 34 persons employed in private banks and 8 persons in branch banks, while there was a decrease of 19 persons in public banks.

In the third quarter of 2019, it is observed that 16.69 percent of the personnel working in the sector belongs to the public banks, 66.27 percent belongs to the private banks and 17.04 percent belongs to the branch banks.

Chart 5.2: Number of Personnel and Branches



Source: Central Bank of TRNC

As of the third quarter of 2019, the number of ATMs has been 503. When the distribution of ATMs by bank groups is analysed, branch banks rank first with 225 ATMs. Branch banks are followed by private banks with 221 ATMs and public banks with 57 ATMs. During September 2018 - September 2019 period, the number of ATMs increased from 474 to 503.

Table 5.5: Number of ATMs

	Sept.18	Dec.18	Mar.19	Jun.19	Sept.19
Public Banks	54	55	58	58	57
Private Banks	206	207	210	216	221
Branch Banks	214	222	219	222	225
Total	474	484	487	496	503

5.2 BANKING SECTOR CONSOLIDATED BALANCE SHEET

Total assets of the banking sector, which was 36,894.5 million TRY at the end of June 2019, have increased by 2.6 percent in the third quarter of 2019 and reached 37,855.4 million TRY. In the aforementioned period, cash and cash equivalents increased by 7.02 percent, securities portfolio by 1.75 and other assets by 9.05, while gross loans decreased by 7.2 per mille.

Total assets of the sector increased by 8.29 percent in September 2018 - September 2019 period. In the same period, cash and cash equivalents increased by 25.77

percent and gross loans by 2.27 percent, while securities portfolio decreased by 14.88 percent. In the same period, deposits increased by 7.32 percent and shareholders' equity increased by 23.62 percent.

Deposits, which are the most important funding source of the sector increased by 2.21 percent and the shareholders' equity increased by 6.42 percent in June 2019 - September 2019 period.

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

	2018			2019		Percentage Change	
	September	December	March	June	September	06/2019 - 09/2019	09/2018 - 09/2019
Cash and Cash Equivalents	9.661,8	9.940,9	10.792,9	11.354,1	12.151,4	7,02	25,77
Securities Portfolio	2.611,7	2.043,4	2.255,0	2.184,8	2.223,0	1,75	-14,88
Total Gross Loans	19.752,4	18.906,1	19.824,0	20.347,3	20.200,3	-0,72	2,27
Other Assets	2.930,6	2.089,8	2.580,9	3.008,3	3.280,7	9,05	11,95
Total Assets-Liabilities	34.956,5	32.980,2	35.452,8	36.894,5	37.855,4	2,60	8,29
Deposits	28.163,1	26.441,8	28.449,2	29.572,1	30.224,8	2,21	7,32
Debts to Banks	2.328,1	2.028,6	2.163,7	2.190,3	2.270,1	3,64	-2,49
Other Liabilities	1.457,2	1.414,7	1.533,2	1.638,0	1.642,0	0,24	12,68
Shareholders' Equity	3.008,1	3.095,1	3.306,7	3.494,1	3.718,5	6,42	23,62

Source: Central Bank of TRNC

5.2.1 ASSETS AND LIABILITIES STRUCTURE

In the third quarter of 2019, the largest share in the sector's total assets is gross loans with 53.36 percent. Gross loans are followed by cash and cash equivalents with a share of 32.1 percent, other assets with a share of 8.67 percent and securities portfolio with 5.87 percent.

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

As of September 2019, 79.84 percent of the total liabilities is deposits, 9.82 percent is shareholders' equity, 6 percent is debts to banks and 4.34 percent is other liabilities.

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

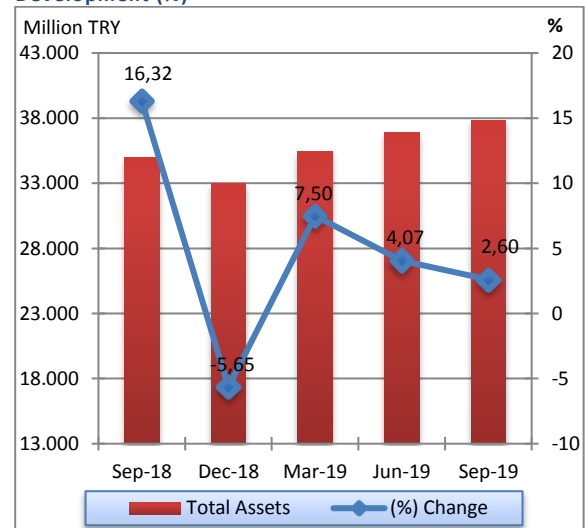
Table 5.7: Structural Percentage Distribution of Banking Sector Assets / Liabilities (%)

Assets	2018		2019		
	September	December	March	June	September
Cash and Cash Equivalents	27,64	30,14	30,44	30,78	32,10
Securities Portfolio	7,47	6,19	6,36	5,92	5,87
Total Gross Loans	56,51	57,33	55,92	55,15	53,36
Other Assets	8,38	6,34	7,28	8,15	8,67
Total	100,00	100,00	100,00	100,00	100,00
Liabilities					
Total Deposits	80,57	80,17	80,25	80,15	79,84
Debts to Banks	6,66	6,15	6,10	5,94	6,00
Other Liabilities	4,16	4,29	4,32	4,45	4,34
Shareholders' Equity	8,61	9,39	9,33	8,76	9,82
Total	100,00	100,00	100,00	100,00	100,00

Source: Central Bank of TRNC

In 2018, total deposits had increased by 16.32 percent in the third quarter, then decreased by 5.65 percent in the last quarter. Quarter-on-quarter increase of the banking sector's total assets has been 7.5 percent in March 2019, 4.07 percent in June and 2.6 percent in September.

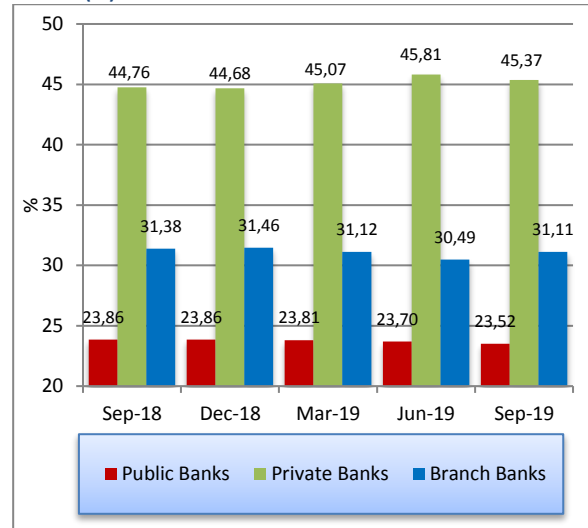
Chart 5.3: Assets of the Banking Sector and Quarterly Development (%)



Source: Central Bank of TRNC

In the third quarter of 2019, the sector’s total assets decreased from 45.81 to 45.37 percent in the private banks group, from 23.7 to 23.52, while it increased from 30.49 to 31.11 percent in the branch banks group. In September 2018 - September 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 third quarter of 2019, public banks’ total assets increased by 1.86 percent, private banks’ total assets by 1.62 percent and branch banks’ total assets by 4.67 percent, compared to the previous quarter. Total assets

increased by 6.77 percent in public banks, 9.78 percent in private banks and 7.33 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	
	September	December	March	June	September	06/2019-09/2019	09/2018-09/2019
Public Banks	8.339,9	7.868,9	8.440,4	8.742,3	8.904,6	1,86	6,77
Private Banks	15.646,4	14.734,3	15.978,6	16.903,0	17.176,5	1,62	9,78
Branch Banks	10.970,2	10.377,0	11.033,8	11.249,2	11.774,3	4,67	7,33
Total	34.956,5	32.980,2	35.452,8	36.894,5	37.855,4	2,60	8,29

Source: Central Bank of TRNC

Analysing the TRY and FX distribution of gross loans as of September 2019, the share of TRY loans increased from 46.72 to 47.79 percent compared to the previous quarter, while the share of FX loans decreased from 53.28 to 52.21 percent. The share of TRY deposits

increased from 38.34 percent to 40.27 percent as of September 2019, while the share of FX deposits decreased from 61.66 to 59.73 percent, compared to the previous quarter.

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

	2018				2019					
	September		December		March		June		September	
	TRY	FX	TRY	FX	TRY	FX	TRY	FX	TRY	FX
Loans	43,39	56,61	48,39	51,61	47,05	52,95	46,72	53,28	47,79	52,21
Deposits	36,16	63,84	40,10	59,90	37,71	62,29	38,34	61,66	40,27	59,73

Source: Central Bank of TRNC

5.2.2 CASH AND CASH EQUIVALENTS

Total of cash assets, receivables from 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 7.02 percent in the third quarter of 2019 and reached from 11,354.1 million TRY to 12,151.4 million TRY, compared to the previous quarter.

In this period, an increase of 56.6 million TRY in the cash values item, 581.4 million TRY in the IMM (Interbank Money Market) transactions item, 601.7 million TRY in the receivables from banks item, while a decrease of

442.4 million TRY in the receivables from the Central Bank item has been recorded.

Cash and cash equivalents amounting to 9,661.8 million TRY at the end of September 2018 increased to 12,151.4 million TRY by the end of September 2019. In the period, cash assets increased by 5.4 million TRY, receivables from the Central Bank increased by 218,8 million TRY, receivables from IMM transactions increased by 852.3 million TRY and receivables from banks increased by 1,413.1 million TRY.

