



# CENTRAL BANK OF THE TRNC

## QUARTERLY BULLETIN



**ISSUE: 2020 / I-II-III**





# QUARTERLY BULLETIN

Issue: 2020/I-II-III



## I: FOREWORD

The rapid spread of the coronavirus (Covid-19) pandemic to the whole world since the beginning of 2020, has negatively affected all economies and caused a contraction in global economic activity. According to the Global Economic Prospects report for June 2020 published by the World Bank, the global economy is projected to contract by 5.2 percent in 2020. In the Global Economic Outlook report published by the IMF in October 2020, it is projected that the global economy will contract by 4.4 percent in 2020.

The Monetary Policy Committee of the CBRT reduced the policy interest rate by 375 basis points from 12 percent to 8.25 percent in the January-May period of 2020, to limit the adverse effects of coronavirus outbreak on Turkey's economy, and to maintain the healthy functioning of financial markets, credit channels, and firms' cash flow. CBRT increased its policy rate by 200 basis points from 8.25 percent to 10.25 percent in its September 2020 MPC meeting. The press release stated that this decision was driven by inflation's higher-than- envisaged path.

In the first and second quarters of 2020, the rate of change in inflation in our country compared to the same month of the previous year was 12.87 percent in March, 8.34 percent in April, 8.64 percent in May, and 8.36 percent in June. By the end of the third quarter of 2020, annual inflation was 11.18 percent. Sectors with the highest price increase at the end of September 2020 are clothing and shoes with 26.98 percent, health with 22.97 percent and, furniture and home appliances item with 22.73 percent. In this period, the only price decrease compared to the same period of the previous year has been the communication item by 6.69 percent.

Public finance, which gave a surplus of 98.5 million TRY in the second quarter of 2020, had a deficit of 257.8 million TRY in the same period of 2020, due to the effects of the measures taken against the Covid-19 outbreak. In the second quarter of 2020, budget revenues and budget expenditures have been 1,475.5 and 1,733.3 million TRY, respectively. In the third quarter of the fiscal year 2020, budget revenues were 2,331.9 million TRY, budget expenditures were 2,231.4 million TRY and public finance had a surplus of 100.5 million TRY.

The ratio of the grants and loans extended by Turkey to the budget expenditures, which is the most important resource for financing the gap between the domestic income and the budget expenditures, has been 656.9 million TRY in the first nine-month period of 2020. According to the budget figures for the first three quarters of 2020, the domestic income to budget expenditures ratio has been 102.8, 85.1, and 77.5 percent, respectively.

According to the exports and imports data announced by the TRNC Department of Trade, total exports in USD increased by 28.3 percent in the first quarter, 21.3 percent in the second quarter, and 14.1 percent in the third quarter of 2020, compared to the same period of the previous year. The total exports made in the first nine months of 2019 was 67 million USD, afterwards, it increased to 83 million USD in the same period of 2020. In the first quarter of 2020, total imports increased by 17 percent, compared to the same period of the previous year. Total imports, which were 336 million USD in 2019, decreased by 43.5 percent in the second quarter of 2020, when the effects of the Covid-19 pandemic deepened and declined to 199 million USD. In the third quarter of 2020, total imports decreased by 25.5 percent compared to the same period of the previous year and reached 254.8 million USD.

Total assets of the banking sector, which was 42,045.6 million TRY at the end of March 2020, and 43,146.3 million TRY at the end of June 2020, have increased by 12.6 percent at the end of September 2020 and reached 48,597 million TRY.

In the third quarter of 2020, cash and cash equivalents increased by 14.9 percent, securities portfolio by 13.6 percent, gross loans by 11.4 percent, and other assets by 12.8 percent. In the third quarter of 2020, the largest share in the sector's total assets is gross loans with 56.09 percent. Gross loans are followed by cash and cash equivalents with a share of 28.1 percent, other assets with a share of 8.7 percent, and securities portfolio with 7.2 percent. As of September 2020, 82.6 percent of the total liabilities are deposits, 8.8 percent is shareholders' equity, 5.3 percent is debts to banks and 3.4 percent is other liabilities. Business loans, which amounted to 16,601.4 million TRY as of September 2020, are in the first rank as in the previous periods. It is followed by consumer loans with a total of 6,269.3 million TRY. Analysing the banking sector's total deposits by type, savings deposits have the largest share with 28,590 million TRY. As of the end of the third quarter of 2020, non-performing loans (NPL) increased by 34.3 percent and reached 1.481 million TRY, compared to the same period of the previous year.

In the second quarter of 2020, the sector's capital adequacy standard ratio (CASR) decreased by 0.16 points compared to the previous quarter and reached 16.86 percent, then it decreased again to 16.06. As of the end of the third quarter of 2020, CASR based on bank groups has been 14.65 percent in public banks, 13.5 percent in private banks, and 19.8 percent in branch banks. In the banking sector, the loan to deposit ratio was 69.4 percent as of the second quarter of 2020, and 67.9 percent by the end of the third quarter of 2020.

Due to the delays in the production of statistical data because of the coronavirus pandemic, which affected our country as of the end of the first quarter of 2020, our bulletin could not be published in the first two quarters of 2020. All data of the first three quarters of 2020 are collected in this bulletin. I hope for the understanding of our readers regarding this delay.

Lastly, 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, and I hope that it will be beneficial for those interested in the subject.

Regards,



**Rifat GÜNAY**

**Governor**



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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	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

The rapid spread of the coronavirus (Covid-19) pandemic to the whole world since the beginning of 2020, has negatively affected all economies and caused a contraction in global economic activity. In the Global Economic Prospects June 2020 report published by the World Bank, previous global economic growth forecasts for 2020, which had been 2.5, was revised as a 5.2 percent contraction.

In the report, it is mentioned that the Covid-19 outbreak will cause the deepest recession in the global economy since World War II. It has been stated that the global recession will deepen if countries take a long time to control the pandemic and the effect of financial pressure on households and companies continues. It is also emphasized in the report that when the effects of the pandemic crisis are mitigated, it will be necessary to implement certain reforms to establish medium-term financial frameworks and support long-term growth prospects for energy-exporting countries and developing countries, especially those affected by the sharp decline in oil prices.

In the World Bank report, the effects of the pandemic on the economy are considered as the deepest global recession in the last eighty years, and it is predicted that income per capita in the vast majority of developed markets and emerging economies will decrease in 2020. Developed economies are expected to shrink by 7 percent in 2020 and developing economies by 2.5 percent as a result of measures taken against the pandemic, sharp tightening of financial conditions, and a collapse in external demand. It is commented that the global recession will be deeper if the outbreak takes longer than expected to be taken under control or if financial stress continues to trigger the default risks.

The World Bank report underlines the urgent need for action on health and economic policies, as well as global cooperation, to mitigate the negative effects of the pandemic, protect the vulnerable population, and improve countries' capacity to prevent and cope with similar events in the future.

Various mitigation measures such as closing schools and non-essential business and travel restrictions have

been imposed by most countries to prevent the spread of Covid-19 and ease the burden on health systems. These measures taken to mitigate the pandemic and the effects of the pandemic harmed consumption and investment, as well as limited labour supply and production. The pandemic and associated mitigation measures have had a negative impact on consumption and investment, as well as labour supply and production.

Since the pandemic first affected some Asian economies and the Chinese economy, which has a significant share in the world economy, its impact on global growth was limited in the first quarter of the year. However, with the rapid spread of the pandemic to other parts of the world in the second quarter of the year, its effects on the global economy deepened.

In the Global Economic Outlook report published by the IMF in June 2020, it is estimated that the emerged economies will contract by 4.9 percent in 2020. This forecast is 1.9 points below the 3 percent estimate stated in the April report. The reason for this decline was the rapid spread of the Covid-19 in developing economies after the publication of the April 2020 report. This has required stringent measures such as closedowns and has resulted in a much larger than expected decline in economic activity. In the same IMF report dated January 2020, it was predicted that global growth would be 3.3 percent in 2020, but with the outbreak of the pandemic, growth estimates were also revised downwards.

In the Global Economic Outlook report published in October 2020, the IMF announced a less severe contraction than forecast in June 2020. The revision reflects better-than-anticipated second-quarter GDP outturns, mostly in advanced economies, where activity began to improve, People's Republic of China's stronger than expected growth, as well as indicators of a stronger recovery in the third quarter. On the other hand, the report emphasizes that the projections for emerging economies other than the People's Republic of China are significantly lower than those in the June report.

The IMF report underlines the urgent need for strong international solidarity in the health field and financial

support to countries with liquidity shortages. In the same report, it is mentioned that the measures taken by governments to mitigate income losses, encourage recruitment, expand social assistance, and provide loan guarantees and capital inflows to companies support the prevention of firm bankruptcies and recovery of employment.

In the related report, it is predicted that there will be an increase in public debt levels due to the decrease in potential production levels and the formation of a smaller tax base. On the other hand, if the expectation that the interest rates will continue at lower levels for a long time and the predictions that the growth will recover in 2021 come true, it is mentioned that this situation can help to ease the debt burden.

The report suggests progressive taxation in the countries in order to keep debts at a sustainable level in the medium term. In this context, it is recommended that businesses review their expense policies in a way that they can fulfil their minimum tax liabilities. Also, it is stated that since investment expenditures on health and education and research expenditures for innovation and technological development are the main driving forces that increase productivity and therefore economic growth in the long term, the relevant expenditure items should be increased.

In the IMF report, the 4.9 percent contraction forecast for the global economy for 2020 in June was revised as a 4.4 percent contraction. The economic growth rate projected for 2021 in the June report, on the other hand, was reduced to 5.2 percent.

**Table 1.1: GDP Forecasts**

	2019 <sup>2</sup>	2020 <sup>3</sup>	2020 <sup>4</sup>	2021 <sup>1</sup>	2021 <sup>2</sup>
<b>IMF</b>	2.9	3.3	-4.4	3.4	5.2
<b>World Bank</b>	2.4	2.5	-5.2	2.6	4.2
<b>OECD</b>	2.7	2.4	-4.5	3.3	5.0

Source: OECD, World Bank, IMF

<sup>1</sup> First projection of the year.

<sup>2</sup> Last projection of the year.

<sup>3</sup> Last projection before Covid-19 pandemic.

<sup>4</sup> Last projection after Covid-19 pandemic.

Before the Covid-19 outbreak, the main agenda of global trade consisted of trade wars between the USA and China and protectionism trends. In the post-pandemic period, it is seen that the global trade volume has decreased significantly. In addition to experiencing a sharp loss of momentum in the post-pandemic global trade volume, as expected, uncertainties regarding the future trade wars still exist.

The United Kingdom left the European Union on January 31, 2020. After the Brexit, the transition process that will last until the end of 2020 has begun and the economic stagnation started during this period has deepened as a result of the quarantine measures imposed in order to prevent the coronavirus pandemic. Because the UK has not yet reached an agreement on the future trade relationship with the EU and the possibility of leaving the EU without an agreement, it is predicted the uncertainty in the economic outlook will further increase.

## 1.2 ECONOMIC AND FINANCIAL OUTLOOK IN SELECTED COUNTRIES

### 1.2.1 GROWTH

The US economy contracted by 5 percent on an annual basis in the first quarter of 2020. Due to the new variant of the coronavirus (Covid-19) pandemic and quarantine measures, the country's economy contracted by 31.4 percent on an annual basis in the second quarter of the year. This was recorded as the sharpest fall since 1947. In this period, the decline in personal consumption expenditures, exports, private stock investments, foreign fixed investments, and local government expenditures were effective in the contraction in the US economy. Forecasts for the growth of the US economy in the third quarter show that a sharp recovery is expected. According to the first projection announced by the Bureau of Economic Analysis, the US economy grew by 7.4 percent in the third quarter of 2020, compared to the previous quarter. It was stated that the increase in GDP data resulted from the resumption of activities postponed due to Covid-19 and the reopening of closed businesses.

According to the chained volume index data released by the UK's Office for National Statistics (ONS), the UK economy contracted by 21.5 percent in the second quarter of 2020, compared to the previous quarter. After the annual contraction of 2.1 in the first quarter, the economy technically plunged into a recession. According to the Office for National Statistics, as a result of the measures taken against the pandemic, services, construction, and production, which are the sectors most exposed to government restrictions have recorded sharp decreases. Later, after the easing of quarantine measures, the forecasts showed a 1.8 percent recovery in May, while this rate increased to

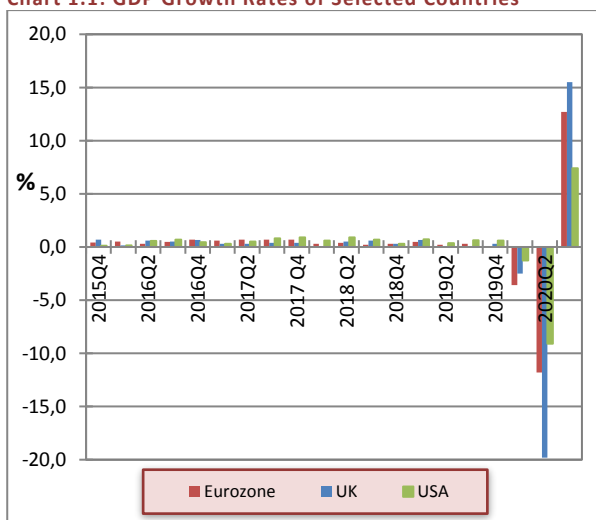
8.7 percent in June. The UK economy grew by 15.5 percent in the third quarter compared to the previous quarter, in line with the expectations.

In the first quarter of 2020, the Eurozone economy contracted by 3.1 percent on an annual basis and 3.7 percent compared to the previous quarter. In the second quarter of 2020, the Eurozone economy contracted by 15 percent on an annual basis and 11.8 percent compared to the previous quarter and revealed the true impact of the coronavirus on the continental economy. This contraction has been determined as the sharpest decrease since 1995.

In the third quarter of 2020, the Eurozone economy grew by 12.7 percent compared to the previous quarter but continued to shrink by 4.3 percent on an annual basis. Although the announced data show that the recovery in the Eurozone continues gradually, the implementation of new quarantine measures creates uncertainty on economic activity due to the increasing rate of the outbreak.

Based on the chained volume index, Turkey's GDP grew by 4.4 percent in the second quarter of 2020, compared to the same period of the previous year, below the expectations. Then it shrank by 9.9 percent in the second quarter. Calendar adjusted GDP change rate was -0.1 percent in the first quarter of the year. The GDP contraction rate has been 11 percent in the second quarter of the year, compared to the previous quarter. The growth rate for the fourth quarter of 2019 was revised from 6 percent to 6.4 percent, and the annual growth rate for 2019 was 0.9 percent. The projected contraction for Turkey's economy in 2020 is considered to be the weakest economic growth of the last 10 years.

Chart 1.1: GDP Growth Rates of Selected Countries



Source: OECD

When the GDP data is analysed according to the expenditure method, while the contribution of private consumption to growth was 2.7 points, public consumption contributed 0.5 points to economic growth in the first quarter of 2020. In this period, total fixed capital investments decreased by 0.1 percent. In the second quarter of 2020, private consumption contracted by 5.1 percent and public consumption by 0.1 percent. Thus, total consumption decreased by 5.2 percent. In this period, total fixed capital investments decreased by 1.5 percent.

Looking at GDP data based on the production method, agriculture contributed to growth by 3 percent, industry sector by 6.2 percent, and services sector (including construction) by 3.2 percent in the first quarter of 2020. In the second quarter, the industry sector contracted by 16.5 percent and the services sector (including construction) by 10.6 percent while the agriculture sector grew by 4 percent.