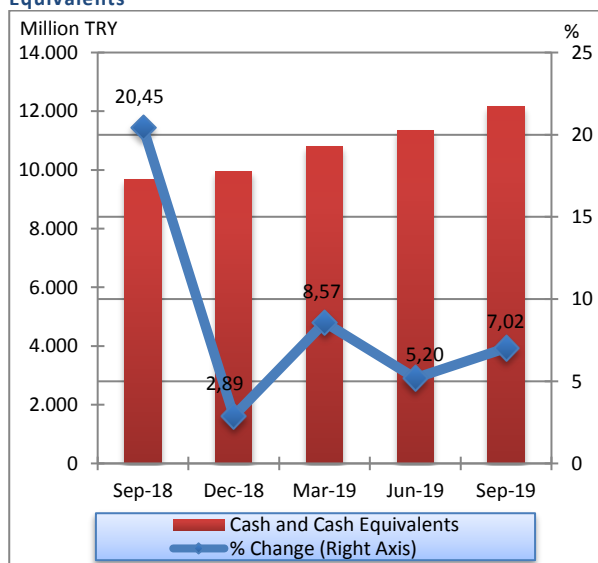
Table 5.10: Development of the Cash and Cash Equivalents (Million TRY)

	2018		March	2019		Percentage Change
	September	December		June	September	06/2019 - 09/2019
Cash Assets	356,5	297,6	282,5	305,3	361,9	18,54
Receivables from the Central Bank	3.497,1	3.804,3	3.982,2	4.158,3	3.715,9	-10,64
Receivables from Interbank Money Market Transactions	2.038,8	2.135,4	2.201,7	2.309,7	2.891,1	25,17
Receivables from Banks	3.769,4	3.703,6	4.326,5	4.580,8	5.182,5	13,14
Total	9.661,8	9.940,9	10.792,9	11.354,1	12.151,4	7,02

Source: Central Bank of TRNC

In 2018, cash and cash equivalents increased by 20.45 percent in the third quarter and 2.89 percent in the fourth quarter. In 2019, cash and cash equivalents increased by 8.57 percent in the first quarter, 5.2 percent in the second quarter and 7.02 percent in the third quarter.

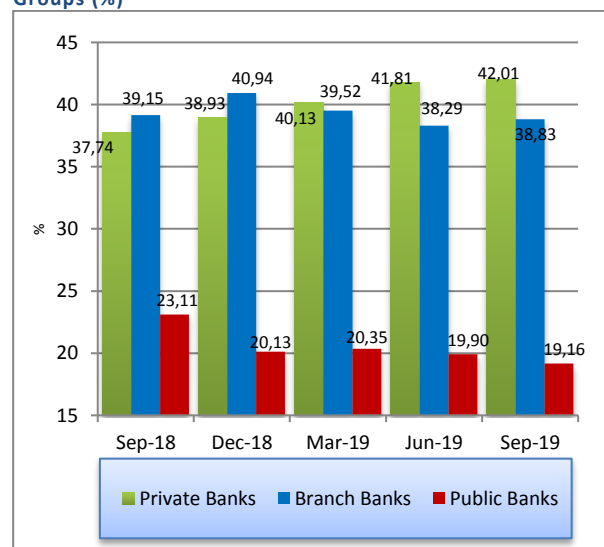
Chart 5.5: Quarterly Percentage Change of Cash and Cash Equivalents



Source: Central Bank of TRNC

In the third quarter of 2019, shares of private and branch banks increased, while the share of public banks decreased. In September 2018 - September 2019 period, there has been a downsizing in the group of public banks and branch banks, and a growth in private banks.

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



Source: Central Bank of TRNC

5.2.3 LOANS

Business loans, which amounted to 12,274.1 million TRY as of September 2019, are in the first rank as in the previous periods. They are followed by consumer loans with a total of 4,631.6 million TRY.

During the period from September 2018 to September 2019, business loans increased from 11,604.1 million TRY to 12,274.1 million TRY, while consumer loans decreased from 4,946.8 million TRY to 4,631.6 million TRY.

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

	2018			2019	
	September	December	March	June	September
Business Loans	11.604,1	11.285,8	11.896,4	12.364,5	12.274,1
Consumer Loans	4.946,8	4.524,6	4.672,6	4.685,9	4.631,6
Credit Cards	444,7	457,3	452,9	493,2	541,6
Discount Loans	248,1	236,6	254,5	250,3	243,0
Other Investment Loans	109,5	98,0	100,6	96,9	89,5
Import Loans	4,7	3,8	3,9	4,2	3,8
Loans of Funds Originated	22,4	19,2	20,2	20,8	20,7
Directed Loans	15,1	32,7	38,5	37,2	32,8
Export Loans	4,9	2,9	2,4	0,9	1,9
Loans Extended by Central Bank of the TRNC	9,1	7,9	8,3	8,7	8,4
Loans Extended Through Central Bank of the TRNC	0,0	0,0	0,0	0,0	0,0
Loans to Purchase Security for Customers	0,7	0,5	0,4	0,3	0,0
Export Guaranteed Investment Loans	0,0	0,0	0,0	0,0	0,0
Other Loans	1.359,7	1.192,2	1.288,0	1.281,7	1.212,9
Total Loans	18.769,8	17.861,5	18.738,7	19.244,6	19.060,3

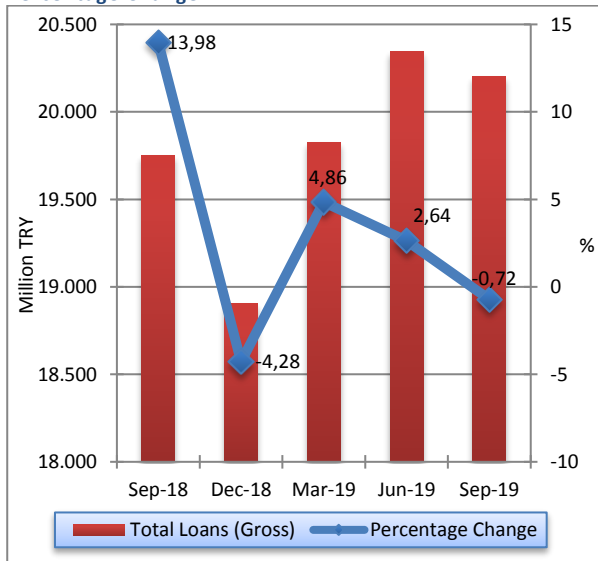
Source: Central Bank of TRNC

Note: Non-performing loans are not included.

In 2018, gross loans of the sector increased by 13.98 as of September, then decreased by 4.28 percent as of December. In 2019, gross loans increased by 4.86 percent in the first quarter, and by 2.64 percent in the second quarter, while decreasing by 0.72 per mille in the last quarter.

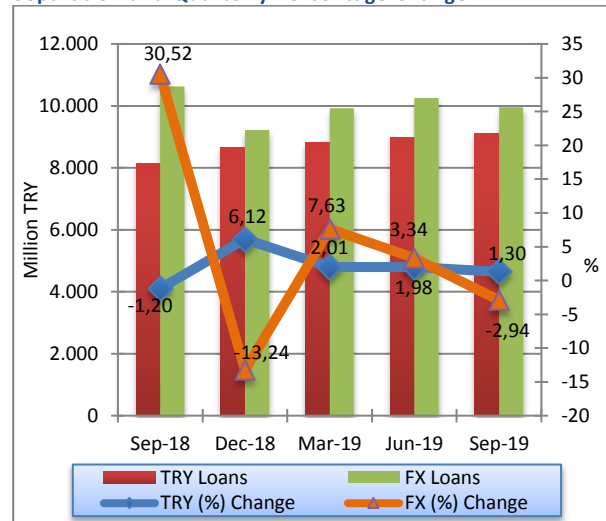
In the third quarter of 2019, 9,108.4 million TRY of the loans are in TRY currency and 9,951.9 million TRY are in foreign currency. In the period, there has been an increase of 1.3 percent in TRY loans and a decrease of 2.94 percent in FX loans, compared to the previous quarter.

Chart 5.7: Development of Gross Loans and Quarterly Percentage Change



Source: Central Bank of TRNC

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

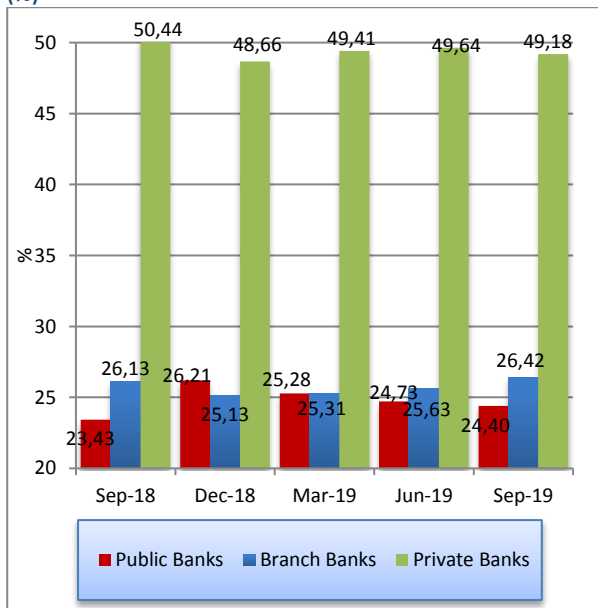


Source: Central Bank of TRNC

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 24.73 percent to 24.4 percent in the third quarter of 2019, while the share of private banks decreased from 49.64 percent to 49.18 percent, compared to the previous quarter. On the other hand, the share of the loans extended by branch banks increased from 25.63 to 26.42 percent. During September 2018 - September 2019 period, the share of private banks in total loans decreased, while the share of branch banks and public banks increased.

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



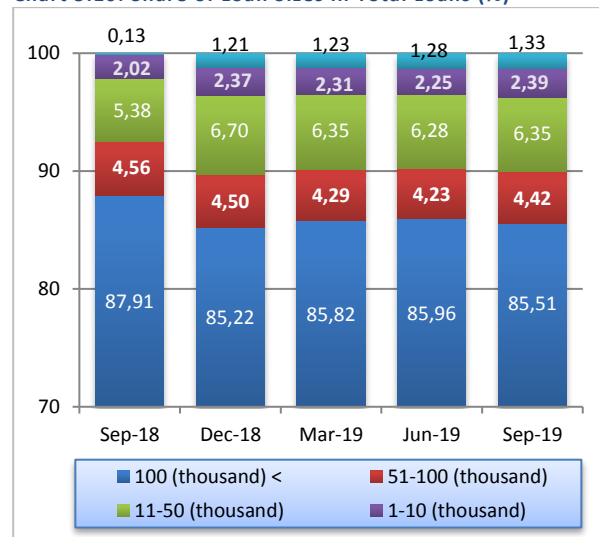
Source: Central Bank of TRNC

By the end of the third quarter of 2019, the share of loans over 100 thousand TRY in total loans has been 85.51 percent.

In this period, 11-50 thousand TRY loans are in second place in loan sizes with a share of 6.35 percent. Loans amounting to 51-100 thousand TRY and 1-10 thousand TRY constitute 4.42 and 2.39 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 1.33 percent.

In September 2018 - September 2019 period, 0-1 thousand TRY, 11-50 thousand TRY and 1-10 thousand TRY loans increased, while 51-100 thousand TRY loans and loans over 100 thousand TRY decreased in terms of the share of the loan sizes in the total loans.

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

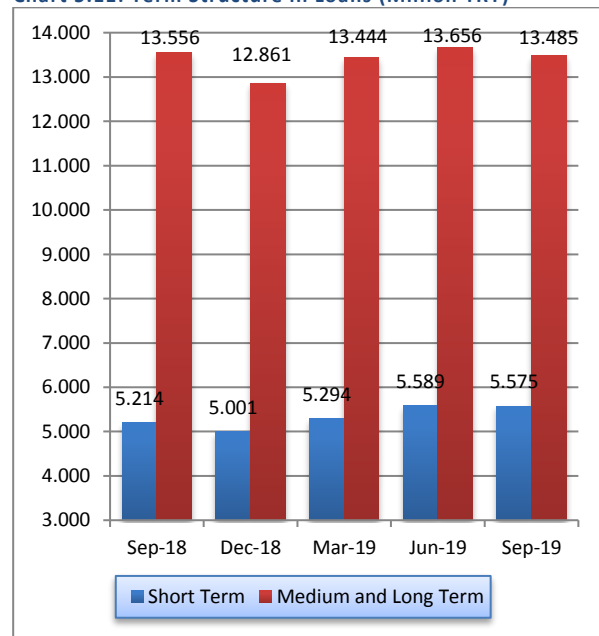


Source: Central Bank of TRNC

Note: Non-performing loans are not included.

In the third quarter of 2019, short-term loans decreased from 5,588.7 million TRY to 5,575.4 million TRY, and medium and long-term loans decreased from 13,655.9 million TRY to 13,484.9 million TRY. In the period of September 2018 - September 2019, short-term loans increased by 6.94 percent and medium and long-term loans decreased by 5.26 per mille.

Chart 5.11: Term Structure in Loans (Million TRY)



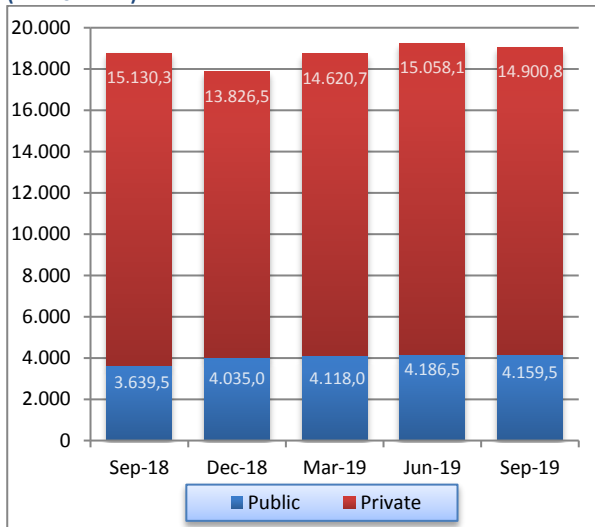
Source: Central Bank of TRNC

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

As of September 2019, 78.18 percent of the banking sector’s total loans has been extended to the private sector and 21.82 percent to the public sector. Compared to the previous quarter, loans used by the public sector decreased from 4,186.5 million TRY to 4,159.5 million TRY and private sector loans from 15,058.1 million TRY to 14,900.8 million TRY.

In September 2018 - September 2019 period, the increase rate of the loans used by the public has been 14.29 percent and the loans used by the private sector has decreased by 1.52 percent.

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

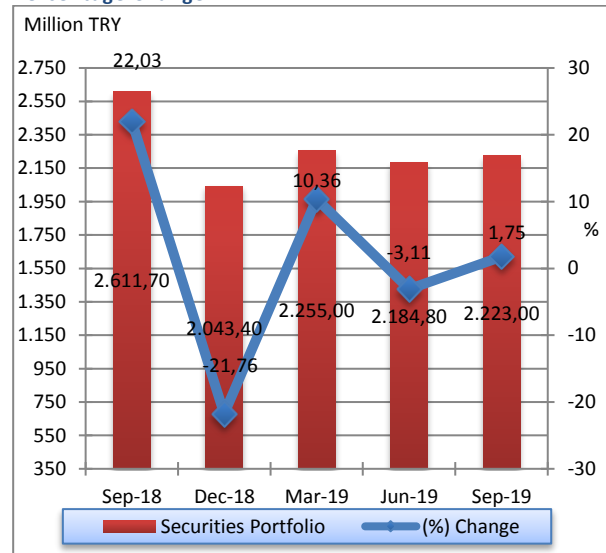


Source: Central Bank of TRNC

5.2.4 SECURITIES PORTFOLIO

Securities portfolio increased by 1.75 percent as of September 2019, compared to the previous quarter. As of September 2018, SP increased by 22.03 percent, while it decreased by 21.76 in December. Securities portfolio increased by 10.36 percent as of March 2019, and it decreased by 3.11 as of June, compared to the previous quarter.

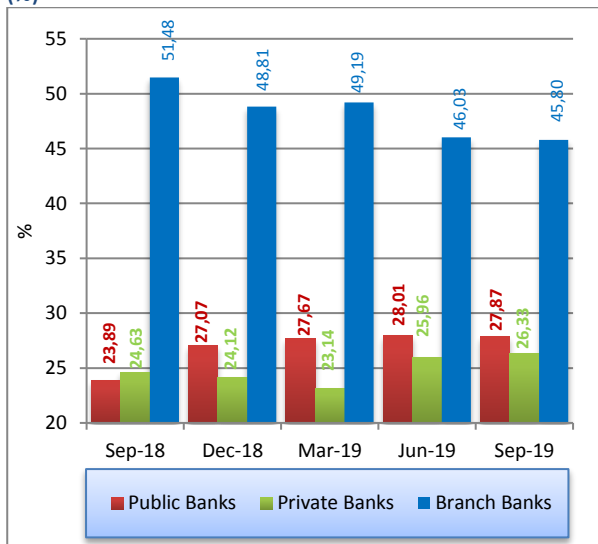
Chart 5.13: Securities Portfolio Totals and Quarterly Percentage Change



Source: Central Bank of TRNC

By the end of the third quarter of 2019, the share of public banks in total SP decreased from 28.01 percent to 27.87 percent and the share of branch banks from 46.03 percent to 45.8 percent, while the share of private banks increased from 25.96 percent to 26.33 percent, compared to the previous quarter. During September 2018 - September 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 2.21 percent in the third quarter of 2019, compared to the previous quarter. Deposits increased by 7.32 percent in the one-year period and amounted to 30,224.8 million TRY at the end of September 2019.

As of the end of September 2019, it is observed that the largest share belongs to savings deposits with 21,283.6 million TRY as it was in the previous periods. This is followed by commercial deposits with 5,626.8 million TRY and official deposits with 2,860.6 million TRY. In September 2018 - September 2019 period, savings deposits increased by 5.92 percent, commercial deposits by 1.12 per mille and official deposits by 43.74 percent.

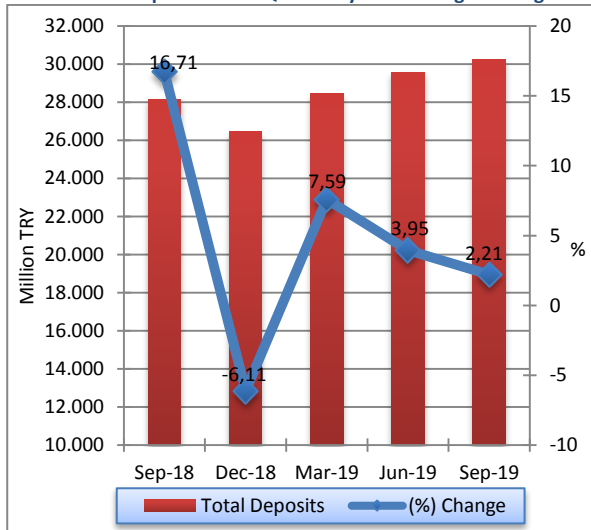
Table 5.12: Development of Deposits by Type (Million TRY)

	2018			2019	
	September	December	March	June	September
Savings	20.093,4	19.010,8	20.574,6	21.290,5	21.283,6
Commercial	5.620,5	4.922,5	5.251,0	5.434,1	5.626,8
Official	1.990,1	1.917,8	2.103,5	2.260,8	2.860,6
Other	459,1	590,7	520,1	586,7	453,8
Total Deposits	28.163,1	26.441,8	28.449,2	29.572,1	30.224,8
Debts to Banks	2.328,1	2.028,6	2.163,7	2.190,3	2.270,1
Total Deposits Including Debts to Banks	30.491,2	28.470,4	30.612,9	31.762,4	32.494,9

Source: Central Bank of TRNC

In 2018, total deposits had increased by 16.71 percent in the third quarter, then decreased by 6.11 percent in the last quarter. In 2019, total deposits increased by 7.59 percent in the first quarter, 3.95 in the second quarter and 2.21 percent in the third quarter.