## 1.2.2 INFLATION

In the USA, the monthly inflation rate was -0.2 and 0.6 percent, respectively, and the annual inflation rate was 1.5 and 0.6 percent, respectively, as of the end of the first and second quarters of 2020. In the third quarter, annual inflation rates in the USA have been 1.0 percent, 1.3 percent, and 1.4 percent in July, August, and September, respectively. The monthly increase in CPI rates was 0.3 percent in July and August, and 0.2 percent in September.

The UK's annual CPI rate announced by ONS has been 1.7 and 0.8 percent as of the end of the first and second quarter of 2020, respectively. In the United Kingdom, the highest contribution to the annual CPI rate in June came from the housing, and entertainment, and culture items. On the other hand, the main item that lowered the annual CPI was food and non-alcoholic beverages. The UK's third-quarter annual CPI rate was 0.8 percent. The annual CPI rate in July, August, and September 2020 was 1.1 percent, 0.5 percent, and 0.7 percent, respectively.

According to EUROSTAT data, the harmonized annual CPI in the Eurozone was 0.7 percent and 0.3 percent, at the end of the first and second quarters of 2020, respectively. The CPI change rates compared to the previous month are 0.5 percent in March and 0.3 percent in June. Analysing the Eurozone monthly CPI

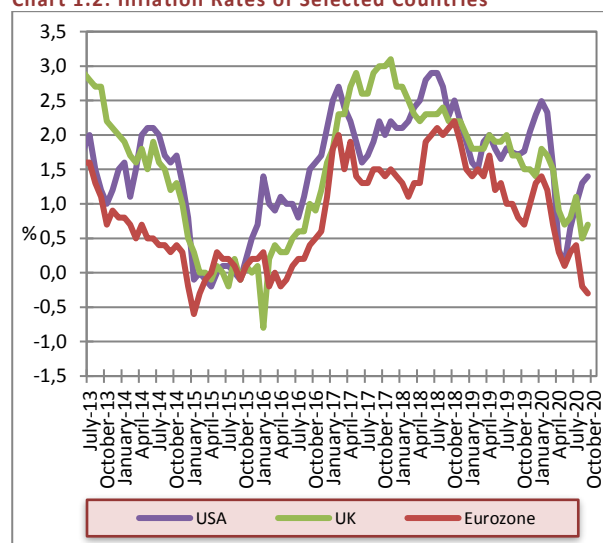
rates, it is seen that it decreased by 0.4 percent in July and August and increased by 0.1 percent in September.

According to data released by Turkey Statistical Institute (TURKSTAT), in March and June 2020, annual CPI increased by 11.9 percent and 12.6 percent, while D-PPI increased by 8.5 percent and 6.2 percent, respectively.

According to the latest data announced by TURKSTAT, the annual CPI was 11.89 percent and the annual D-PPI was 18.20 percent in October 2020. In the same period, while monthly CPI increased by 2.13 percent, monthly D-PPI increased by 3.55 percent.

The sectors with the highest price increase are miscellaneous goods and services by 27.40 percent, food and non-alcoholic beverages by 16.51 percent, and the health sector by 15.60 percent. On the other hand, the groups with the lowest annual increase are alcoholic beverages and tobacco, clothing and shoes, communication, and education, and the rates of these sectors have increased by 0.67 percent, 2.22 percent, 5.48 percent, and 7.36 percent, respectively.

Chart 1.2: Inflation Rates of Selected Countries



Source: OECD

### 1.2.3 POLICY INTEREST RATES

The Fed did not change its policy rate at the first Federal Open Market Meeting (FOMC) of 2020, keeping it at the 1.50 - 1.75 percent band. Later, at its meeting held on March 3, taking into account the risks posed by the coronavirus to economic activity, it was deemed necessary to reach the maximum employment and price stability targets, and the policy rate was reduced by 50 basis points. After another meeting held on

March 15, it cut 100 basis points and pulled the interest rate to the range of 0.00 - 0.25.

The Fed continued to keep the policy rate constant in the range of 0.00 - 0.25 in its meetings held in the following months. The statement released by the Fed after the meeting held in September highlighted the ongoing economic hardship caused by the Covid-19 outbreak. However, it was also indicated that the economic activity and employment have picked up in recent months but remain well below their levels at the beginning of the year. It was stated that weaker demand and significantly lower oil prices are holding down consumer price inflation, however, overall financial conditions have improved in recent months, in part reflecting policy measures to support the economy and the flow of credit to U.S. households and businesses.

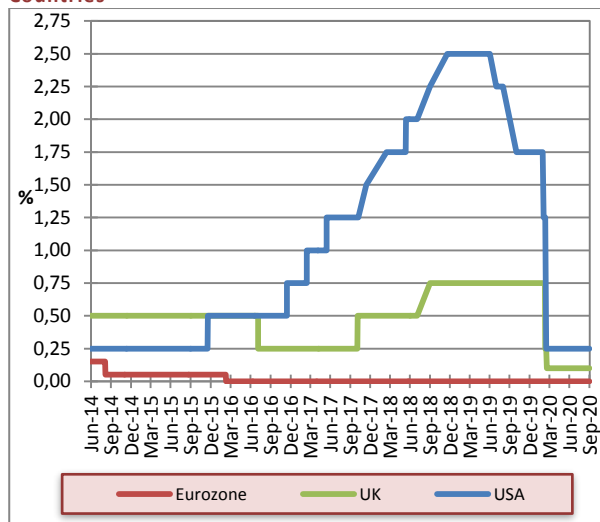
Bank of England (BoE) held two special meetings on 11 and 19 March, in consideration of the steps taken to prevent the spread of the coronavirus and the recent indicators for the global and local economy and financial markets. In these meetings, the interest rate, which has been kept constant at 0.75 percent since August 2019, was first reduced to 0.25 percent and then to 0.1 percent. The policy rate, which was kept constant at 0.1 percent at the third and last monetary policy meeting in March, was not changed in the meetings held in April and June. Bank of England increased its bond purchasing program from 435 billion GBP to 645 billion GBP in March and to 745 billion in June. At its meeting on 16 September 2020, the BoE MPC voted unanimously to maintain Bank Rate at 0.1%, while maintaining the target for the total stock of these purchases at 745 billion GBP. At its last meeting in November 2020, the MPC voted unanimously to maintain Bank Rate and increased the total stock of government bond purchases to 875 billion GBP.

In the monetary policy meetings held in the first half of 2020, the ECB maintained the policy rate in line with market expectations. As a result of the monetary policy meeting of June 2020, at the monetary policy meeting of December 2019, the size of the PEPP (Pandemic Emergency Purchase Programme) was increased by 600 billion EUR. Therefore, the envelope for the pandemic emergency purchase programme (PEPP), which was launched in March to counter the serious risks to the transmission mechanism and the outlook for the euro area posed by the outbreak and escalating diffusion of the coronavirus, was expanded by €600 billion, from

750 billion EUR to a total of 1,350 billion EUR. The ECB stated that “As expanding the PEPP and extending its horizon would be most effective for further easing the general monetary policy stance, maintaining favourable funding costs for the real economy and providing temporary support in response to the pandemic-related shock to the euro area economy and the path of inflation.”

In its monetary policy meeting held in September, the ECB announced that it did not make any changes in the policy interest rate and the size of PEPP. After the meeting, ECB President Lagarde stated that a Fed-style approach that allows inflation to rise above the targeted 2 percent level would be worth examining.

**Chart 1.3: CB Policy Interest Rates of Selected Developed Countries**



Source: FED, ECB, BoE

At its meeting held on January 16, 2020, CBRT Monetary Policy Committee (MPC) reduced the policy interest rate by 75 basis points from 12.00 percent to 11.25 percent. After the meeting held on February 19, 2020, the MPC lowered the interest rate to 10.75, then in its meeting held on 17 March, it reduced 100 basis points and determined the policy rate as 9.75 percent.

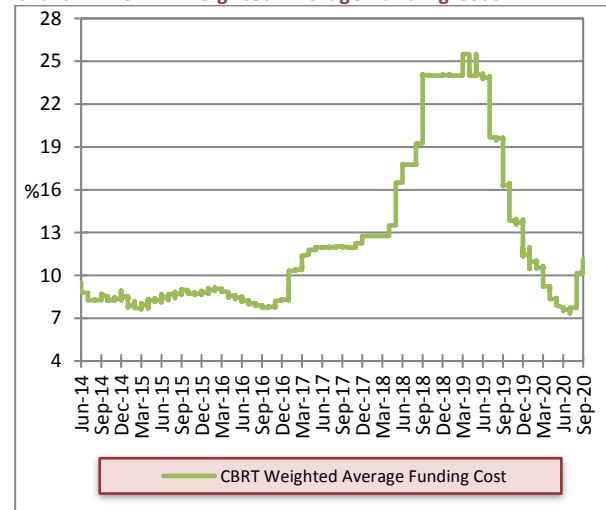
At the meeting held on April 22, 2020, the policy rate was reduced by 100 basis points to 8.75 percent. At the meeting held on 21 May, the policy interest rate, which was reduced by 50 basis points to 8.25 percent, was kept constant at the meeting held on June 25.

The press release on the summary of the MPC meeting concluded that “As the normalization process continues, supply-side factors, which have prevailed recently due to pandemic-related restrictions, will phase out and demand-driven disinflationary effects

will become more prevalent in the second half of the year.” The Committee assesses that maintaining a sustained disinflation process is a key factor for achieving lower sovereign risk, lower long-term interest rates, and stronger economic recovery. Keeping the disinflation process on track with the targeted path requires the continuation of a cautious monetary stance.

While the CBRT MPC did not make any changes in the policy interest rate at its July and August 2020 meetings, it decided to increase the policy rate from 8.25 percent to 10.25 percent with an increase of 200 basis points at the meeting held on September 24, 2020. The press release stated, “As a result of fast economic recovery with strong credit momentum and financial market developments, inflation followed a higher-than- envisaged path.” The Committee also assessed that the tightening steps should be reinforced in order to contain inflation expectations and risks to the inflation outlook.

**Chart 1.4: CBRT Weighted Average Funding Cost**



Source: CBRT

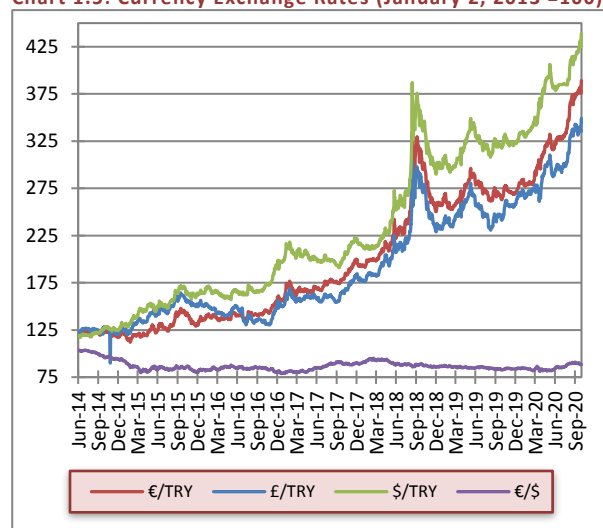
#### 1.2.4 EXCHANGE RATES

In the first quarter of 2020, the Turkish lira experienced a 10 percent depreciation against the euro, pound sterling and US dollar, compared to the same period of the previous year. In the first quarter of 2019, while the average exchange rates for GBP/TRY, EUR/TRY, and USD/TRY were 6.97, 6.09 and 5.36, respectively, the averages for the same period of 2020 have been 7.79, 6.72 and 6.09. In the second quarter of 2019, while the average exchange rates for GBP/TRY, EUR/TRY, and USD/TRY were 7.55, 6.60 and 5.87, respectively, the averages for the same period of 2020 have been 8.51,

7.55 and 6.86. Comparing 2019 and 2020, it is seen that the Turkish lira depreciated by 12.45 percent against the euro, 12.32 percent against the pound sterling, and 15.33 percent against the US dollar.

In the third quarter of 2020, the Turkish lira experienced nearly 30 percent depreciation against the euro, pound sterling and US dollar, compared to the same period of the previous year. In the third quarter of 2019, while the average exchange rates for GBP/TRY, EUR/TRY, and USD/TRY were 6.99, 6.31 and 5.67, respectively, the averages for the same period of 2020 have been 9.29, 8.42 and 7.21. Comparing the third quarter exchange rates of 2019 and 2020, it is seen that the Turkish lira depreciated by 33.43 percent against the euro, 32.90 percent against the pound sterling, and 27.16 percent against the US dollar.

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



Source: Central Bank of TRNC



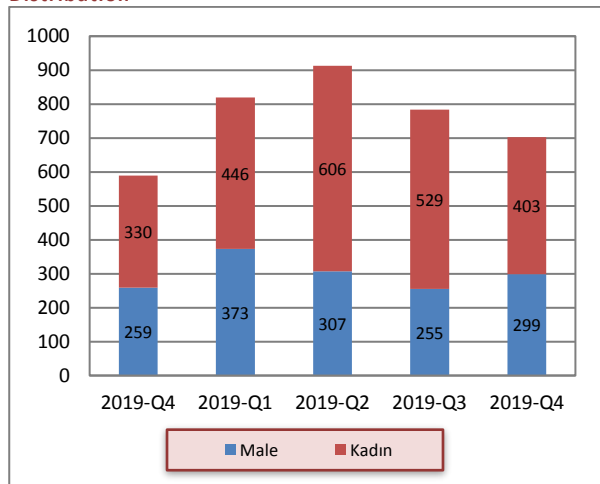
## 2 EMPLOYMENT AND PRICES

(Employment section have not been updated since the data for 2020 was not published by the Labour Office)

### 2.1 EMPLOYMENT

According to the unemployment data released by the TRNC Labour Office, as of the end of the third quarter of 2019, the number of registered unemployed people, which was 784, decreased to 702 as of the fourth quarter of 2019. When the unemployment rate for the last quarter of 2019 is analysed by gender composition, it is seen that about 57 percent of the active registered unemployed people are composed of women and 43 percent of them are men.

Chart 2.1: Registered Active Unemployment - Periodic Distribution



Source: Labour Office

While the number of jobseekers as of the fourth quarter of 2019 was 784, the number of new job seeking applicants has been 811 in the same period. At the end of the fourth quarter of 2019, 759 people were unregistered and 134 people were employed. The number of jobseekers has been 694 as of the end of the last quarter of 2019.

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

	2018 Q4	2019 Q1	2019 Q2	2019 Q3	2019 Q4
Jobseekers by the end of the previous period	751	589	819	913	784
Applicants applying for employment during the period	678	897	1072	941	811
Persons employed during the period	115	78	190	203	134
Persons unregistered during the period	725	589	788	867	759
Jobseekers by the end of the period	589	819	913	784	702

Source: Labour Office

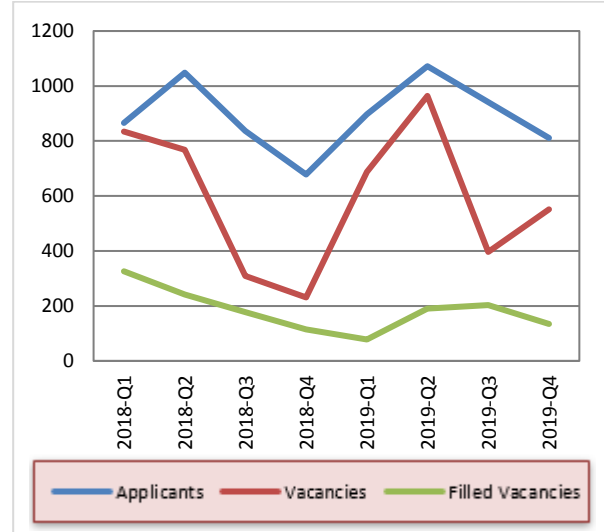
When the active vacancy listings are examined, it is seen that 1.607 vacancies were transferred to October as of the third quarter of 2019. 551 new vacancies were opened in this period. As of the end of December 2019, 1.825 vacancies were transferred to the next period as a result of 134 filled and 199 cancelled vacancies.