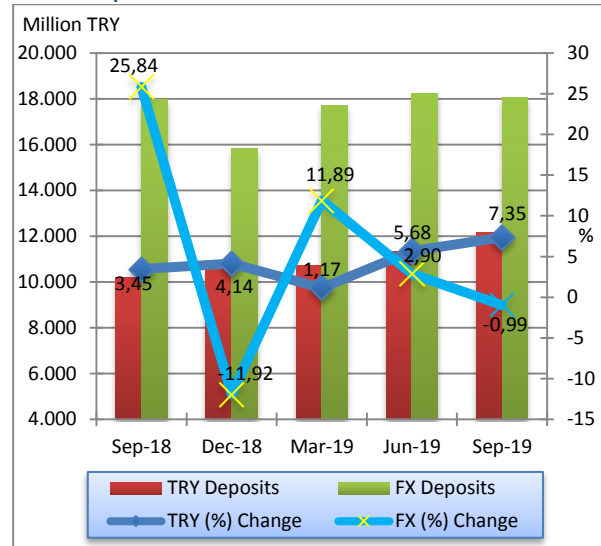
Chart 5.15: Deposits and Quarterly Percentage Change



Source: Central Bank of TRNC

In the third quarter of 2019, it is observed that deposits amounted to 12,171.2 million TRY in Turkish Lira currency and 18,053.6 million TRY in foreign currency. In the period, TRY deposits increased by 7.35 percent, while FX deposits decreased by 9.9 per mille, compared to the previous quarter.

Chart 5.6: Quarterly Percentage Change of Deposits and TRY-FX Separation



Source: Central Bank of TRNC

At the end of September 2019, compared to the previous quarter, TRY deposits of public banks increased by 7.79 percent, while FX deposits decreased by 4.44 percent, private banks' TRY deposits increased by 7.40 percent, while FX deposits decreased by 0.78 per mille. In the same period, branch banks' TRY deposits increased by 6.77 percent and FX deposits increased by 1.30 percent.

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

	June 2019			September 2019			Percentage Change 06/2019 -09/2019		
	TRY	FX	Total	TRY	FX	Total	TRY	FX	Total
Public Banks	3.867,2	3.669,6	7.536,8	4.168,6	3.506,5	7.675,1	7,79	-4,44	1,83
Private Banks	4.144,0	9.937,6	14.081,6	4.450,8	9.860,1	14.310,9	7,40	-0,78	1,63
Branch Banks	3.326,7	4.627,0	7.953,7	3.551,8	4.687,0	8.238,8	6,77	1,30	3,58
Total Deposits	11.337,9	18.234,2	29.572,1	12.171,2	18.053,6	30.224,8	7,35	-0,99	2,21

Source: Central Bank of TRNC

As in previous periods, maturity concentration of the sector deposits belongs to 1-month deposits with a ratio of 51.83 percent. 1-month deposits are followed by 3-month deposits with a share of 19.42 percent, demand deposits with a share of 14.67 percent, 1-year deposits with a share of 9.89 percent and 6-month deposits with a share of 4.19 percent.

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

0.65, in demand deposits, 3.73 points in 1-month deposits and 0.2 points in 6-month deposits, while 3-month and 1-year deposits decreased by 3.98 and 0.6 points, respectively.

During September 2018 - September 2019 period, 1-month and 6-month deposits increased by 3.48, and 0.05 points respectively, while demand, 3-month and 1-year deposits decreased by 0.25, 1.91 and 1.37 points, respectively.

Table 5.14: Maturity Distribution of Deposits (%)

	2018			2019		Change (Points)	
	September	December	March	June	September	06/2019-09/2019	09/2018-09/2019
Demand	14,92	13,99	13,59	14,02	14,67	0,65	-0,25
1-Month	48,35	51,97	48,49	48,10	51,83	3,73	3,48
3-Month	21,33	18,72	22,90	23,40	19,42	-3,98	-1,91
6-Month	4,14	4,85	4,40	3,99	4,19	0,20	0,05
1-Year	11,26	10,47	10,62	10,49	9,89	-0,60	-1,37
Total	100,00	100,00	100,00	100,00	100,00		

Source: Central Bank of TRNC

When the distribution of deposits in the banking sector is analysed by their size, 10-50 thousand TRY deposits increased from 2,482 million TRY to 2,498.9 million TRY, 50-100 thousand TRY deposits from 3,555.2 million TRY to 3,782.5 million TRY, and deposits over 100 thousand TRY from 22,695.7 to 23,230.6 million TRY, while 0-5 thousand TRY deposits decreased from 444.2 million

TRY to 325.8 million TRY, 5-10 thousand TRY deposits from 395 million TRY to 387 million TRY as of the end of September 2019, compared to the previous quarter. In the third quarter of 2019, the share of deposits over 100 thousand TRY has been 76.86 percent, and deposits of 50-100 thousand TRY had a share of 12.51 percent.

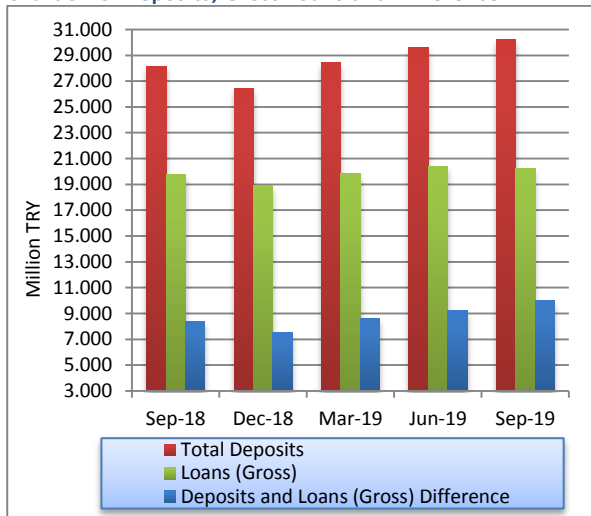
Table 5.15: Distribution of Deposits by Size (Million TRY)

	2018			2019	
	September	December	March	June	September
0-5 thousand TRY	314,5	319,3	312,8	444,2	325,8
5-10 thousand TRY	358,9	375,2	375,5	395,0	387,0
10-50 thousand TRY	2.396,3	2.453,7	2.443,4	2.482,0	2.498,9
50-100 thousand TRY	3.666,1	3.885,2	3.920,1	3.555,2	3.782,5
Over 100 thousand TRY	21.427,3	19.408,4	21.397,4	22.695,7	23.230,6
Total Deposits	28.163,1	26.441,8	28.449,2	29.572,1	30.224,8

Source: Central Bank of TRNC

The difference between total deposits and gross loans, which was 9,224.8 million TRY at the end of June 2019, has increased by 799.7 million TRY and rose to 10,024.5 million TRY at the end of September 2019.

Chart 5.16: Deposits, Gross Loans and Difference

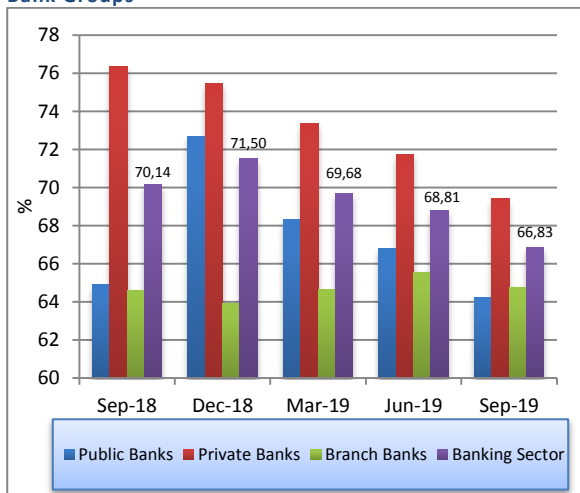


Source: Central Bank of TRNC

Loans to total deposits ratio, which is one of the indicators of the banking sector's depth and intermediary function, was 68.81 percent at the end of June 2019, afterwards, it has declined to 66.83 percent at the end of September 2019. Loans to total deposits ratio decreased by 3.31 points in a one-year period.

When loans to deposits ratio at the end of September 2019 is examined on the basis of bank groups, private banks rank first with 69.42 percent. Private banks are followed by branch banks with a rate of 64.77 percent. Public banks have a conversion rate of 64.23 percent.

Chart 5.17: 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 6.42 percent, compared to the previous quarter and reached 3,718.5 million TRY at the end of the third quarter of 2019.

Shareholders' equity increased by 23.62 percent in September 2018 - September 2019 period. In one-year period, paid-in capital of the sector increased by 147.5 million TRY and reserve requirements increased by 304.9 million TRY.