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

	2018 Q4	2019 Q1	2019 Q2	2019 Q3	2019 Q4
Vacancies transferred from the previous period	1,624	721	1,090	1,501	1,607
Vacancies received during the period	231	687	964	396	551
Vacancies filled during the period	115	78	190	203	134
Vacancies cancelled during the period	1,019	240	363	87	199
Vacancies transferred to the next period	721	1,090	1,501	1,607	1,825

Source: Labour Office

Chart 2.2: Applications - Vacancies - Employments



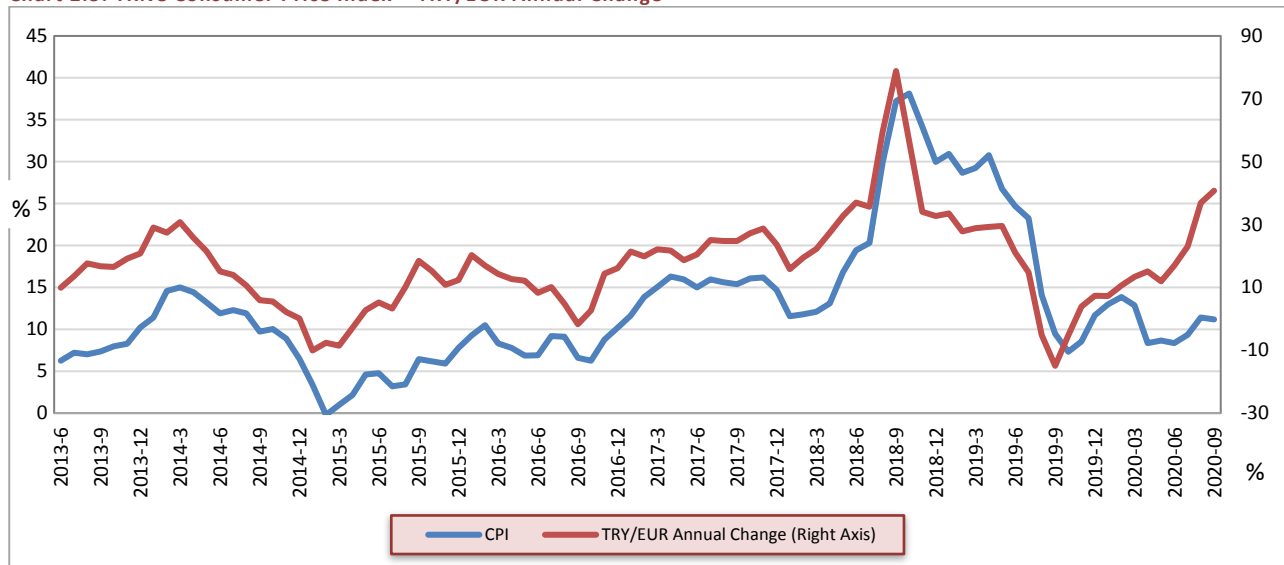
Source: Labour Office

## 2.2 INFLATION

Looking at Graph 2.3, which shows the changes in CPI and TRY/EUR annual changes since June 2013, it is observed that both values are in parallel. However, after the sudden depreciation of the Turkish Lira in August 2018, although the difference between the two indicators started to differ compared to the previous period, as of October 2019, it signalled a change towards its formal state. However, after February 2020, with the depreciation of the Turkish Lira compared to

the same period of the previous year, it is seen that the difference between the two series increased again and especially in the period from March to September, the gap between the two series was widened. This change, which emerged after the depreciation of the Turkish Lira, also shows that the pass-through of the depreciation of the Turkish Lira against foreign currencies to the general level of consumer prices is high.

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

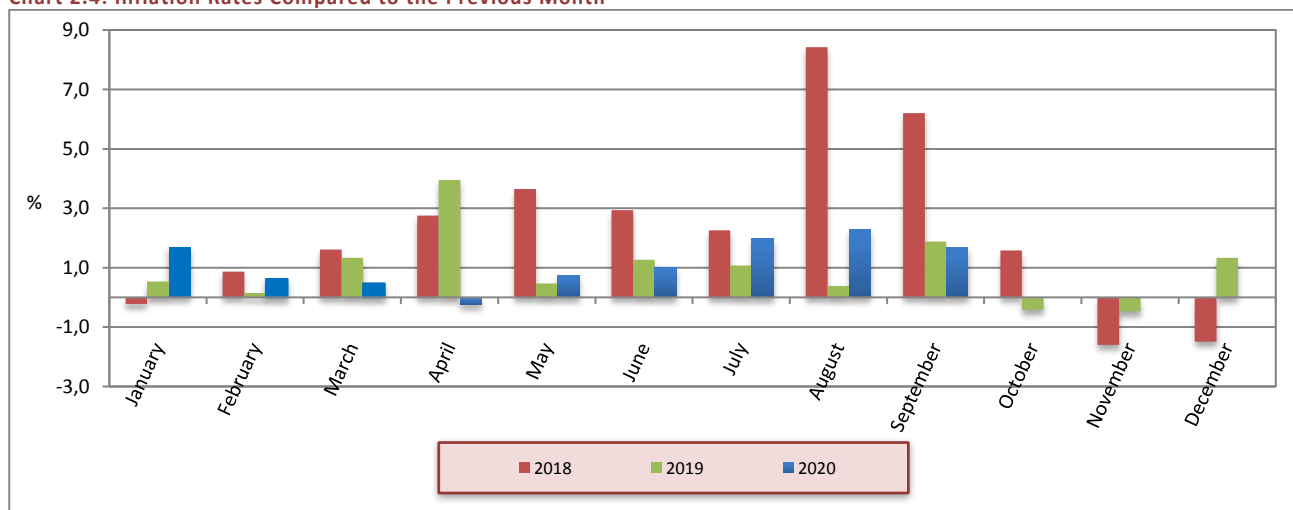


Source: TRNC Statistical Institute

While the inflation rates compared to the previous month were 1.33, 1.27 and 1.88 percent in March, April

and May 2019, these rates have reached 0.47, 1.01 and 1.68 percent in the same months of 2020, respectively.

Chart 2.4: Inflation Rates Compared to the Previous Month



Source: TRNC Statistical Institute



The annual inflation rate, which was 29.26 percent in March, 24.69 percent in June, and 9.47 percent in September 2019, reached 12.87 percent in March, 8.36 percent in June, and 11.18 percent in September 2020.

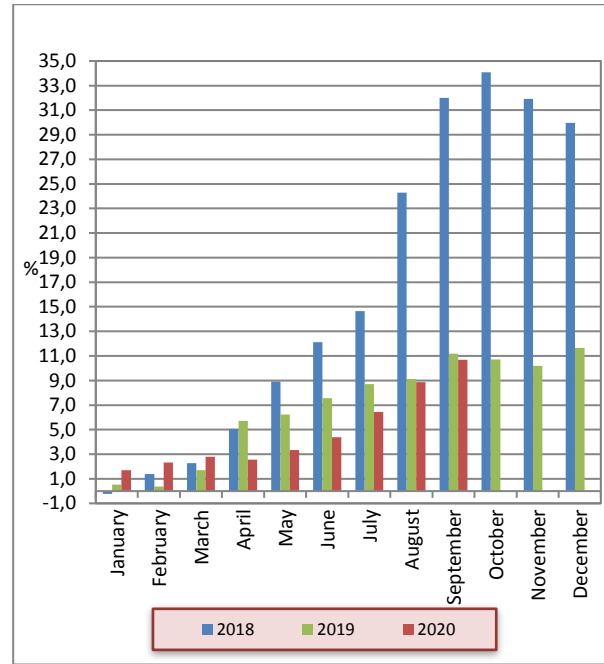
Chart 2.5: Inflation Rate Compared to the Same Month of the Previous Year



Source: TRNC Statistical Institute

Analysing the first three quarters of 2020, the rate of change has become 2.8 percent in March, 4.38 percent in June, and 10.7 percent in September, compared to December 2019.

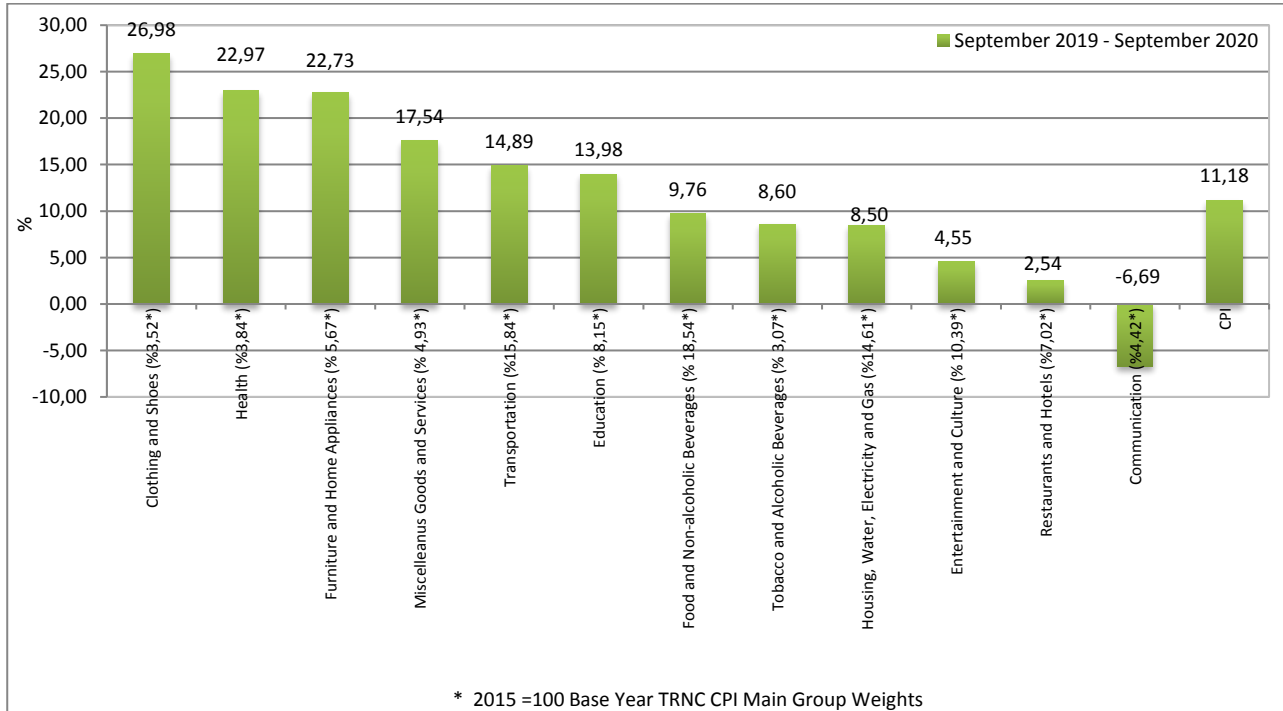
Chart 2.6: Cumulative Inflation Rate Compared to December of the Previous Year



Source: TRNC Statistical Institute

Sectors with the highest price increase at the end of September 2020 are clothing and shoes with 26.98 percent, health with 22.97 percent and, furniture and home appliances item with 22.73 percent. As of the end of September 2020, the only price decrease compared to the same period of the previous year has been the communication item by 6.69 percent.

Chart 2.7: 12-Month Cumulative Sectorial Inflation Rates



Source: TRNC Statistical Institute

Change rates in the Consumer Price Index for the years 2018, 2019, and 2020 are presented in Table 2.3, monthly, annually, and compared to the end of previous year.

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

	Months	Monthly	Compared to the End of the Previous Year	Compared to the Same Period of the Previous Year
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
	October	-0.42	10.71	7.31
	November	-0.47	10.20	8.55
	December	1.33	11.66	11.66
2020	January	1.70	1.70	12.96
	February	0.62	2.33	13.84
	March	0.47	2.80	12.87
	April	-0.23	2.57	8.34
	May	0.75	3.34	8.64
	June	1.01	4.38	8.36
	July	1.98	6.44	9.33
	August	2.28	8.87	11.40
	September	1.68	10.70	11.18

Source: TRNC Statistical Institute

## 3 FOREIGN TRADE AND TOURISM

### 3.1 DEVELOPMENTS IN EXPORTS AND IMPORTS

According to the exports and imports data announced by the Department of Trade, total exports in USD increased by 28.3 percent in the first quarter, 21.3 percent in the second quarter, and 14.1 percent in the third quarter of 2020, compared to the same period of the previous year. Examining the total figures of TRNC in the first nine months of 2019 and 2020, total exports in the relevant period of 2019 was 67.3 million USD, while it has become 82.6 million USD in the same period of 2020. The increase observed in the citrus fruits item made the most important contribution to the rise. In

the first quarter of 2020, imports increased by 16.8 percent, compared to the same period of the previous year. As of March, when the Covid-19 pandemic started to spread in our country, there has been a 37 percent decrease in import figures in USD, compared to the same period of the previous year. Total imports, which were 336 million USD in 2019, decreased by 40.7 percent in the second quarter of 2020, when the effects of the Covid-19 pandemic deepened and declined to 199 million USD. Looking at the third quarter of 2020, it is seen that the ongoing decline in the total import figure compared to 2019 has fallen to 25.5 percent. The first nine-month figures for 2019 and 2020 show that total imports decreased by 27.6 percent in TRNC.

**Table 3.1: Exports and Imports**

	Exports (US dollar)			Imports (US dollar)		
	2019	2020	Percentage Change	2019	2020	Percentage Change
January	6,467,862	11,817,643	82.7	114,239,908	97,578,141	-14.6
February	10,992,833	15,155,057	37.9	113,811,722	116,042,924	2.0
March	11,550,142	10,259,962	-11.2	121,056,853	76,690,718	-36.6
<b>Quarter I</b>	<b>29,010,837</b>	<b>37,232,662</b>	<b>28.3</b>	<b>349,108,483</b>	<b>290,311,783</b>	<b>-16.8</b>
April	11,652,631	14,181,526	21.7	117,431,801	40,771,548	-65.3
May	8,464,815	8,060,696	-4.8	127,952,444	67,666,100	-47.1
June	3,554,331	6,472,775	82.1	91,098,847	91,031,940	-0.1
<b>Quarter II</b>	<b>23,671,777</b>	<b>28,714,997</b>	<b>21.3</b>	<b>336,483,092</b>	<b>199,469,588</b>	<b>-40.7</b>
July	5,160,897	5,157,829	-0.1	126,442,969	86,308,333	-31.7
August	5,234,252	6,433,218	22.9	100,106,263	84,183,915	-15.9
September	4,186,735	5,040,279	20.4	115,568,009	84,293,372	-27.1
<b>Quarter III</b>	<b>14,581,884</b>	<b>16,631,326</b>	<b>14.1</b>	<b>342,117,241</b>	<b>254,785,620</b>	<b>-25.5</b>
<b>Year Total (January – September)</b>	<b>67,264,498</b>	<b>82,578,985</b>	<b>22.8</b>	<b>1,027,708,816</b>	<b>744,566,991</b>	<b>-27.6</b>

Source: Department of Trade

Note 1) Exports to Southern Cyprus are not included.

2) The import and export figures for 2019 are temporary.

The import figures for vehicles item, which has the largest share in total imports during January - September 2020, increased by 32 percent in USD, compared to the same period of 2019. The fuel item, which has the second-highest share, decreased by 43.8 percent in USD terms compared to the same period of the previous year, has become the item with the second-largest share in 2020 while it had the largest share in 2019. Total imports of animal feeds and

additives, which has the third-highest share, increased by 2.7 percent in USD terms compared to the same period of the previous year, while its share in the total increased from 2.2 percent to 3.1 percent. The share of ten selected import items within the total has been 35.4 percent in January - September 2019 and 40.3 percent in the same period of 2020. The total import figures of the selected ten items in US dollar terms decreased by 17.2 percent in the nine months.

Table 3.2: Main Import Goods (US dollar)

Type of Goods	2019*	Share in the Grand Total	2020*	Share in the Grand Total	Percentage Change
Vehicles	67,134,112	6.5	88,650,561	11.9	32.0
Fuel	120,178,297	11.7	67,519,767	9.1	-43.8
Animal Feeds and Additives	22,530,167	2.2	23,140,375	3.1	2.7
Medications	25,767,156	2.5	23,121,033	3.1	-10.3
Construction Iron	31,259,249	3.0	21,119,258	2.8	-32.4
Clothing Industry	33,070,012	3.2	19,631,210	2.6	-40.6
Cigarettes	18,201,620	1.8	16,557,186	2.2	-9.0
Telephone Handset	16,679,830	1.6	15,199,182	2.0	-8.9
Mobile Phones	15,889,179	1.5	14,822,464	2.0	-6.7
Corn	12,730,784	1.2	11,237,015	1.5	-11.7
<b>Total</b>	<b>363,440,406</b>	<b>35.4</b>	<b>300,998,051</b>	<b>40.3</b>	<b>-17.2</b>
<b>Grand Total</b>	<b>1,027,708,816</b>		<b>744,566,991</b>		<b>-27.6</b>

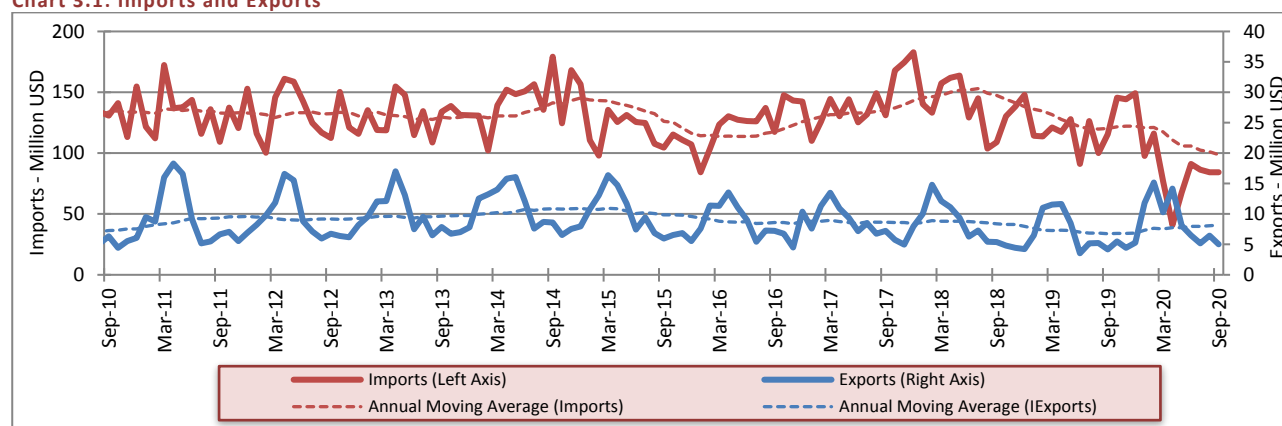
Source: Department of Trade

\*Total figure of January - September period.

When exports and imports of the TRNC for 10 years between the period of September 2010 and September 2020 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. Analysing the imports, the lowest level since August 2008 has been recorded as 40.8 million USD in April 2020. 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

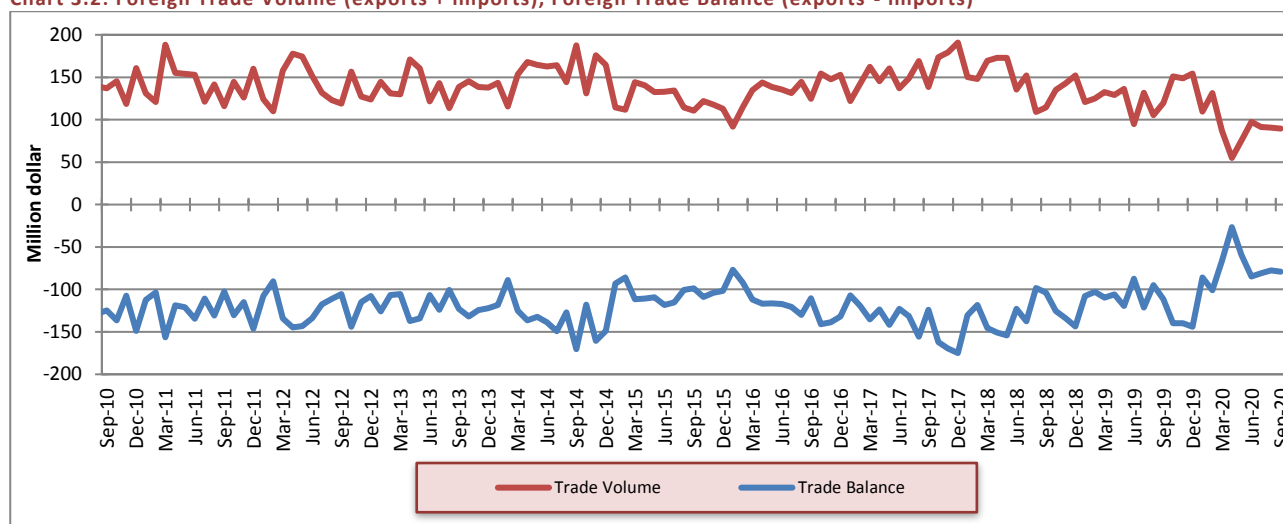


Source: Department of Trade

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 growing external dependency of the country's economy. The trade volume, which was 120 million USD in September 2019, has become 89 million USD in the same period of 2020. In the relevant periods, the foreign trade deficit figures have been 111 million USD and 79 million USD, respectively.

While the average exports to imports ratio had been 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 the 2019 and 2020 figures, it is seen that the average of January - September period has been 6 and 12 percent.

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



Source: Department of Trade

In 2019, the share of Turkey, other European countries, and the Middle East and Arab countries groups in total exports increased compared to the previous year, while the share of EU countries and other countries decreased.

Compared to the same period of 2019, exports to Turkey, EU Countries, and the Middle East and Arab Countries decreased, exports to other EU countries increased and exports to other countries remained unchanged in January – September 2020.

Table 3.3: 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	52.3	2.6	2.7	37.0	5.1
2020 (Jan. – Sept.)	51.3	1.7	12.4	29.5	5.1

Source: Department of Trade

The share of Turkey, which has the largest share in total imports of TRNC, was 58.4 percent by the end of 2019. Compared to the figures for 2018, imports from Far Eastern Countries, other European countries, and Middle Eastern and Arab countries increased, while imports from Turkey, EU countries, and other countries decreased in 2019.

Referring to the figures for January – September 2020, the share of imports from Turkey has been 60.2 percent and the share of imports from EU countries has been 16 percent. Compared to the same period of 2019, imports from Turkey, Far Eastern countries, and other countries increased, while imports from EU countries, other EU countries, and Middle Eastern and Arab countries decreased.

Table 3.4: 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	58.4	18.1	9.6	5.4	6.0	2.5
2020 (Jan. – Sept.)	60.2	16.0	12.2	3.2	5.0	3.4

Source: Department of Trade

### 3.2 TOURISM

The total number of arriving passengers, which was 364,745 in the first quarter of 2019, decreased by 21.8 percent and became 285,073 in the same period of 2020. The number of arriving passengers, which was 426,663 in the second quarter of 2019, has become 581 in the second quarter of 2020 when arrivals were restricted due to the Covid-19 outbreak. As a result of the quarantine measures taken due to the Covid-19 pandemic that began in March 2020 in our country, border gates and tourist accommodation facilities were closed down, but some visitors staying in the facilities continued their stay for a while because of the difficulties they experienced on their return to their

countries. As of March 14, 2020, only TRNC citizens were allowed to enter our country from all ports by air, land and sea. Later, as of June 1, 2020, gradual and conditional entries to the TRNC were started to be allowed from ports by air, sea and land. Correspondingly, the total number of arriving passengers increased to 67,074 in the third quarter of 2020. The total number of arriving passengers, which was 20,228 and 35,119 respectively in July and August 2020, has become 11,727 as a result of the measures taken due to the increase in Covid-19 cases in September.

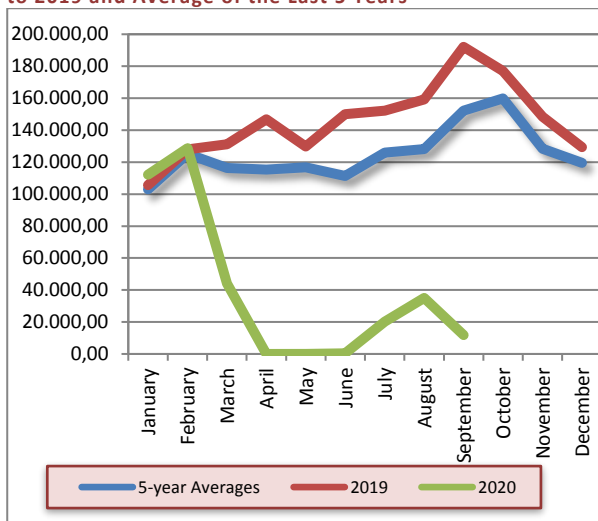
Table 3.5: Number of Passengers Arriving in TRNC by Air and Sea

Period	Turkish Citizen			Third Country Citizen			Total		
	2019	2020	Percentage Change	2019	2020	Percentage Change	2019	2020	Percentage Change
January	82,519	92,100	11.6	23,111	20,132	-12.9	105,630	112,232	6.3
February	96,692	99,746	3.2	31,336	28,988	-7.5	128,028	128,734	0.6
March	95,869	34,452	-64.1	35,218	9,655	-72.6	131,087	44,107	-66.4
<b>Quarter I</b>	<b>275,080</b>	<b>226,298</b>	<b>-17.7</b>	<b>89,665</b>	<b>58,775</b>	<b>-34.5</b>	<b>364,745</b>	<b>285,073</b>	<b>-21.8</b>
April	113,446	24	-100.0	33,322	43	-99.9	146,768	67	-100.0
May	97,306	36	-100.0	32,538	1	-100.0	129,844	37	-100.0
June	118,512	169	-99.9	31,539	308	-99.0	150,051	477	-99.7
<b>Quarter II</b>	<b>329,264</b>	<b>229</b>	<b>-99.9</b>	<b>97,399</b>	<b>352</b>	<b>-99.6</b>	<b>426,663</b>	<b>581</b>	<b>-99.9</b>
July	117,512	18,218	-84.5	34,735	2,010	-94.2	152,247	20,228	-86.7
August	122,807	30,688	-75.0	36,443	4,431	-87.8	159,250	35,119	-77.9
September	147,043	8,000	-94.6	45,080	3,727	-91.7	192,123	11,727	-93.9
<b>Quarter III</b>	<b>387,362</b>	<b>56,906</b>	<b>-85.3</b>	<b>116,258</b>	<b>10,168</b>	<b>-91.3</b>	<b>503,620</b>	<b>67,074</b>	<b>-86.7</b>
<b>Total (Jan. – Sept.)</b>	<b>991,706</b>	<b>283,433</b>	<b>-71.4</b>	<b>303,322</b>	<b>69,295</b>	<b>-77.2</b>	<b>1,295,028</b>	<b>352,728</b>	<b>-72.8</b>

Source: Tourism Planning Department

When the number of arriving passengers in the first nine-month period of 2019 is compared to the previous year and the average of the last five years, it is observed that this figure is above the average of the last five years and the figure of 2019 until February. However, the number of passengers arriving since February 2020 was close to zero in April, May and June due to the measures taken as the Covid-19 outbreak that began in our country in March. As of June 1, 2020, as a result of the gradual and conditional entries to the TRNC from all ports by air, sea and land, the total number of arriving passengers started to increase in July and August 2020. As a result of the decision to limit the flights to two plane flights and the ship sailings to once a day (75 passengers), provided that the people coming to our country are quarantined taken by the Infectious Diseases Supreme Committee, which gathered under the Communicable Diseases Law No.45/2018 on September 9, 2020, the figures mentioned above has fallen in September 2020.

**Chart 3.3: Number of Arriving Passengers in 2020 Compared to 2019 and Average of the Last 5 Years**

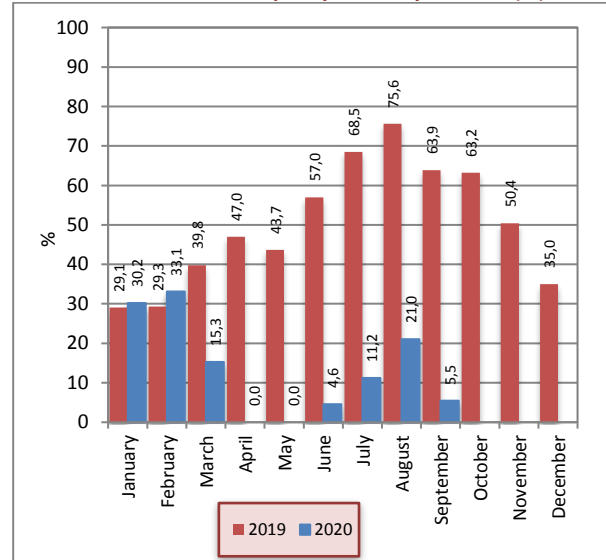


Source: Tourism Planning Department

When the occupancy rates of the touristic facilities in our country during the first three quarters of the years 2019 and 2020 are examined, it is observed that the occupancy rate of the relevant quarters of 2019 was 39.8, 57 and 63.9 percent, while it has decreased to 15.3, 4.6 and 5.5 percent in the same period of 2020. This decline was also experienced due to the closing of border gates and tourist accommodation facilities as a result of the quarantine measures taken after the Covid-19 pandemic that began in March 2020 in our country. After the lifting of lockdown restrictions, facilities that have received an Advanced Level of Hygiene Standards and Measures Certificate have been

allowed to reopen as of June 1, 2020. As of June 30, 2020, the number of facilities that were awarded the Advanced Level of Hygiene Standards and Measures Certificate was 66. The number of facilities eligible for certification has been 81, 82 and 84 in July, August and September, respectively.