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

	2018		2019		
	Sept.	Dec.	Mar.	Jun.	Sept.
Paid-in Capital	1.181,6	1.262,4	1.265,6	1.315,3	1.329,1
Reserve Requirements	618,7	593,9	795,8	923,6	923,6
Fixed Asset Revaluation Fund	0,9	0,9	1,7	2,0	2,2
Securities Value Increment Fund	163,6	140,7	158,4	158,4	150,1
Period Profit (Loss)	596,1	689,8	235,9	518,1	749,2
Accumulated Profit (Loss)	447,2	407,4	849,3	576,7	564,3
Total	3.008,1	3.095,1	3.306,7	3.494,1	3.718,5

Source: Central Bank of TRNC

5.3 MONEY SUPPLY

Money supply classified as narrow money, which is also called as M1 increased by 2.94 percent at the end of September 2019 compared to June 2019 and rose from 6,581.7 million TRY to 6.775,1 million TRY. M1 increased by 8.49 percent in the one-year period.

The money supply qualified as M2, which amounted to 30,066.1 million TRY at the end of June 2019, increased by 1.4 per mille in the third quarter of 2019 and reached 30,109.1 million TRY. M2 increased by 5.4 percent in the 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 2.63 percent in the third quarter of 2019 compared to the previous quarter and rose from 32,390.9 million TRY to 33,243.7 million TRY. The increase rate of M3 is 8.29 percent, compared to the same period of the previous year.

Table 5.17: Money Supply (Million TRY)

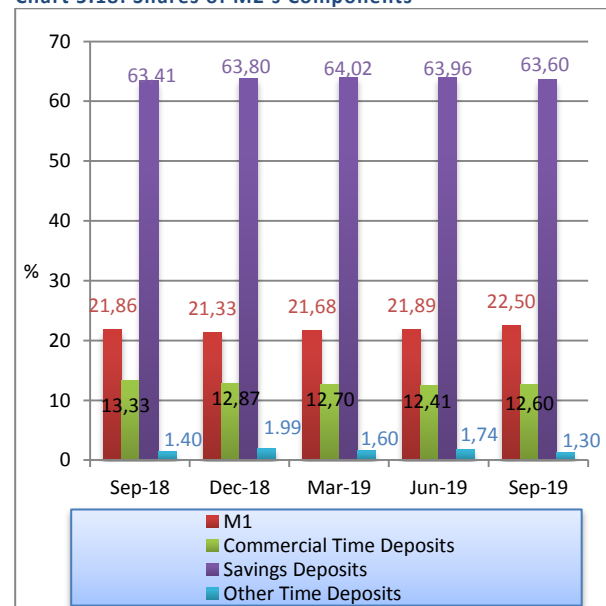
Years	Period	M1	Annual Percentage Change	M2	Annual Percentage Change	M3	Annual Percentage Change
2015	III	2.829,9	30,83	14.279,2	23,32	15.106,4	21,50
	IV	2.841,2	28,50	14.215,8	19,66	15.109,8	19,35
2016	I	2.797,9	19,64	14.340,3	14,99	15.181,6	14,59
	II	2.976,9	17,54	14.620,3	10,66	15.593,1	10,93
	III	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
	III	6.775,1	8,49	30.109,1	5,40	33.243,7	8,29

Source: Central Bank of the TRNC

As in previous periods, the largest share in M2 is 63.6 percent with the savings deposits as of September 2019. This is followed by M1 with a share of 22.5 percent, commercial time deposits with 12.6 percent and other time deposits with a ratio of 1.3 percent.

Savings time deposits, which constitute the largest share of the structure of M2, increased seasonally by 0.19 points to 63.6 percent in September 2018 - September 2019 period. In the mentioned period, M1, one of the other subcomponents of M2, increased from 21.86 percent to 22.5 percent, while other time deposits fell from 1.4 percent to 1.3 percent and commercial time deposits from 13.33 percent to 12.6 percent.

Chart 5.18: Shares of M2's Components



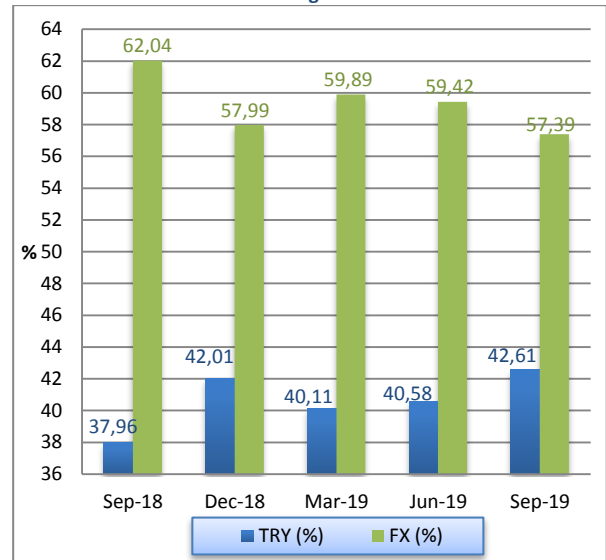
Source: Central Bank of TRNC

Analysing the TRY-FX percentage distribution of M3 as of September 2019, it is observed that the share of TRY deposits in M3 is 42.61 percent and the share of FX deposits is 57.39 percent. These shares were 37.96 percent in TRY and 62.04 percent in FX at the end of June 2018.

5.4 OVERVIEW OF INTERBANK MONEY MARKET

As of the third quarter of 2019, there have been 878 transactions in TRY, 518 transactions in USD, 215 transactions in EUR and 567 transactions in GBP currency. In this period, transactions of 49,313 million TRY in Turkish Lira currency, 1,368 million USD in US Dollar currency, 8,981 million EUR in Euro currency and 6,125 million GBP in Pound Sterling currency were made.

Chart 5.19: 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 - 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
2019 - Q3	878	49.312.550	518	1.367.725	215	8.981.250	567	6.124.550

Source: Central Bank of TRNC

Looking at the volume distributions of overnight transactions made in the third quarter of 2019, it is observed that the shares are 99.56 percent in TRY, 99.96 percent in USD, 99.98 in EUR and 99.79 percent

in GBP. 1-week transactions have a rate of 3.5 per mille in GBP, while 1-month transactions have a rate of 0.9 per mille in TRY, 0.4 per mille in USD, 0.2 per mille in EUR and 2.1 per mille in GBP.

Table 5.19: Transaction Volume (x 1.000)

	TRY		\$		€		£	
	Volume	Share (%)	Volume	Share (%)	Volume	Share (%)	Volume	Share (%)
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							
2019 Q3	49.312.550		1.367.725		8.981.250		6.124.550	
ON	49.093.550	99,56	1.367.225	99,96	8.979.850	99,98	6.111.550	99,79
1W	175.000	0,35						
1M	44.000	0,09	500	0,04	1.400	0,02	13.000	0,21

Source: Central Bank of TRNC

Note: ON: Overnight

W: Weekly

M: Monthly

Average interest rates for overnight transactions made in the third quarter of 2019 have been 14.76 percent in TRY, 1.25 percent in USD, 0.32 percent in EUR, and 0.75 percent in GBP. Interest rates of weekly transactions

have been 16.97 percent in TRY. Average interest rates for 1-month transactions have been 18.5 percent in TRY, 1.5 percent in USD, 0.7 percent in EUR and 1.4 percent in GBP.

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 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
Q3	14,76	16,97		18,50		1,25			1,50		0,32			0,70		0,53				1,40

Source: Central Bank of 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 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
01/07/2016 (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
01/10/2019 (OG 714)	2,98	3,48	1,21	1,71

Source: Central Bank of TRNC

5.6 NON-BANK FINANCIAL INSTITUTIONS

5.6.1 INTERNATIONAL BANKING UNITS

As of September 2019, total asset size of the seven International Banking Units increased by 14.25 percent compared to the end of 2018 and reached 633.4 million USD. In this period, cash and cash equivalents increased by 66.82 percent and reached 390.7 million USD. Gross loans and other assets decreased by 22.31 percent and 36.24 percent to 214.9 million and 27.8 million USD, respectively.

Total assets increased by 14.72 percent in December 2018 - September 2019 period and reached 545.4 million USD. Debts to banks and shareholders' equity items increased by 45.14 percent and 4.26 percent to 25.4 million and 58.7 million USD, respectively. Lastly, other liabilities item decreased by 25 percent to 3.9 million USD.

Table 5.22: Consolidated Balance Sheet of International Banking Units (Million USD)

	December 2018	September 2019	Percentage Change
Cash and Cash Equivalents	234,2	390,7	66,82
Loans (Gross)	276,6	214,9	-22,31
Other Assets	43,6	27,8	-36,24
Assets/Liabilities	554,4	633,4	14,25
Deposits	475,4	545,4	14,72
Debts to Banks	17,5	25,4	45,14
Shareholders' Equity	56,3	58,7	4,26
Other Liabilities	5,2	3,9	-25,00

Source: Central Bank of TRNC

5.6.2 INSURANCE COMPANIES

As of the end of 2018, there have been 33 insurance companies operating in the sector. Consolidated asset size of the insurance companies, which had been 568.3 million TRY as of the end of 2017, increased by 25.23 percent and reached 711.7 million TRY. In the same period, cash assets were 235,7 million TRY, receivables were 148,3 million TRY and fixed assets were 154,1 million TRY.

Debts, one of the liability items of the consolidated balance sheet of the insurance companies, increased by 36.97 percent and reached 94.1 million TRY, reserves increased by 26.37 percent to 390.1 million TL, shareholders' equity increased by 12.46 percent to 157.9 million TRY in one-year period (December 2017-December 2018). In the same period, profit increased by 33.08 percent and reached 52.7 million TRY.