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

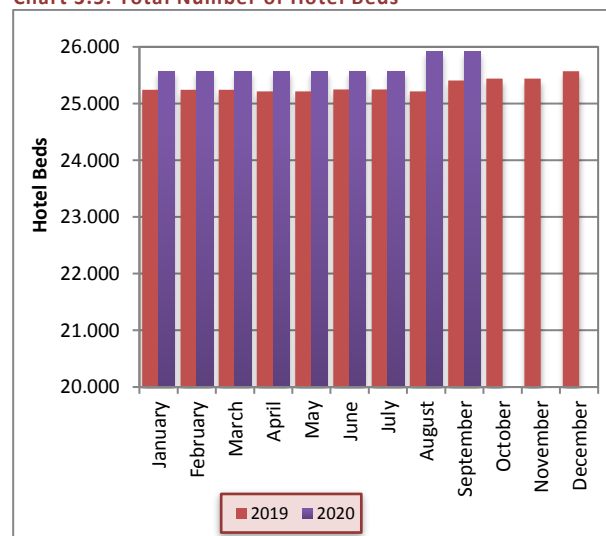


Source: Tourism Planning Department

\* March 2020 occupancy rate is calculated for one month.  
 \*\* The occupancy rate in June 2020 is the occupancy rate of open facilities among 66 certified facilities.  
 \*\*\* The occupancy rate in July 2020 is the occupancy rate of open facilities among 81 certified facilities.  
 \*\*\*\* The occupancy rate in August 2020 is the occupancy rate of open facilities among 82 certified facilities.  
 \*\*\*\*\* The occupancy rate in September 2020 is the occupancy rate of open facilities among 84 certified facilities.

It is seen that the bed capacity of the sector, which was 25,570 at the end of 2019, has reached 2020 at the end of the third quarter of 2020.

**Chart 3.5: Total Number of Hotel Beds**



Source: Tourism Planning Department

When border gate entries into the TRNC during the period January - December 2019 are examined, it is observed that the entries from Southern Cyprus started to increase as of the second quarter of 2019, when the high season started. After an increase continued until August, it recorded a slight decrease and didn't show a significant change until the end of the year.

Comparing the first nine-month data of 2019 and 2020, the total entries figure, which was 3,409,197 (excluding the TRNC citizens) decreased by 77.5 percent and reached 766,583 during the relevant period of 2020 due to the Covid-19 pandemic.

**Table 3.6: Border Gate Entries to TRNC by Nationalities and Months**

Nationality	Southern Cyprus		Other Countries		Total	
	2019	2020	2019	2020	2019	2020
January	152,451	197,924	112,207	120,772	264,658	318,696
February	139,516	182,753	113,106	124,300	252,622	307,053
March	182,463	52,878	149,119	33,104	331,582	85,982
April	203,143	17	184,496	547	387,639	564
May	208,708	29	191,193	79	399,901	108
June	228,747	921	195,225	430	423,972	1,351
July	224,977	9,951	212,027	3,628	437,004	13,579
August	261,727	13,979	231,897	4,675	493,624	18,654
September	212,741	14,461	205,454	6,135	418,195	20,596
October	205,057		207,930		412,987	
November	202,907		159,842		362,749	
December	212,944		133,767		346,711	
<b>Total</b>	<b>2,435,381</b>	<b>472,913</b>	<b>2,096,263</b>	<b>293,670</b>	<b>4,531,644</b>	<b>766,583</b>

Source: Tourism Planning Department

The total number of people staying at the tourist accommodation facilities in the TRNC were 855,571 and 227,517 in 2019 and 2020, respectively. It is observed that the total bed nights were 3,360,709 and 747,174 in the same periods, respectively.

The average length of stay, which is obtained by dividing the total overnights by the number of tourist accommodation, was calculated as 3 nights for Turkish citizens and 6 nights for citizens of other countries from January to September 2019. It is seen that these figures remained unchanged in 2020.

**Table 3.7: Number of Tourist Accommodations and Bed nights by Nationalities**

	Number of Tourist Accommodations			Number of Bed nights		
	2019 (January – September)	2020 (January – September)	Percentage Change	2019 (January – September)	2020 (January – September)	Percentage Change
TR	553,687	144,323	-73.9	1,732,147	397,930	-77.0
Other	260,196	43,445	-83.3	1,533,372	270,447	-82.4
TRNC	41,688	39,749	-4.7	95,190	78,797	-17.2
<b>Total</b>	<b>855,571</b>	<b>227,517</b>	<b>-73.4</b>	<b>3,360,709</b>	<b>747,174</b>	<b>-77.8</b>

Source: Tourism Planning Department



## 4 BUDGETARY DEVELOPMENTS

### 4.1 FIRST THREE QUARTER RESULTS OF 2020

In the second quarter of the fiscal year 2020, TRNC total budget revenues increased by 0.2 percent and total expenditures increased by 10 percent, compared to the same period of the previous year. Following these changes, budget revenues and budget expenditures have been 1,475.5 and 1,733.3 million TRY respectively, in the second quarter of 2020. In the second quarter of 2019, public finance, which gave a deficit of 104 million TRY, has given a deficit of 257.8 million TRY in the same period of 2020.

Table 4.1: Budget Balance (Million TRY)

	2019		2020		% Change
	Annual Results	April-June Results	Annual Forecast	April-June Results	
<b>Budget Revenues</b>	7,402.9	1,472.2	9,365.8	1,475.5	<b>0.2</b>
<b>Budget Expenditures</b>	7,688.5	1,576.2	9,234.4	1,733.3	<b>10.0</b>
<b>Budget Balance</b>	<b>-285,6</b>	<b>-104,0</b>	<b>131,4</b>	<b>-257,8</b>	

Source: Ministry of Finance

In the third quarter of the fiscal year 2020, TRNC's total budget revenues decreased by 2.9 percent and total expenditures increased by 10.8 percent, compared to the same period of the previous year. Following these changes, budget revenues and budget expenditures have been 2,331.9 and 2,231.4 million TRY in the third quarter of 2020. In the third quarter of 2019, public finance, which had a surplus of 385.9 million TRY, has had a surplus of 100.5 million TRY in the same period of 2020.

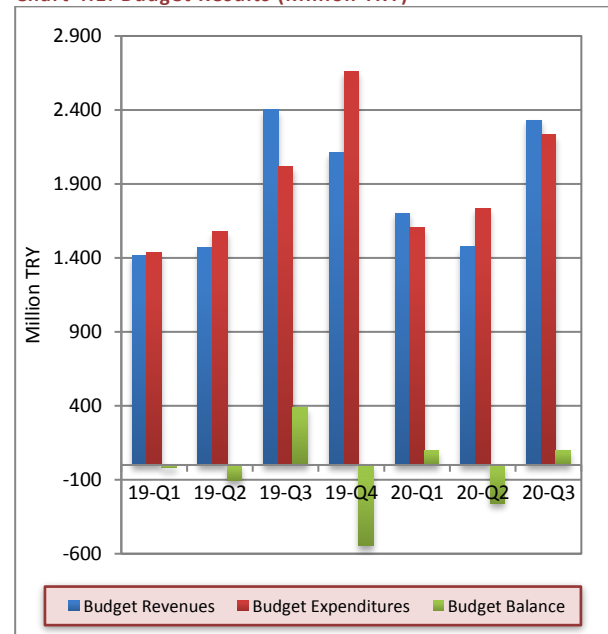
Table 4.2: Budget Balance (Million TRY)

	2019		2020		% Change
	Annual Results	July-Sept. Results	Annual Forecast	July-Sept. Results	
<b>Budget Revenues</b>	7,402.9	2,400.8	9,554.2	2,331.9	<b>-2.9</b>
<b>Budget Expenditures</b>	7,688.5	2,014.9	9,340.4	2,231.4	<b>10.8</b>
<b>Budget Balance</b>	<b>-285,6</b>	<b>385,9</b>	<b>213,8</b>	<b>100,5</b>	

Source: Ministry of Finance

32.4 percent of the total budget revenues of 7,402.9 million TRY obtained in 2019 were collected in the third quarter. In the same period of 2020, 24.4 percent of the foreseen total budget revenues have been collected. In 2020, 23.9 percent of 9,340.4 million TRY, estimated to be used in the execution of services and activities have been used within the third quarter. This rate was 26.2 percent in the same period of the previous year.

Chart 4.1: Budget Results (Million TRY)



Source: Ministry of Finance

### 4.2 REVENUES

As of the second quarter of the fiscal year 2020, budget revenues increased by 3.3 million TRY compared to the same period of the previous year and amounted to 1,475.5 million TRY. In the second quarter of 2020, tax revenues item with the largest share in budget revenues decreased by 19.4 percent compared to the same period of the previous year and amounted to 925.3 million TRY. Total tax revenues were 1,148.3 million TRY in the same period of 2019. Other revenues item, which has the second-highest share in budget revenues became 289 million TRY in the first quarter and 25,8 million TRY in the second quarter of 2020. This increase in the other revenues item was caused by the 265.5 million TRY debt collection from the SDIFSF. In the second quarter of 2020, non-tax revenues item decreased by 12.4 percent compared to the same period of the previous year and reached 261.2 million TRY.

**Table 4.3: Budget Revenues (Million TRY)**

	2019		% Change
	April-June	2020 April-June	
<b>Tax Revenues</b>	1,148.3	925,3	-19.4
<b>Non-Tax Revenues</b>	298,1	261,2	-12.4
<b>Donations, Grants and Loans</b>	-	-	-
<b>Other Revenues</b>	25,8	289,0	1,020.2
<b>Total</b>	<b>1,472.2</b>	<b>1,475.5</b>	<b>0.2</b>

Source: Ministry of Finance

As of the third quarter of the fiscal year 2020, budget revenues decreased by 68.9 million TRY compared to the same period of the previous year and amounted to 2,331.9 million TRY. In the third quarter of 2020, the tax revenues item with the largest share in budget revenues decreased by 3 percent compared to the same period of the previous year and amounted to 1,393.9 million TRY. Total tax revenues were 1,437.4 million TRY in the same period of 2019. Donations, Grants and Loans item, which has the second-highest share in budget revenues became 602.9 million TRY in the third, while it was 426,7 million TRY in the same period of the previous year. In the third quarter of 2020, non-tax revenues item decreased by 29.3 percent compared to the same period of the previous year and reached 333.6 million TRY.

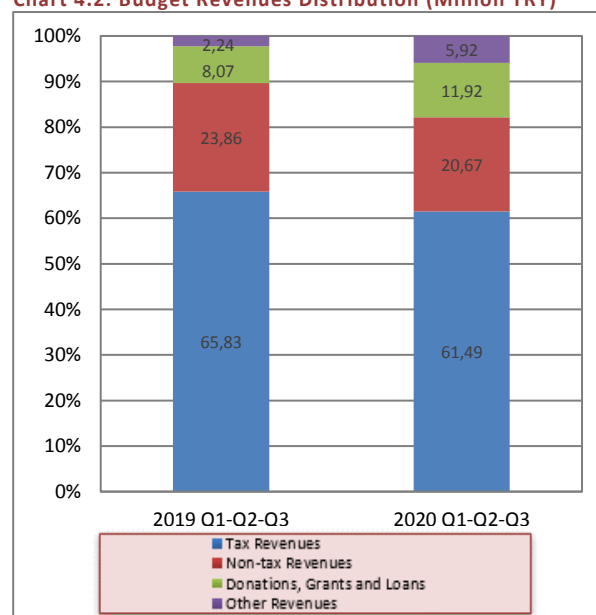
**Table 4.4: Budget Revenues (Million TRY)**

	2019	2020	% Change
	July-Sept.	July-Sept.	
<b>Tax Revenues</b>	1,437.4	1,393.9	-3.0
<b>Non-Tax Revenues</b>	472,1	333,6	-29.3
<b>Donations, Grants and Loans</b>	426,7	602,9	41.3
<b>Other Revenues</b>	64,6	1.5	-97.7
<b>Total</b>	<b>2,400.8</b>	<b>2,331.9</b>	<b>-2.9</b>

Source: Ministry of Finance

While the share of donations, grants and loans in total budget revenues was 8.1 percent in the first nine months of 2019, it has been 11.9 percent in the same period of 2020. In the same periods, while the share of tax revenues item was 65.8 percent, it has fallen to 61.5 percent, and while the share of non-tax revenues was 23.9 percent and it has declined to 20.7 percent. The share of other revenues item increased from 2.2 percent to 5.9 percent.

**Chart 4.2: Budget Revenues Distribution (Million TRY)**



Source: Ministry of Finance

### 4.3 EXPENDITURES

As of the second quarter of 2020, total budget expenditures increased by 10 percent compared to the same period of the previous year and reached from 1,576.2 million TRY to 1,733.3 million TRY. In the mentioned periods, current transfers, personnel expenditures and other expenditures items increased by 8.2, 2.1 and 39.5 percent, respectively.

**Table 4.5: Budget Expenditures (Million TRY)**

	2019 April-June	2020 April-June	% Change
<b>Current Transfers</b>	754,7	816,7	8.2
<b>Personnel Expenditures</b>	614,0	627,2	2.1
<b>Capital Expenditures and Transfers</b>	33,4	42,8	28.1
<b>Goods and Service Purchase Expenditures</b>	136,7	132,9	-2.8
<b>Other Expenditures</b>	37,4	113,7	204.0
<b>Total</b>	<b>1,576.2</b>	<b>1,733.3</b>	<b>10.0</b>

Source: Ministry of Finance

As of the third quarter of 2020, total budget expenditures increased by 10.7 percent compared to the same period of the previous year and reached from 2,014.9 million TRY to 2,231.4 million TRY. In the mentioned periods, current transfers and personnel expenditures items increased by 26.8 and 25.7 percent, while goods and service purchase item decreased by 56.5 percent.

The current transfers expenditure item of the TRNC budget reached 994.8 million TRY and the personnel expenditures item reached 837.2 million TRY in the third quarter of 2020. Capital expenditures and transfers and other expenditures item increased by 139.9 and 95 percent and amounted to 114.2 million TRY and 77.8 million TRY, respectively, in the third quarter of 2020.

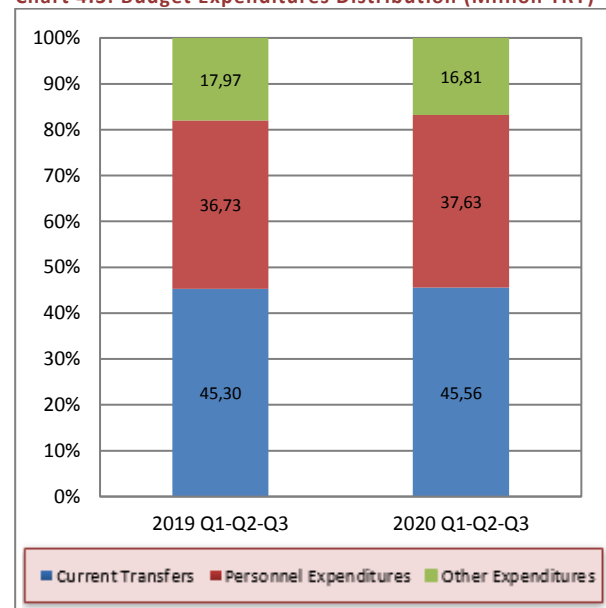
**Table 4.6: Budget Expenditures (Million TRY)**

	2019 July-Sept.	2020 July-Sept.	% Change
<b>Current Transfers</b>	787,8	994,8	26.8
<b>Personnel Expenditures</b>	666,0	837,2	25.7
<b>Capital Expenditures and Transfers</b>	47,6	114,2	139.9
<b>Goods and Service Purchase Expenditures</b>	476,6	207,4	-56.5
<b>Other Expenditures</b>	39,9	77,8	95.0
<b>Total</b>	<b>2,014.9</b>	<b>2,231.4</b>	<b>10.7</b>

Source: Ministry of Finance

The share of personnel expenditures item in total expenditures was 36.7 percent in the first nine-month period of 2019, while it has become 37.6 percent in the same period of 2020. In the first nine-month period of 2019, the share of the current transfers constituting 45.3 percent of the total budget expenditures has become 45.6 percent in the same period of 2020. The share of personnel expenditures and current transfers in budget expenditures was 82 percent in the first nine-month period of 2019 and it has become 83.2 percent in the same period of 2020. The share of other expenditures item in total expenditures was 18 percent in the first nine-month period of 2019, while it has become 16.8 percent in the same period of 2020.

**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

Total budget expenditures and budget revenues are foreseen to reach 9,554.2 million TRY and 9,340.4 million TRY in 2020, respectively. Considering these figures, it is projected that budget revenues will increase by 29.1 percent and budget expenditures by 21.5 percent in 2020, compared to 2019 budget data. The tax revenues item, which has the highest share in budget revenues, is projected to increase by 8.8 percent in 2020 and reach 5,381.1 million TRY, compared to 2019. The non-tax revenues item is projected to decrease by 19.6 percent in 2020 and reach 1,278.9 million TRY, compared to the previous year.

While the total donations, grants and loans item was 579 million TRY in 2019, it is expected to increase by 319.3 percent in 2020 and amount to 2,427.9 million TRY, compared to the previous year. Other revenues item is expected to reach 466.3 million TL in 2020, with an increase of 63 percent compared to the previous year.

The current transfers item, which had the highest share in budget expenditures during 2019, is projected to increase by 14.5 percent and reach 3,830.7 million TRY in 2020, compared to 2019. Personnel expenditures

item, which has the second-highest share in budget expenditures, is expected to increase by 10.9 percent and reach 3,083 million TRY. In 2020, the goods and services expenditures item is expected to decline to 672.4 million TL, decreasing by 40.5 percent compared to 2019. Analysing the total budget revenues and expenditures, the budget balance, which had a deficit of 285.6 million TRY in 2019, is expected to have a surplus of 213.8 million TRY by the end of 2020.

The total budget revenues and expenditures for the first nine-month period of 2020 have been 5,509.5 million TRY and 5,568.3 million TRY, respectively. These figures were 5,289.7 million TRY and 5,027.8 million TRY in 2019, respectively. When the budget revenues items for the first nine months of 2020 are analysed, it is seen the tax revenues item results have been 62.96 percent, while this rate was 70.38 percent in the same period of the previous year. While the donations, grants and loans item result was 73.7 percent in the first nine-month period of 2019, this rate has been 27.06 percent in the same period of 2020. Examining the first nine-month data of 2019, the budget balance, which had a surplus of 261.9 million TRY, has had a surplus of 58.8 million TRY in the same period of 2020.

Table 4.7: Budget Implementation Results (Million TRY)

	2019 Results	2020 Forecast	2019-2020 Change (%)	2019 Nine-Month Results	2020 Nine-Month Results	2019 Nine- Month Results (%)	2020 Nine- Month Results (%)
<b>Revenues</b>	Tax Revenues	4.948,2	5.381,1	8,75	3.482,4	3.387,7	70,38
	Non-Tax Revenues	1.589,6	1.278,9	-19,55	1.262,3	1.138,8	79,41
	Donations, Grants and Loans	579,0	2.427,9	319,33	426,7	656,9	73,70
	Other Revenues	286,1	466,3	62,98	118,3	326,1	41,35
	<b>Grand Total</b>	<b>7.402,9</b>	<b>9.554,2</b>	<b>29,06</b>	<b>5.289,7</b>	<b>5.509,5</b>	<b>71,45</b>
<b>Expenditures</b>	Current Transfers	3.344,8	3.830,7	14,53	2.277,5	2.537,1	68,09
	Personnel Expenditures	2.780,2	3.083,0	10,89	1.846,5	2.095,2	66,42
	Capital Expenditures and Transfers	242,3	811,0	234,71	105,5	173,3	43,54
	Goods and Service Purchase	1.130,1	672,4	-40,50	680,2	394,4	60,19
	Expenditures Other Expenditures	191,1	943,3	393,62	118,1	368,3	61,80
	39,04						
	<b>Grand Total</b>	<b>7.688,5</b>	<b>9.340,4</b>	<b>21,49</b>	<b>5.027,8</b>	<b>5.568,3</b>	<b>65,39</b>
<b>Revenues Expenditures</b>	<b>-</b>	<b>-285,6</b>	<b>213,8</b>	<b>261,9</b>	<b>-58,8</b>		

Source: Ministry of Finance

#### 4.5 FINANCING BALANCE

The financing balance, which is equal to the gap between the total revenues figure (obtained by subtracting the loans extended by Turkey and domestic borrowing items from the budget revenues) and budget expenditures, has had a deficit of 124.8 million TRY in the first six-month period of 2020. Total loans extended by Turkey, used as a source of funding to meet the budget deficit has been 66 million TRY in the first nine-month period of 2020, however, it wasn't used in the same period of 2019.

In the first nine-month period of 2019, tax revenues item decreased by 94.7 million TRY and non-tax revenues item by 123.5 million TRY, compared to the same period of 2019. Accordingly, domestic income item decreased by 0.2 percent and reached 4,852.6 million TRY in the first nine-month period of 2020.

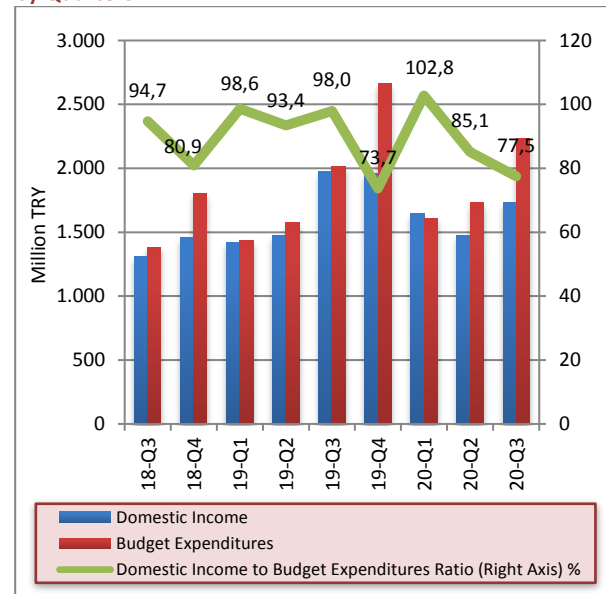
**Table 4.8: Financing Balance (Million TRY)**

	2019 (January- September)	2020 (January- September)
<b>Budget Revenues</b>	<b>5.289,7</b>	<b>5.443,5</b>
<b>1. Domestic Income</b>	<b>4.863,0</b>	<b>4.852,6</b>
Tax Revenues	3.482,4	3.387,7
Non-Tax Revenues	1.262,3	1.138,8
Other Revenues	118,3	326,1
<b>2. Foreign Aids</b>	<b>426,7</b>	<b>590,9</b>
Grants Extended by Turkey	426,7	590,9
<b>Budget Expenditures</b>	<b>5.027,8</b>	<b>5.568,3</b>
Personnel Expenditures	1.846,5	2.095,2
Current Transfers	2.277,5	2.537,1
Goods and Service Purchase Expenditures	680,2	394,4
Capital Expenditures	105,5	173,3
Other Expenditures	118,1	368,3
<b>Financing Balance</b>	<b>261,9</b>	<b>-124,8</b>
<b>Financing</b>	<b>0,0</b>	<b>66,0</b>
Loans Extended by Turkey	0,0	66,0
Domestic Borrowing	0,0	0,0

Source: Ministry of Finance

According to the budget figures for the first three quarters of 2020, the domestic income to budget expenditures ratio has been 102.8, 85.1 and 77.5 percent, respectively. The same ratios were 98.6, 93.4 and 98 percent in the same periods of 2019. While the domestic income to budget expenditures ratio was 96.7 percent in the first nine-month period of 2019, it has declined to 87.2 percent in the same period of 2020.

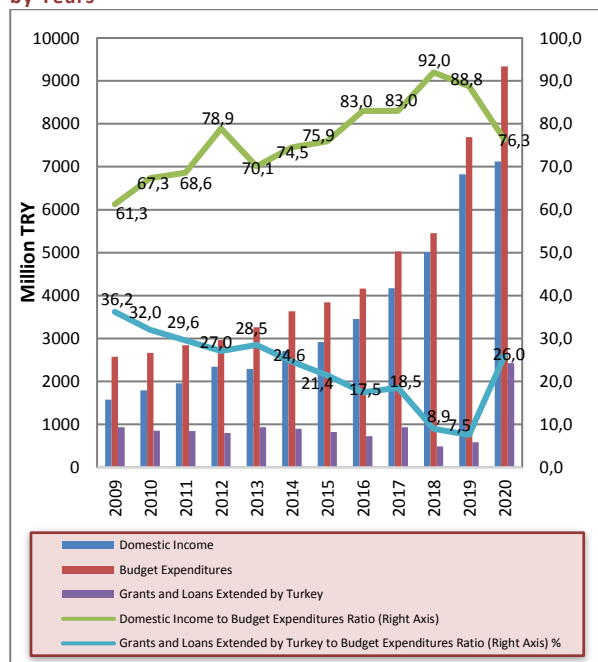
**Chart 4.4: Domestic Income to Budget Expenditures Ratio by Quarters**



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 from 61 to 89 percent in the last 10 years. In the 2020 budget forecast, it is predicted to reach 76.3 percent. 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 7.5 percent in the 2019 budget. However, it is projected that this ratio will be around 26 percent in 2020. Though a positive outlook has emerged over the last 10 years in the sense of covering the budget expenditures by using our domestic income, the Covid-19 outbreak has caused deterioration in the budget structure of our country in 2020 as well as all over the world.

Chart 4.5: Domestic Income to Budget Expenditures Ratio by Years



Source: Ministry of Finance

Note: The figures envisaged in the FY 2019 Budget are used.

Various measures have been taken in many countries to minimize the effects of the Covid-19 pandemic affecting the whole world. In the Global Economic Outlook report published by the IMF in June 2020, it was emphasized that a large increase in government borrowing rates is expected this year due to the outbreak. In our country, the domestic borrowing mechanism started to be used in this period. In this context, Government Domestic Debt Instrument (DIBS) tenders were held by the TRNC Ministry of Finance through Central Bank of the TRNC.

Table 4.9: Government Domestic Debt Instrument Tenders (TRY)

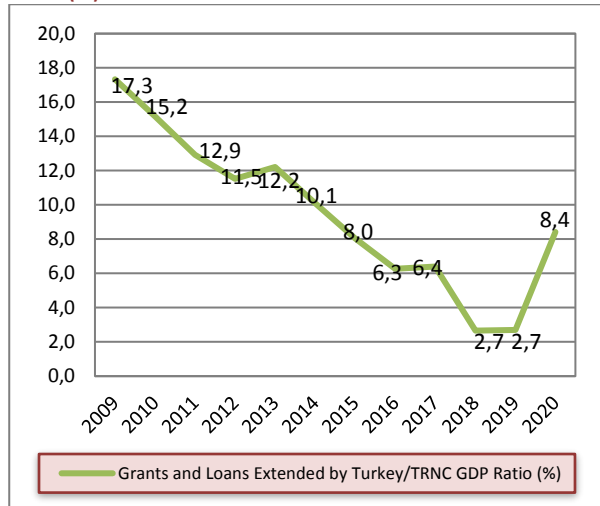
ISIN CODE	KKB 050620T19	KKB 041220T12	KKB 050121T13	KKB 050521T19
<b>Effective Date</b>	27.02.2020	29.05.2020	29.06.2020	28.10.2020
<b>Redemption Date</b>	05.06.2020	04.12.2020	05.01.2021	05.05.2021
<b>Term</b>	99 days	189 days	190 days	189 days
<b>Amount Tendered</b>	Nom. 118.000.000	134.000.000	125.000.000	53.000.000
<b>Agreed Amount</b>	Nom. 40.000.000	71.000.000	88.000.000	31.000.000
<b>Agreed Interest Rate (%)</b>				
Lowest	10,00	8,99	9,25	15,25
Highest	11,20	10,50	10,37	17,00
Ave.	10,49	9,74	9,67	16,46
Average Annual Compound	10,90	9,97	9,89	17,11

Source: Central Bank of TRNC

One of the negative effects of the global pandemic crisis on our country's economy will be the budget deficit. Due to the limited channels of internal and external borrowing in our country, the budget deficit in 2020 will be covered by grants and loans to be granted within the scope of the protocol signed with the Republic of Turkey. With this resource, it is estimated that the ratio of grants and loans extended by Turkey to the total budget expenses, which decreased to 7.5 percent in 2019, will increase to 26 percent in 2020. For this reason, it is considered that the policies to be put forward in 2021 or after the Covid-19 pandemic should include measures that will bring this to the level in 2019 and below.

Analysing the total loans extended by Turkey to GDP ratio, used as a source of funding to meet the budget deficit, it is observed that there has been a decrease over the years. Grants and loans extended by Turkey to GDP ratio, which was 17.3 percent in 2009, has declined to 2.7 percent as of the end of 2019. Analysing the 2020 fiscal year budget forecast data and the 2020 GDP forecast data, it is estimated that this ratio will be 8.4 percent for 2020.

**Chart 4.6: Grants and Loans Extended by Turkey/TRNC GDP Ratio (%)**



Source: Ministry of Finance, TRNC Statistical Institute

Note(1): The figures envisaged in the FY 2019 Budget are used.

Note(2): 2020 GDP forecast figures of SPO are used.





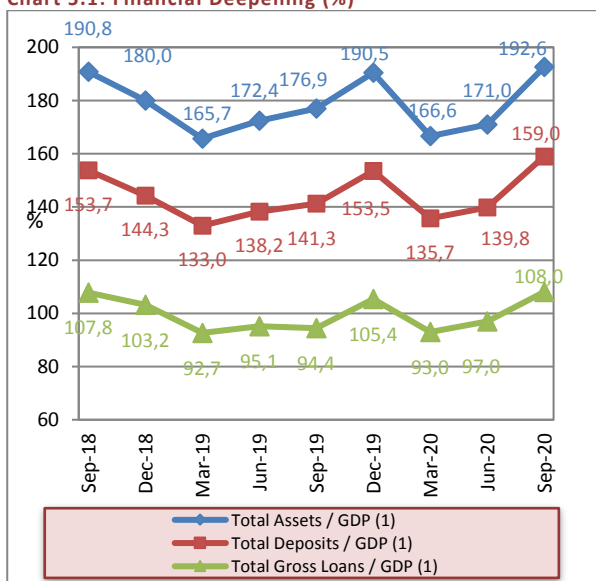
## 5 MONETARY AND FINANCIAL DEVELOPMENTS

### 5.1 OVERVIEW OF THE BANKING SECTOR

#### 5.1.1 FINANCIAL DEEPENING

Financial deepening figures for the third quarter of 2020 increased compared to the previous quarter. Total gross loans to GDP ratio increased from 97 percent to 108 percent, total assets to GDP ratio from 171 percent to 192.6 percent and total deposits to GDP ratio from 139.8 percent to 159 percent.

Chart 5.1: Financial Deepening (%)



Source: Central Bank of the TRNC, SPO

Note: (1) 2020 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 28.06 percent in the third quarter of 2020, compared to the previous quarter. This rate was 32.1 percent in the same period of the previous year.

The CASR (Capital Adequacy Standard Ratio), which was 16.86 percent at the end of June 2020, decreased by 0.8 points to 16.06 percent in the third quarter of 2020.

The share of NPL in gross loans decreased from 6.05 to 5.49 percent at the end of September 2020, compared to the previous quarter.