Table 5.23: Consolidated Balance Sheet of Insurance Companies (Million TRY)

	2017	2018	Percentage Change
Cash Assets	191,9	235,7	22,82
Receivables	113,8	148,3	30,32
Fixed Assets	116,3	154,1	32,50
Other Assets	146,3	173,6	18,66
Assets/Liabilities	568,3	711,7	25,23
Debts	68,7	94,1	36,97
Reserves	308,7	390,1	26,37
Shareholders' Equity	140,4	157,9	12,46
Profit/Loss	39,6	52,7	33,08
Other Liabilities	10,9	16,9	55,05

Source: TRNC Ministry of Finance - Department of Exchange and Growth Fund

5.6.3 EXCHANGE OFFICES

There have been 37 operating exchange offices as of the end of 2018. In the same period, when the consolidated balance sheet of the exchange offices is analysed, it is seen that there is an increase stocks item, and a decrease in cash and cash equivalents and trade and other receivables items, compared to the previous year. Compared to the end of 2018, cash and cash equivalents amounted to 19.5 million TRY, trade and other receivables amounted to 200 million TRY, stocks amounted to 14.9 million TRY and fixed assets amounted to 800 million TRY.

As of the end of 2018, consolidated asset size of the exchange offices decreased by 5.35 percent compared to the previous year and declined to 35.4 million TRY. In the same period, short-term liabilities in the liability structure amounted to 5.9 million TRY, long-term liabilities amounted to 2.1 million TRY, shareholders' equity to 27.4 million TRY and loss item to 300 million TRY.

Table 5.24: Consolidated Balance Sheet of Exchange Offices (Million TRY)

	2017	2018	Percentage Change
Current Assets	36,7	34,6	-5,72
- Cash and Cash Equivalents	24,1	19,5	-19,09
- Trade and Other Receivables	0,3	0,2	-33,33
- Stocks	12,3	14,9	21,14
- Other Current Assets	-	-	-
Fixed Assets	0,7	0,8	14,29
Assets/Liabilities	37,4	35,4	-5,35
Liabilities	13,9	8,0	-42,45
- Short Term	10,4	5,9	-43,27
- Long Term	3,5	2,1	-40,00
Shareholders' Equity	23,5	27,4	16,60
- Profit/Loss	1,3	-0,3	-123,08
- Other Shareholders' Equity	22,2	27,7	24,77

Source: TRNC Ministry of Finance - Department of Exchange and Growth Fund

Note: 2017 and 2018 year-end consolidated balance sheets consist of the data from 35 exchange offices

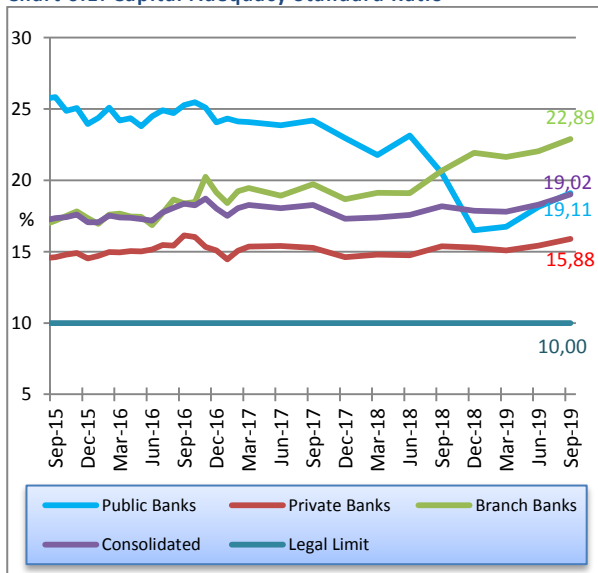
6 FINANCIAL STABILITY ANALYSIS

6.1 CAPITAL ADEQUACY

In the third quarter of 2019, the sector’s capital adequacy standard ratio increased by 0.73 points compared to the previous quarter and reached 19.02 percent, well above the legal limit of 10 percent.

As of September 2019, CASR based on bank groups has been 19.11 percent in public banks, 15.88 percent in private banks and 22.89 percent in branch banks. As of June 2019, these ratios were 18.14, 15.43 and 22.04 percent, respectively. Compared to the same period of the previous year, CASR decreased by 1.4 points in public banks, and increased by 0.5 points in private banks and by 2.21 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 September 2019, assets with 0 percent risk weight increased by 5.79 percent, assets with 20 percent risk weight increased by 4.8 percent, those with 100 percent risk weight increased by 3.58 percent, while assets with 50 percent risk weight decreased by 2.2 per mille. In the period concerned, total market risk and operational risk increased by 56.4 million TRY and reached 3.836 million TRY, compared to the previous period. Total market risk and operational risk of the sector increased by 721.2 million TRY in one-year period (September 2018 - September 2019).

Table 6.1: Risk-Weighted Assets

	Sept. 2018	Dec. 2018	Mar. 2019	Jun. 2019	Sept. 2019	Percent age Change (06/19-09/19)
0 %	11.422,1	11.915,1	12.583,9	13.739,1	14.534,4	5,79
20 %	4.988,2	5.988,4	6.550,9	7.004,8	7.340,8	4,8
50 %	6.900,4	7.275,3	7.745,2	8.309,2	8.291,1	-0,22
100 %	8.443,5	8.357,1	9.105,1	9.316	9.649,9	3,58
Market Risk + Operational Risk	3.114,8	3.661,3	3.728,6	3.779,6	3.836	1,49

Source: Central Bank of TRNC

In the third quarter of 2019, risk-weighted assets increased by 2.4 percent, compared to the previous quarter. Weighted sum of risk-weighted assets, which amounted to 18,651.1 million TRY as of June 2019, increased by 448.5 million TRY at the end of September 2019 and reached 19,099.6 million TRY. Risk-weighted assets of the sector increased by 19.32 percent in September 2018 - September 2019 period.

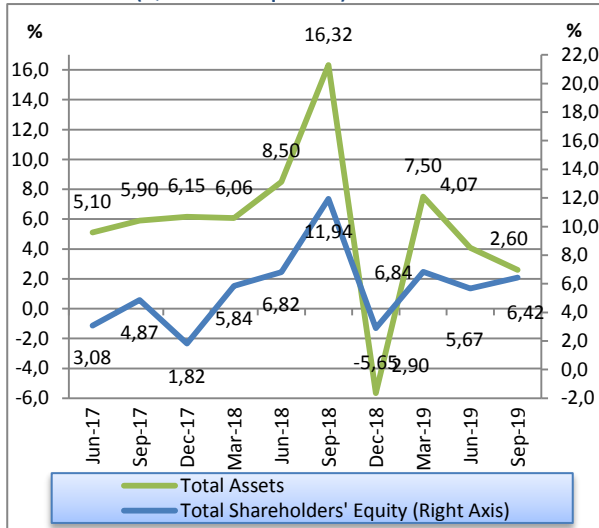
Chart 6.2: Risk-Weighted Assets



Source: Central Bank of the TRNC

As of the end of September 2019, total assets increased by 2.6 percent and total shareholders' equity increased by 6.42 percent, compared to June 2018. Total assets and shareholders' equity increased by 8.29 percent and 23.62 percent, respectively, compared to the same period of the previous year.

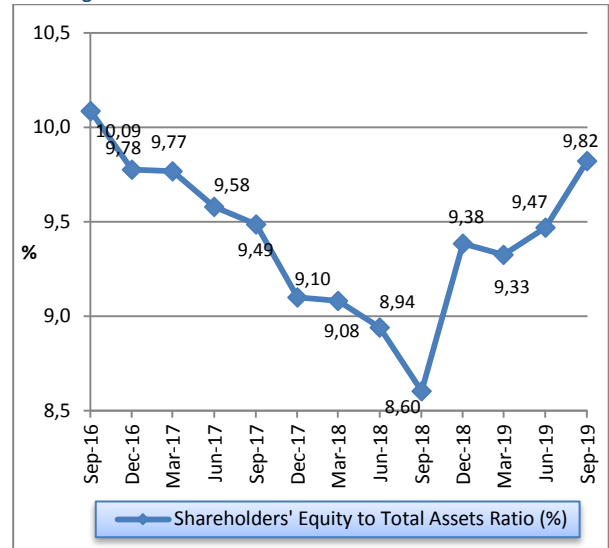
Chart 6.3: Increase Rates in Total Shareholders' Equity and Total Assets (Quarter-on-quarter)



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 in the first quarter, then started increasing to reach 9.82 percent in the third quarter 2019.

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

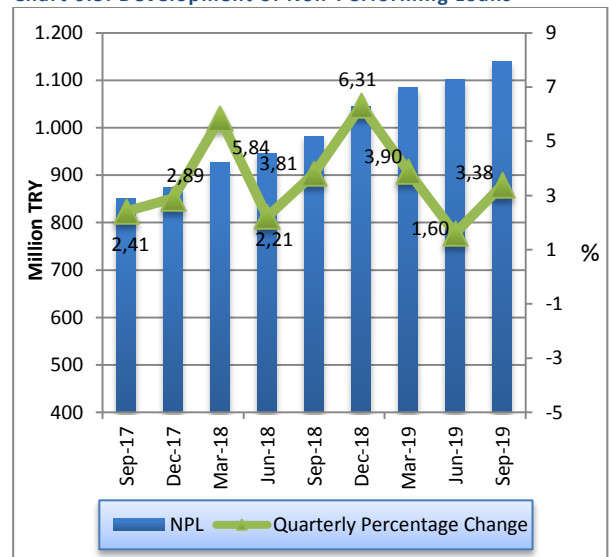


Source: Central Bank of TRNC

6.2 NON-PERFORMING LOANS

Sector's non-performing loans, amounting to 1,102.7 million TRY as of the end of June 2019, increased by 3.38 percent and reached 1.140 million TRY as of the end of September 2019. Non-performing loans increased by 16.02 percent, compared to the same period of the previous year.