The gross loans to deposits ratio decreased by 1.41 percentage points to 67.95 percent in the third quarter of 2020, compared to the previous quarter.

The share of gross loans in total assets, which was 53.36 percent in September 2019, has increased to 56.09 percent in the third quarter of 2020. It has decreased by 0.62 points, compared to the previous quarter.

Gross loans increased by 20 percent in the third quarter of 2020, compared to the previous quarter. This item had decreased by 7.2 percent in the same period of the previous year.

Deposits increased by 2.99 percent in the second quarter of 2020, and then by 13.74 percent in the third quarter of 2020.

The financial leverage ratio, which was 9.73 at the end of June 2020, has become 10.41 in the third quarter of 2020.

Table 5.1: Performance Ratios

	2019		2020		
	Sept.	Dec.	Mar.	Jun.	Sept.
Cash and Cash Equivalents / Total Assets (%)	32,10	32,58	29,75	27,51	28,06
CASR (%)	19,02	17,05	17,07	16,86	16,06
NPL / Gross Loans (%)	5,64	6,43	6,35	6,05	5,49
Gross Loans / Total Deposits (%)	66,83	68,70	68,53	69,36	67,95
Gross Loans / Total Assets (%)	53,36	55,36	55,83	56,71	56,09
Quarterly Growth Rate on Gross Loans (%)	-0,72	11,67	4,05	4,24	11,41
Quarterly Growth Rate on Gross Loans (%)	2,21	8,64	4,31	2,99	13,74
Financial Leverage <sup>1</sup>	9,18	9,72	9,62	9,73	10,41

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 55.17 percent, and the share of the top ten banks in total assets is 81.53 percent in the third quarter of 2020.

In terms of the size of gross loans in the same period, the share of the first five banks in the sector is 55.68 percent and the share of the top ten banks is 82.45 percent.

In terms of deposit size, the share of the five largest banks in total deposits is 55.81 percent and the share of the top ten banks is 81.83 percent.

Lastly, in terms of the size of the debts to the banks item, the share of the first five banks in the sector is 67.44 percent and the share of the top ten banks is 93.34 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 54.65 percent, while the share of the top ten banks is 81.75 percent.

Table 5.2: Concentration in the Banking Sector (%)

Shares of the First Five Banks in the Sector	2019			2020	
	September	December	March	June	September
<b>Assets</b>	56,03	55,41	55,29	55,10	55,17
<b>Gross Loans</b>	56,40	57,53	56,66	55,91	55,68
<b>Deposits</b>	57,04	56,97	56,47	56,34	55,81
<b>Debts to Banks</b>	67,19	62,80	68,40	67,67	67,44
<b>Shareholders' Equity</b>	54,41	54,30	54,86	55,34	54,65
<b>Shares of the First Ten Banks in the Sector</b>					
<b>Assets</b>	79,84	80,20	80,10	80,19	81,53
<b>Gross Loans</b>	81,76	82,00	81,97	82,14	82,45
<b>Deposits</b>	81,24	81,23	81,31	81,53	81,83
<b>Debts to Banks</b>	92,06	89,58	92,08	92,80	93,34
<b>Shareholders' Equity</b>	80,83	81,10	81,65	81,61	81,75

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 2020. 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.18	Dec.18	Mar.19	Jun.19	Sept.19	Dec.19	Mar.20	Jun.20	Sept.20
<b>Public Banks</b>	2	2	2	2	2	2	2	2	2
<b>Private Banks</b>	14	14	14	14	14	14	14	14	14
<b>Branch Banks</b>	5	5	5	5	5	5	5	5	5
<b>Total</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>	<b>21</b>

Source: Central Bank of TRNC

The number of bank branches in the sector is 224 in the third quarter of 2020. When the distribution of branch numbers based on bank groups is examined, it is seen

that 67.86 percent of the total number of branches belongs to private banks, 17.41 percent to branch banks, and 14.73 percent to public banks.

**Table 5.4: Number of Branches and Personnel**

Number of Branches									
	Sept.18	Dec.18	Mar.19	Jun.19	Sept.19	Dec.19	Mar.20	Jun.20	Sept.20
Public Banks	33	33	33	33	33	33	33	33	33
Private Banks	159	157	158	159	160	160	160	152	152
Branch Banks	39	39	39	39	39	39	39	39	39
<b>Total</b>	<b>231</b>	<b>229</b>	<b>230</b>	<b>231</b>	<b>232</b>	<b>232</b>	<b>232</b>	<b>224</b>	<b>224</b>
Number of Personnel									
Public Banks	547	546	537	534	528	522	512	508	514
Private Banks	2.062	2.075	2.077	2.078	2.096	2.122	2.120	2.090	2.081
Branch Banks	531	527	526	533	539	549	542	537	538
<b>Total</b>	<b>3.140</b>	<b>3.148</b>	<b>3.140</b>	<b>3.145</b>	<b>3.163</b>	<b>3.193</b>	<b>3.174</b>	<b>3.135</b>	<b>3.133</b>

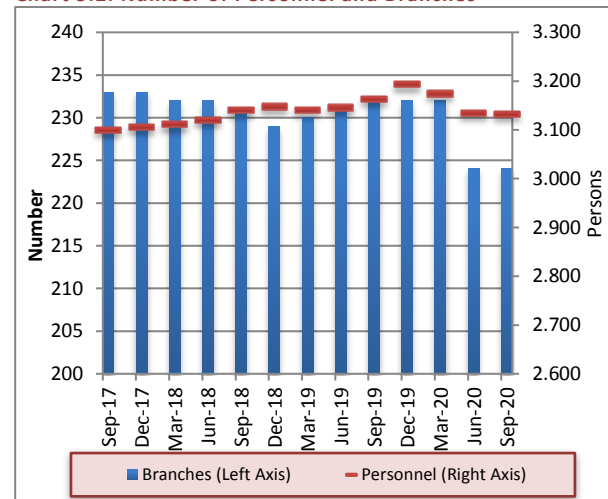
Source: Central Bank of TRNC

The number of personnel employed in the sector decreased by 2 persons and reached from 3,135 to 3,133 during June 2020 - September 2020 period. 514 of this personnel are working in public banks, 2,081 in private banks and 538 in branch banks. In this period, the number of personnel employed in private banks decreased from 2,090 to 2,081, the number of personnel in branch banks increased from 537 to 538, and the number of personnel in public banks from 508 to 514.

During September 2019 - September 2020 period, the number of personnel working in the banking sector decreased by 30 persons to reach 3,163 from 3,133. In the mentioned period, when the change in the number of personnel is analysed based on bank groups, there was a decrease of 15 persons employed in private banks, 1 person in branch banks, and 14 persons in public banks.

In the third quarter of 2020, it is observed that 16.41 percent of the personnel working in the sector belong to public banks, 66.42 percent belong to private banks and 17.17 percent belong to branch banks.

**Chart 5.2: Number of Personnel and Branches**



Source: Central Bank of TRNC

As of the third quarter of 2020, the number of ATMs has been 509. When the distribution of ATMs by bank groups is analysed, branch banks rank first with 233 ATMs. Branch banks are followed by private banks with 219 ATMs and public banks with 57 ATMs. During September 2019 - September 2020 period, the number of ATMs increased from 503 to 509.

**Table 5.5: Number of ATMs**

	Sept.19	Dec.19	Mar.20	Jun.20	Sept.20
Public Banks	57	57	57	57	57
Private Banks	221	221	222	218	219
Branch Banks	225	229	231	232	233
<b>Total</b>	<b>503</b>	<b>507</b>	<b>510</b>	<b>507</b>	<b>509</b>

Source: Central Bank of TRNC

## 5.2 BANKING SECTOR CONSOLIDATED BALANCE SHEET

Total assets of the banking sector, which was 43,146.3 million TRY at the end of June 2020, have increased by 12.63 at the end of September 2020 and reached 48,597 million TRY. In the aforementioned period, cash and cash equivalents increased by 14.87 percent, securities portfolio by 13.6 percent, gross loans by 11.41 percent and other assets by 12.75 percent.

Total assets of the sector increased by 28.38 percent in September 2019 - September 2020 period. In the same period, cash and cash equivalents increased by 12.22, gross loans by 34.95 percent, and securities portfolio by 57.28 percent. In the same period, deposits increased by 32.74 percent and shareholders' equity by 14.59 percent.

Deposits, which is the most important funding source of the sector increased by 13.74 percent and the shareholders' equity by 5.98 percent in June 2020 - September 2020 period.

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

	2019		2020			Percentage Change	
	September	December	March	June	September	06/2020 - 09/2020	09/2019 - 09/2020
<b>Cash and Cash Equivalents</b>	12.151,4	13.277,3	12.508,6	11.871,7	13.636,7	14,87	12,22
<b>Securities Portfolio</b>	2.223,0	2.124,5	2.503,2	3.077,7	3.496,3	13,60	57,28
<b>Total Gross Loans</b>	20.200,3	22.557,9	23.472,1	24.468,2	27.259,9	11,41	34,95
<b>Other Assets</b>	3.280,7	2.788,8	3.561,7	3.728,7	4.204,1	12,75	28,15
<b>Total Assets-Liabilities</b>	<b>37.855,4</b>	<b>40.748,5</b>	<b>42.045,6</b>	<b>43.146,3</b>	<b>48.597,0</b>	<b>12,63</b>	<b>28,38</b>
<b>Deposits</b>	30.224,8	32.837,3	34.251,5	35.275,1	40.120,4	13,74	32,74
<b>Debts to Banks</b>	2.270,1	2.436,6	2.250,8	2.242,0	2.549,6	13,72	12,31
<b>Other Liabilities</b>	1.642,0	1.674,2	1.582,7	1.608,9	1.666,1	3,56	1,47
<b>Shareholders' Equity</b>	3.718,5	3.800,4	3.960,6	4.020,3	4.260,9	5,98	14,59

Source: Central Bank of TRNC

### 5.2.1 ASSETS AND LIABILITIES STRUCTURE

In the third quarter of 2020, the largest share in the sector's total assets is gross loans with 56.09 percent. Gross loans are followed by cash and cash equivalents with a share of 28.06 percent, other assets with a share of 8.65 percent and securities portfolio with 7.19 percent.

When the banking sector is evaluated in terms of the share of the items constituting the asset structure of the September 2019 - September 2020 period, a decrease in cash and cash equivalents and other assets items, while an increase in securities portfolio and gross loans is observed.

As of September 2020, 82.55 percent of the total liabilities are deposits, 8.77 percent is shareholders' equity, 5.25 percent is debts to banks and 3.43 percent is other liabilities.

When the items constituting the liability structure of the banking sector are evaluated in terms of their shares in September 2019 - September 2020 period, it is seen that there is an increase in deposits item, and a decrease in debts to banks, other liabilities and shareholders' equity items.

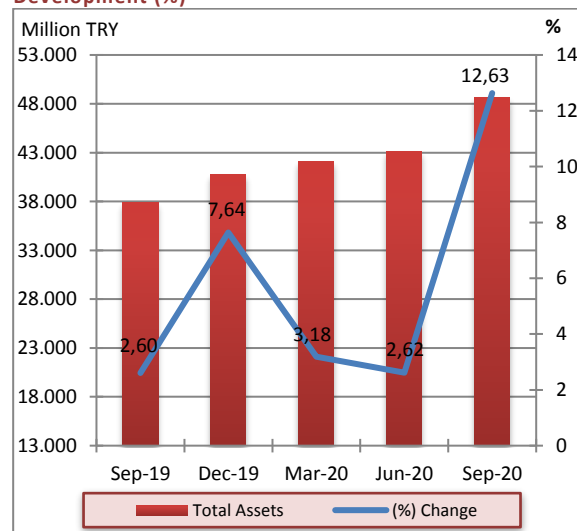
Table 5.7: Structural Percentage Distribution of Banking Sector Assets / Liabilities (%)

Assets	2019			2020	
	September	December	March	June	September
Cash and Cash Equivalents	32,10	32,58	29,75	27,51	28,06
Securities Portfolio	5,87	5,21	5,95	7,13	7,19
Total Gross Loans	53,36	55,36	55,83	56,71	56,09
Other Assets	8,67	6,85	8,47	8,65	8,65
<b>Total</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>
<b>Liabilities</b>					
Total Deposits	79,84	80,59	81,46	81,76	82,55
Debts to Banks	6,00	5,98	5,35	5,20	5,25
Other Liabilities	4,34	4,11	3,76	3,73	3,43
Shareholders' Equity	9,82	9,32	9,43	9,31	8,77
<b>Total</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>

Source: Central Bank of TRNC

Quarter-on-quarter increase in the banking sector's total assets has been 2.6 percent in September 2019 and 7.64 percent in December. The banking sector's assets have increased by 3.18, 2.62 and 12.63 percent in March, June and September 2020, respectively.

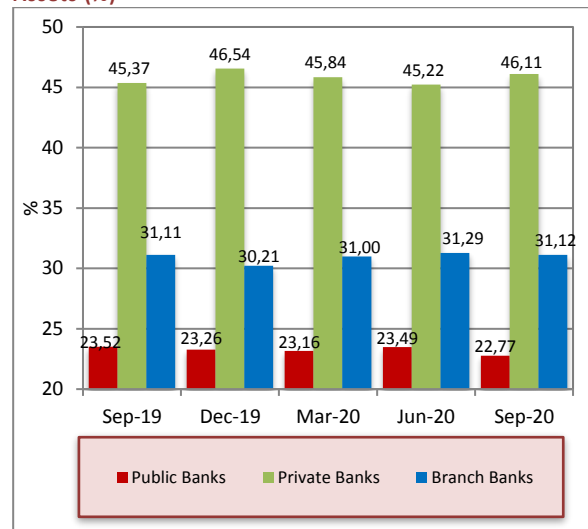
Chart 5.3: Assets of the Banking Sector and Quarterly Development (%)



Source: Central Bank of TRNC

In the third quarter of 2020, the sector’s total assets increased from 45.22 to 46.11 percent in the private banks group, while it decreased from 23.49 to 22.77 in the public banks group, and from 31.29 to 31.12 percent in the branch banks group. In September 2019 - September 2020 period, there has been downsizing in the group of public banks, and a growth in private banks and branch banks groups.

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



Source: Central Bank of TRNC

In the third quarter of 2020, public banks’ total assets increased by 9.16 percent, private banks’ total assets by 14.85 percent and branch banks’ total assets by 12.03 percent, compared to the previous quarter. Total assets

increased by 24.25 percent in public banks, 30.47 percent in private banks and 28.44 percent in branch banks, compared to the same period of the previous year.

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

	2019			2020		Percentage Change	
	September	December	March	June	September	06/2020-09/2020	09/2019-09/2020
Public Banks	8.904,6	9.478,7	9.737,6	10.135,5	11.064,2	9,16	24,25
Private Banks	17.176,5	18.965,2	19.274,1	19.512,2	22.410,1	14,85	30,47
Branch Banks	11.774,3	12.304,6	13.033,9	13.498,6	15.122,7	12,03	28,44
<b>Total</b>	<b>37.855,4</b>	<b>40.748,5</b>	<b>42.045,6</b>	<b>43.146,3</b>	<b>48.597,0</b>	<b>12,63</b>	<b>28,38</b>

Source: Central Bank of TRNC

Analysing the TRY and FX distribution of gross loans as of September 2020, the share of TRY loans decreased from 46.62 to 46.19 percent compared to the previous quarter, while the share of FX loans increased from 53.38 to 53.81 percent. The share of TRY deposits decreased from 38.03 percent to 35.11 percent as of

September 2020, while the share of FX deposits increased from 61.97 percent to 64.89 percent, compared to the previous quarter.