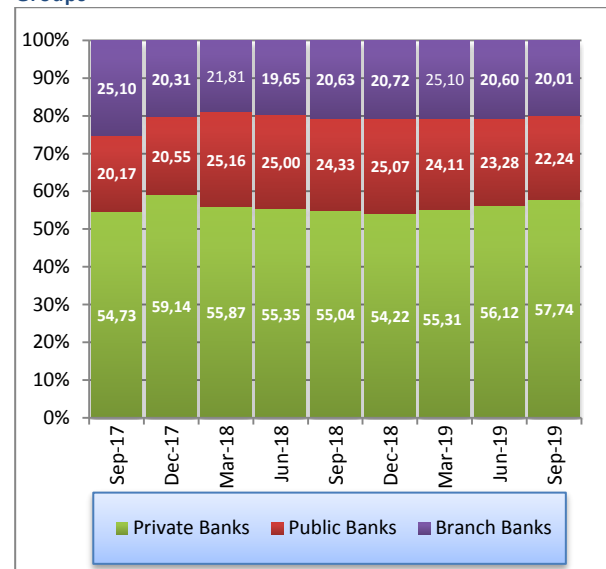
Chart 6.5: Development of Non-Performing Loans



Source: Central Bank of TRNC

As of the end of the third quarter of 2019, it is observed that the share of private banks in total NPL increased, while the share of public banks and branch banks decreased, compared to the previous quarter. Accordingly, in June 2019 - September 2019 period, the share of private banks in total NPL increased from 56.12 percent to 57.74 percent, while the share of branch banks in total NPL decreased from 20.6 percent to 20.01 percent and the share of public banks from 23.28 percent to 22.24 percent. In September 2018 - September 2019 period, the share of private banks in total NPL increased from 55.04 percent to 57.74 percent. In the same period, the share of public banks decreased from 24.33 percent to 22.24 percent, and the share of branch banks from 20.63 percent to 20.01 percent.

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



Source: Central Bank of TRNC

In the third quarter of 2019, total assets amounts to 37,855.4 million TRY, total gross loans amounts to 20,200.3 million TRY, non-performing loans amounts to 1.140 million TRY and provisions for non-performing loans amounts to 739.9 million TRY. Analysed by bank groups, as of September 2019, total assets in public banks are 8,904.6 million TRY, total gross loans are 4,929.4 million TRY, non-performing loans are 253.6 million TRY and provisions for non-performing loans are 221.9 million TRY.

In the private banks, total assets amounts to 17,176.5 million TRY, total gross loans amounts to 9,934.7 million TRY, non-performing loans amounts to 658.3 million TRY and provisions for non-performing loans amounts to 337.7 million TRY. Branch banks have total assets of 11,774.3 million TRY, total gross loans of 5,336.2 million TRY, non-performing loans of 228.1 million TRY and provisions for non-performing loans of 180.3 million TRY.

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

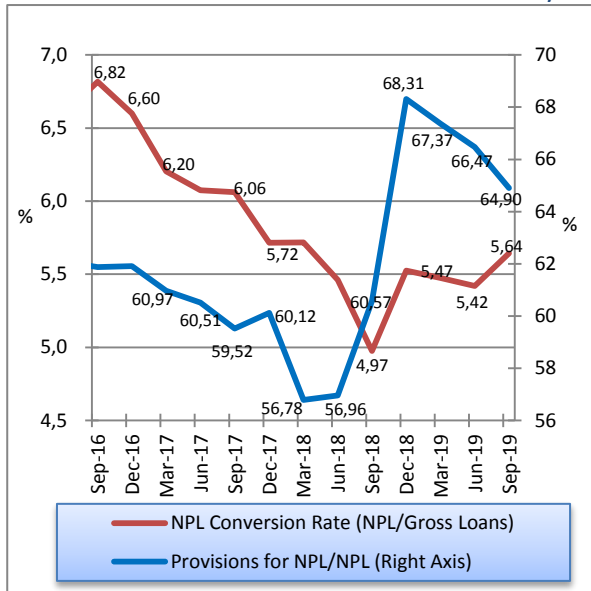
	Total Assets			Total Gross Loans			NPL			Provisions for NPL		
	Mar.19	Jun.19	Sept.19	Mar.19	Jun.19	Sept.19	Mar.19	Jun.19	Sept.19	Mar.19	Jun.19	Sept.19
Public Banks	8.440,4	8.742,3	8.904,6	5.011,7	5.033,2	4.929,4	261,7	256,7	253,6	226,5	224,2	221,9
Private Banks	15.978,6	16.903	17.176,5	9.795,3	10.099,7	9.934,7	600,2	618,8	658,3	324,5	328,2	337,7
Branch Banks	11.033,8	11.249,1	11.774,3	5.016,9	5.214,4	5.336,2	223,4	227,2	228,1	180,2	180,6	180,3
Total	35.452,8	36.894,5	37.855,4	19.823,9	20.347,3	20.200,3	1.085,3	1.102,7	1.140	731,2	733	739,9

Source: Central Bank of TRNC

NPL conversion rate, which was 6.82 percent as of September 2016, started to fall as of this period and declined to 4.97 percent by September 2018. Rising again in December 2018 and March 2019, NPL ratio decreased by 0.05 points to 5.42 percent at the end of June 2019 and then climbed to 5.64 at the end of September. It has experienced a decrease of 0.67 points during the one-year period (September 2018 - September 2019).

While the ratio of provisions for NPL to total NPL had been 66.47 percent by the end of March 2019, it decreased by 1.57 points to 64.9 percent in September 2019. During September 2018 - September 2019, the ratio of provisions for NPL to total NPL increased by 4.33 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 2.58 percent at the end of June 2019, decreased to 2.39 percent in the third quarter of 2019, return on equity, which was 28.18 percent, decreased to 25.1 percent and net interest margin decreased from 4.15 percent to 4.03 percent. In the period of September 2018 - September 2019, return on assets of the sector decreased from 2.42 percent to 2.39 percent, return on equity from 27.31 to 25.1 percent, while net interest margin increased from 3.51 to 4.03 percent.

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

Description	2018		2019		
	Sept.	Dec.	Mar.	Jun.	Sept.
Return on Assets ¹	2,42	2,23	2,46	2,58	2,39
Return on Equity ²	27,31	24,96	27,12	28,18	25,1
Net Interest Margin ³	3,51	3,82	4,02	4,15	4,03

Source: Central Bank of TRNC

Note: 1. Return on Assets: Net Profit / Total Assets
 2. Return on Equity: Net Profit / Total Shareholders' Equity
 3. (Net Interest Margin + 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 + 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
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
Turkish Lira and Foreign Currency Deposit Accounts Interest Rate Change	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
Notification on the Risks Undertaken (Amendment)			06.09.2018	122
Turkish Lira and Foreign Currency Deposit Accounts Interest Rate Change	12.09.2019	1054	16.09.2019	128
Turkish Lira and Foreign Currency Reserve Requirements Interest Rate Change	12.09.2019	1054	16.09.2019	128
Turkish Lira Rediscount and Advance Annual Interest Rate Change	12.09.2019	1055	16.09.2019	128
Central Bank of the TRNC - Determining the Monthly Maximum Contractual and Default Interest Rates to be Applied on Credit Cards			30.09.2019	136
Notification on Dormant Deposits	29.08.2019	1051	11.10.2019	144
Notification on Independent Audit Firms (Amendment)	29.08.2019	1050	17.10.2019	147

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				
Draft Law on Refunds of Retail Goods and Services Purchase Payments by Credit Cards (Amendment)	01.10.2019	115/2/2019	01.10.2019	137

ANNEX B. STATISTICAL DATA

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

Date	Liquid Assets	Loans	Other Assets	Total Assets	Shareholders' Equity	Deposits	Reserve Requirements	Other Liabilities	Total Liabilities
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
30 Sept. 2019	12.024.932.318	188.602.841	99.806.315	12.313.341.474	574.939.219	4.069.005.293	2.134.892.647	5.534.504.315	12.313.341.474

Source: Central Bank of 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
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	5.503.526	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
30 Sept. 2019	695.057.549	5.503.526	3.258.721.464	7.319.698.436	0	655.718.310	12.024.932.318

Source: Central Bank of 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. 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
30 Sept. 2019							8.498.850	8.498.850

Source: Central Bank of TRNC

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	
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
30 Sept. 2019	355.937.954	80.590.555	352.615.354	3.112.598.004	789.935.711	1.344.956.93	1.107.001	166.251.663	4.859.036.242

Source: Central Bank of 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
	7	5,5709	5,5810	6,2088	6,2199	6,7681	6,8033
	8	5,8140	5,8245	6,4407	6,4523	7,0805	7,1174
	9	5,6591	5,6693	6,1836	6,1947	6,9487	6,9849

Source: Central Bank of 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
	7	1,2170	1,1145
	8	1,2199	1,1078
	9	1,2300	1,0927

Source: Central Bank of 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				
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
16.09.2019	10,00	1,00	0,125	0,25	12.09.2019	1054	16.09.2019	128
28.10.2019	8,50	1,00	0,125	0,25	25.10.2019	1059	28.10.2019	153

Source: Central Bank of TRNC

Note: 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
01.02.2006	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
16.09.2019	5,75	0,50	0,00	0,125	12.09.2019	1054	16.09.2019	128
28.10.2019	3,25	0,50	0,00	0,125	25.10.2019	1059	28.10.2019	153

Source: Central Bank of TRNC

Table B.9: Rediscount Interest Rates (%)

Effective Date	Currency																
	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
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
29.07.19	19,50	16,50	16,50	15,50	15,50	4	4	4	4	4	4	4	4	4	4	4	4
16.09.19	16,50	13,50	13,50	12,50	12,50	4	4	4	4	4	4	4	4	4	4	4	4
28.10.19	15,50	12,00	12,00	11,00	11,00	4	4	4	4	4	4	4	4	4	4	4	4

Source: Central Bank of 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 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
	7	168	1415
	8	132	1547
	9	159	1706

Source: Central Bank of 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
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
30 Sept. 2019	12.151,4	2.223,0	2.120,9	20.200,3	-740,0	1.899,8	37.855,4	30.224,8	3.912,1	3.718,5	37.855,4

Source: Central Bank of TRNC

Table B.13: Loans (Total) - 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
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
30 Sept. 2019	242,9	1,9	3,8	0,0	89,5	12.274,1	32,8	20,7	4.631,6	541,6	0,0	8,5	0,0	1.212,9	19.060,3

Source: Central Bank of 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
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	0,1	0	59,6	4.753,7	38,4	4,3	2.567,0	450,1	0,3	0	0	772,6	8.817,2
30 Jun. 2019	158,7	0,9	0,1	0	56,4	4.873,0	37,2	4,5	2.608,4	489,7	0,3	0	0	762,3	8.991,5
30 Sept. 2019	151,5	1,9	0,1	0	51,3	4.915,3	32,8	4,8	2.666,9	537,7	0,0	0	0	746,1	9.108,4

Source: Central Bank of 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
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
30 Sept. 2019	91,4	0	3,7	0	38,3	7.358,8	0	15,9	1.964,7	3,9	0	8,5	0	466,7	9.951,9

Source: Central Bank of 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
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
30 Sept. 2019	5.575,4	-0,23	13.484,9	-1,25	19.060,3	-0,96

Source: Central Bank of 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
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
30 Sept. 2019	4.159,5	-0,64	14.900,8	-1,04	19.060,3	-0,96

Source: Central Bank of 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
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
30 Sept. 2019	16.298,2	842,4	1.210,5	454,9	254,3	19.060,3

Source: Central Bank of 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
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
30 Sept. 2019	1.329,1	923,5	2,2	150,1	749,2	564,3	3.718,4

Source: Central Bank of TRNC

Table B.20: Capital Adequacy Ratio (%)

Date	Public Banks	Private Banks	Branch Banks	Banking Sector	Legal Limit
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
30 Sept. 2019	19,11	15,88	22,89	19,02	10,00

Source: Central Bank of TRNC

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

Date	Interest Revenues	Interest Expenditures	Non-Interest Revenues	Non-Interest Expenditures	Net Profit / Loss
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
30 Sept. 2019	3.009,6	1.893,7	481,1	734,7	749,1

Source: Central Bank of TRNC

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

Date	Demand	1-Month	3-Month	6-Month	1-Year	Total
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
30 Sept. 2019	4.434,0	15.666,3	5.869,5	1.266,9	2.988,1	30.224,8

Source: Central Bank of TRNC

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

Date	Demand	1-Month	3-Month	6-Month	1-Year	Total
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
30 Sept. 2019	1.706,6	7.007,0	2.710,2	382,1	365,3	12.171,2

Source: Central Bank of TRNC

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

Date	Demand	1-Month	3-Month	6-Month	1-Year	Total
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
30 Sept. 2019	2.727,4	8.659,3	3.159,3	884,8	2.622,8	18.053,6

Source: Central Bank of TRNC

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

Date	Official	Commercial	Savings	Other	Banks	Total
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
30 Sept. 2019	2.860,6	5.626,8	21.283,5	453,9	2.270,1	32.498,9

Source: Central Bank of TRNC

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

Date	Official	Commercial	Savings	Other	Banks	Total
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
30 Sept. 2019	2.215,4	1.769,8	8.062,0	124,0	257,1	12.428,3

Source: Central Bank of TRNC

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

Date	Official	Commercial	Savings	Other	Banks	Total
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
30 Sept. 2019	645,2	3.857,0	13.221,5	329,9	2.013,0	20.066,5

Source: Central Bank of 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
	III	6.775,1	8,49	30.109,1	5,40	33.243,7	8,29

Source: Central Bank of 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 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	18.324,2	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	3.790,8	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	64.178	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	13.277	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	100,8	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	1.816,3	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	-1,715,5	-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	5,5	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, TRNC Statistical Institute, 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	2019 ^(F)
1. Agriculture	259,2	300,6	330,3	366,4	386,5	405,0	489,3	552,5	647,6	658,8	1.139,4	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	1.537,9	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	1.081,4	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	3.814,5	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	1.339,0	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	1.486,4	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	896,3	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	2.889,9	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	2.461,1	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	1.678,1	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	18.324,1	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	10,6	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	18.334,8	24.565,8

Source: SPO, TRNC Statistical Institute

^(F) Forecast

Table B.32: Percentage Distribution of Gross Domestic Product

Sectors	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019 ^(F)
1. Agriculture	5,1	5,6	5,9	5,6	5,6	5,3	5,5	6,0	5,6	4,5	6,2	4,4
2. Industry	10,7	9,6	9,8	8,6	8,4	8,4	8,8	9,2	9,2	9,7	8,4	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	1,0	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	3,0	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	4,4	6,6
3. Construction	7,1	6,5	5,6	6,3	4,8	4,9	4,2	4,7	4,4	5,8	5,9	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	20,8	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	11,2	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	9,6	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	7,3	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	8,1	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	4,9	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	15,8	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	13,4	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	9,2	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: Overall 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	2019 ^(F)
1. Agriculture	-18,2	8,2	10,0	10,8	3,7	-1,6	4,8	14,5	-7,3	4,9	2,6	2,0
2. Industry	-10,3	-9,1	-0,2	3,4	-0,7	1,7	8,5	19,5	7,3	4,4	-12,4	1,7
3. Construction	-8,0	-18,5	3,8	3,3	-16,0	-0,3	-4,5	6,5	5,7	10,6	7,6	-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	0,4	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	3,5	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	2,7	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	4,6	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	5,3	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	1,3	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	2,4	3,0
11. GDP	-2,9	-5,5	3,7	3,9	1,8	1,1	4,8	4,0	3,6	5,4	1,3	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	23,3	0,0
GNP	-3,4	-5,7	3,6	4,0	0,5	1,3	4,9	4,1	3,8	5,5	1,3	1,9

Source: SPO, TRNC Statistical Institute

^(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	8,72
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	9,12
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	11,18
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*	9,47	9,26
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

* September 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	0,76	1,63	3,80			
2. Alcoholic Beverages and Tobacco	0,09	0,26	-0,21	11,96	1,44	0,39	0,36	11,05	-0,17			
3. Clothing and Shoes	-5,35	-4,22	-0,24	10,69	2,06	0,64	-0,13	-14,60	4,28			
4. Housing, Water, Electricity, Gas and Other Fuels	-0,78	0,90	0,86	7,85	-3,15	-0,23	-0,41	-0,20	-0,07			
5. Furniture, Home Appliances and Home Maintenance Services	0,45	-0,56	0,90	0,65	0,72	2,61	0,74	-0,07	0,59			
6. Health	-0,15	5,02	1,09	0,75	0,53	0,54	6,68	0,67	0,50			
7. Transportation	-1,49	-0,34	1,65	4,63	1,69	-0,89	1,34	-0,78	0,95			
8. Communication	0,25	0,43	-0,17	0,48	0,09	1,44	9,73	1,05	0,51			
9. Entertainment and Culture	4,84	-4,54	3,69	4,33	1,80	8,96	-1,56	-0,02	-1,81			
10. Education	0,50	-0,68	0,76	1,60	1,61	-0,76	-0,93	-0,80	18,14			
11. Restaurants and Hotels	-0,07	2,12	4,27	6,63	3,20	7,77	4,31	2,31	-4,18			
12. Miscellaneous Goods and Services	6,37	0,70	1,39	1,24	0,91	2,05	0,34	3,72	-0,07			
General	0,53	-0,15	1,33	3,95	0,47	1,27	1,07	0,38	1,88			

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	5,36	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 Eastern 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-July)	31.242.079	1.497.612	2.130.582	20.362.490	2.621.301	57.854.064

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 Eastern 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- July)	497.908.100	118.545.289	73.367.314	38.329.824	49.425.231	20.881.369	798.457.527

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-September)	1.465.533	58.087	18.545	319	1.542.484

Source: Tourism Planning Department

Table B.44: Total Border Gate Entries in 2018 - 2019 (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	185.157	133.585	224.977	162.629	212.027	450.035	622.161
August	135.096	190.241	180.729	261.727	191.970	231.897	507.795	683.865
September	140.318	192.118	186.477	212.741	192.924	205.454	519.719	610.313
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	1.563.222	1.667.091	1.814.473	1.760.846	1.594.724	5.203.606	4.972.419

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-September)
Turkey	459.529	464.397	529.909	588.045	621.819	656.365	776.428	558.967
TRNC	45.175	40.125	49.598	52.335	53.224	42.491	49.344	37.789
Other	183.651	209.379	224.881	235.661	266.208	317.984	312.701	259.913
Grand Total	688.355	713.901	804.387	876.041	941.251	1.016.840	1.138.473	856.669

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 Central Bank of TRNC

M2= M1 + Time Deposits in the Banks

M3= M2 + Official Deposits in the Banks + Other Deposits in 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".

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.

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'.

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).

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.

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