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

	2019						2020					
	September		December		March		June		September			
	TRY	FX	TRY	FX	TRY	FX	TRY	FX	TRY	FX		
Loans	47,79	52,21	47,25	52,75	46,58	53,42	46,62	53,38	46,19	53,81		
Deposits	40,27	59,73	39,63	60,37	38,25	61,75	38,03	61,97	35,11	64,89		

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 14.87 percent in the third quarter of 2020 and reached from 11,871.7 million TRY to 13,636.7 million TRY, compared to the previous quarter.

In this period, an increase of 62.6 million TRY in the cash values item, 645.3 million TRY in the receivables from the Central Bank item, 918.6 million TRY in the receivables from the IMM (Interbank Money Market)

transactions item, and 138.5 million TRY in the receivables from the banks item was recorded.

Cash and cash equivalents amounting to 12,151.4 million TRY at the end of September 2019 increased to 13,636.7 million TRY by the end of September 2020. In the period, cash assets increased by 142.1 million TRY, receivables from the Central Bank increased by 882.3 million TRY, receivables from IMM transactions increased by 250.1 million TRY and receivables from banks increased by 210.8 million TRY.

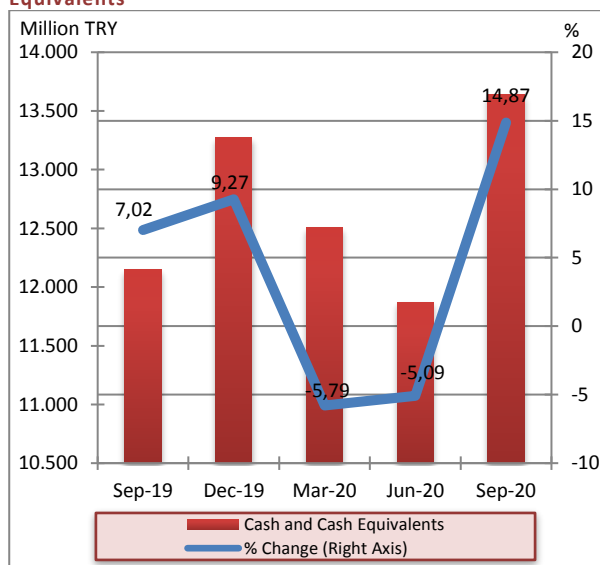
Table 5.10: Development of the Cash and Cash Equivalents (Million TRY)

	2019		2020		Percentage Change	
	September	December	March	June	September	06/2020 - 09/2020
Cash Assets	361,9	362,8	469,2	441,4	504,0	14,18
Receivables from the Central Bank	3.715,9	4.420,4	4.219,9	3.952,9	4.598,2	16,32
Receivables from IMM Transactions	2.891,1	2.823,2	2.368,1	2.222,6	3.141,2	41,33
Receivables from Banks	5.182,5	5.670,9	5.451,4	5.254,8	5.393,3	2,64
<b>Total</b>	<b>12.151,4</b>	<b>13.277,3</b>	<b>12.508,6</b>	<b>11.871,7</b>	<b>13.636,7</b>	<b>14,87</b>

Source: Central Bank of TRNC

In 2019, cash and cash equivalents increased by 7.02 percent in the third quarter and 9.27 percent in the fourth quarter. Cash and cash equivalents decreased by 5.79 percent and 5.09 percent in March and June and increased by 14.87 percent in September 2020, respectively, compared to the previous quarter.

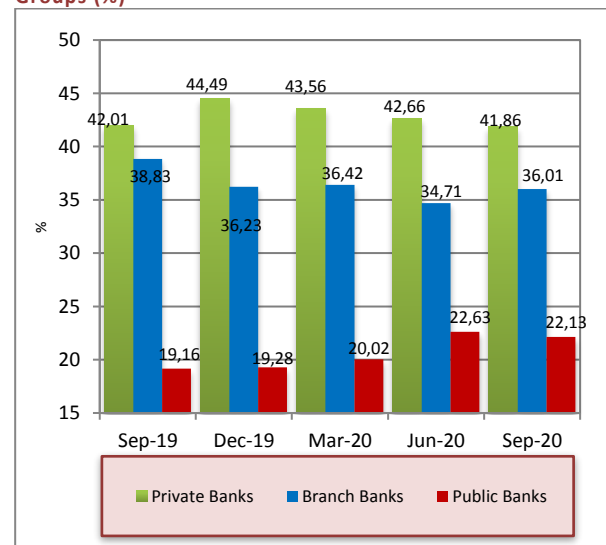
Chart 5.5: Quarterly Percentage Change of Cash and Cash Equivalents



Source: Central Bank of TRNC

In the third quarter of 2020, shares of private and public banks decreased, while the share of branch banks increased. In September 2019 - September 2020 period, there has been a growth in the group of public banks, and downsizing in branch banks and 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 16,601.4 million TRY as of September 2020, are in the first rank as in the previous periods. They are followed by consumer loans with a total of 6,269.3 million TRY.

During the period from September 2019 to September 2020, business loans increased from 12,274.1 million TRY to 16,601.4 million TRY while consumer loans increased from 4,631.6 million TRY to 6,269.3 million TRY.

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

	2019			2020	
	September	December	March	June	September
<b>Business Loans</b>	12.274,1	13.782,8	14.143,8	14.807,8	16.601,4
<b>Consumer Loans</b>	4.631,6	5.075,2	5.352,9	5.618,8	6.269,3
<b>Credit Cards</b>	541,6	556,7	508,7	576,6	639,6
<b>Discount Loans</b>	243,0	268,3	294,3	184,5	219,5
<b>Other Investment Loans</b>	89,5	124,7	126,5	131,2	173,2
<b>Import Loans</b>	3,8	4,2	4,5	4,7	5,2
<b>Loans of Funds Originated</b>	20,7	21,5	23,1	23,6	26,0
<b>Directed Loans</b>	32,8	40,6	43,3	64,8	73,5
<b>Export Loans</b>	1,9	1,8	1,3	0,7	0,3
<b>Loans Extended by Central Bank of the TRNC</b>	8,4	0,0	0,0	0,0	5,4
<b>Loans Extended Through Central Bank of the TRNC</b>	0,0	0,0	0,0	0,0	0,0
<b>Loans to Purchase Security for Customers</b>	0,0	0,0	0,0	0,0	0,0
<b>Export Guaranteed Investment Loans</b>	0,0	0,0	0,0	0,0	0,0
<b>Other Loans</b>	1.212,9	1.232,0	1.482,6	1.574,7	1.750,6
<b>Total Loans</b>	<b>19.060,3</b>	<b>21.107,8</b>	<b>21.981,0</b>	<b>22.987,4</b>	<b>25.764,0</b>

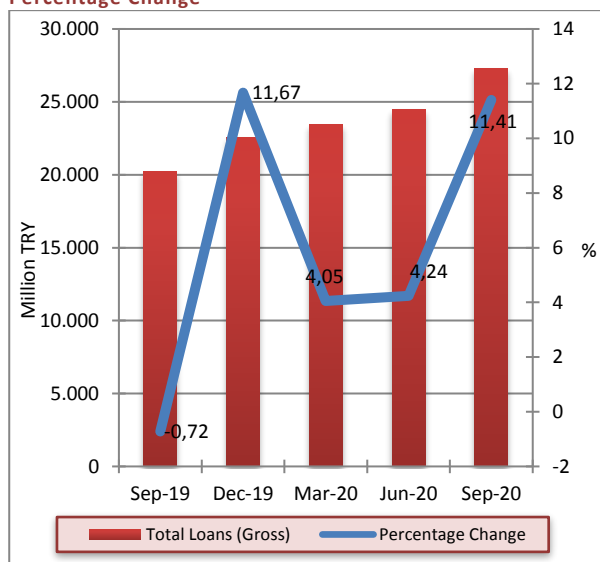
Source: Central Bank of TRNC

Note: Non-performing loans are not included.

In 2019, gross loans decreased by 7.2 per mille in the third quarter, while increasing by 11.67 percent in the third quarter. Total gross loans increased by 4.05, 4.24 and 11.41 percent in the first, second and third quarters of 2020, respectively.

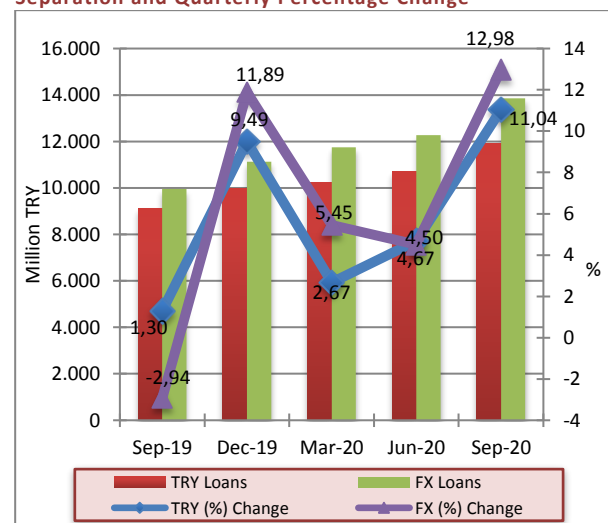
In the third quarter of 2020, 11,900.8 million TRY of the loans is in TRY currency and 13,863.2 million TRY is in foreign currency. In the period, there has been an increase of 11.04 percent in TRY loans and 12.98 percent in FX loans, compared to the previous quarter.

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



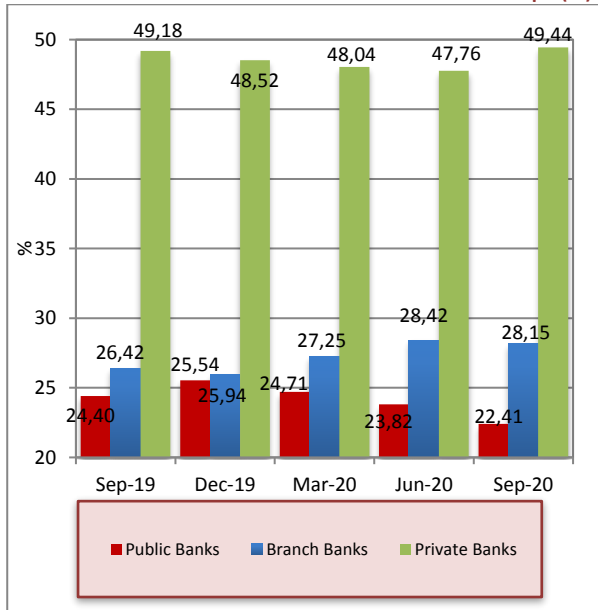
Source: Central Bank of TRNC

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 23.82 to 22.41 and the share of branch banks from 28.42 to 28.15 percent in the third quarter of 2020, while the share of private banks increased from 47.76 to 49.44 percent in the third quarter of 2020, compared to the previous quarter. During September 2019 - September 2020 period, the shares of private banks and branch banks in total loans increased, while the share of public banks decreased.

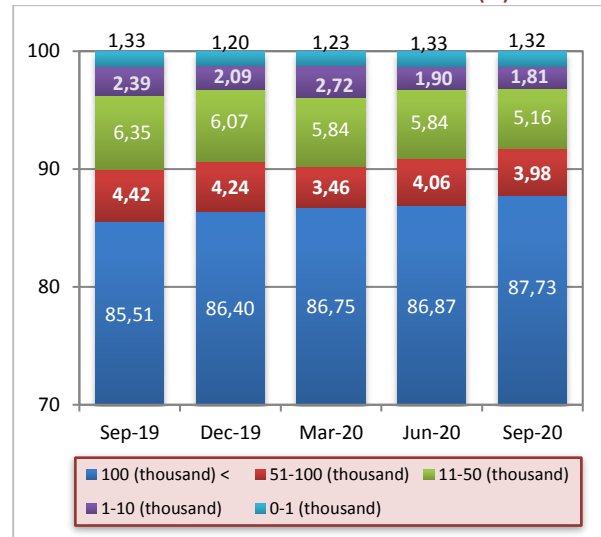
Chart 5.9: Share of Gross Loans Based on Bank Groups (%)



Source: Central Bank of TRNC

By the end of the third quarter of 2020, the share of loans over 100 thousand TRY in total loans has been 87.73 percent. In this period, 11-50 thousand TRY loans take second place in loan sizes with a share of 5.16 percent. Loans amounting to 51-100 thousand TRY and 1-10 thousand TRY constitute 3.98 and 1.81 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 1.32 percent.

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

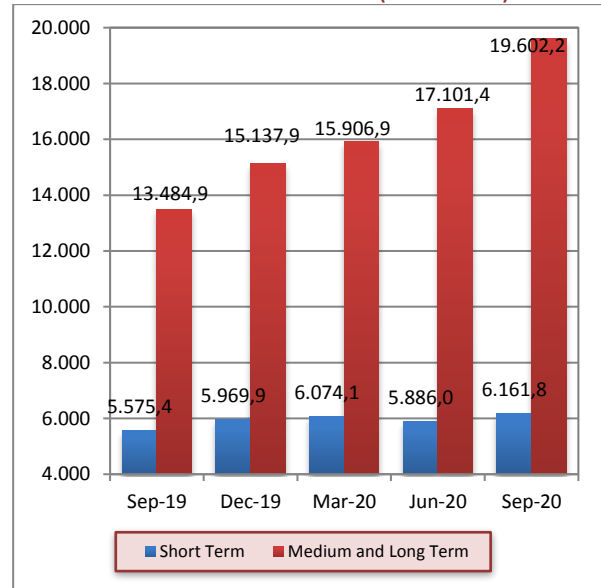


Source: Central Bank of TRNC

Note: Non-performing loans are not included.

In the third quarter of 2020, short-term loans increased from 5.886 million TRY to 6,161.8 million TRY, and medium and long-term loans from 17,101.4 million TRY to 19,602.2 million TRY. Between September 2019 and September 2020, short-term loans increased by 10.52 percent and medium and long-term loans increased by 45.36 percent.

Chart 5.11: Term Structure in Loans (Million TRY)



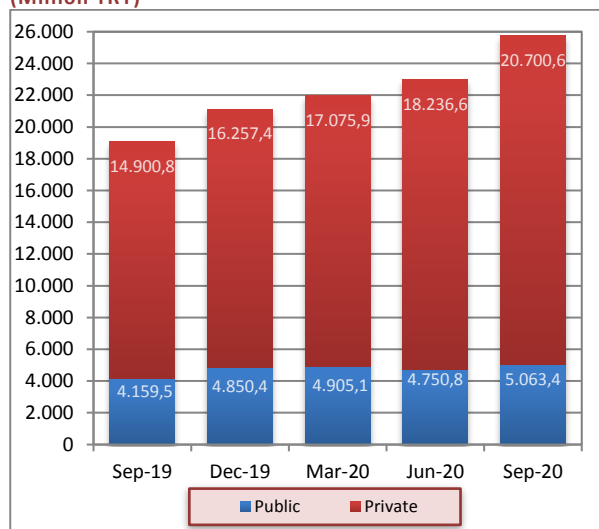
Source: Central Bank of TRNC

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

As of September 2020, 80.35 percent of the banking sector’s total loans have been extended to the private sector and 19.65 percent to the public sector. Compared to the previous quarter, loans used by the public sector increased from 4,750.8 million TRY to 5,063.4 million TRY and private sector loans increased from 18,236.6 million TRY to 20,700.6 million TRY.

In September 2019 - September 2020 period, the increase rate of the loans used by the public has been 21.73 percent and the loans used by the private sector have increased by 38.92 percent.

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

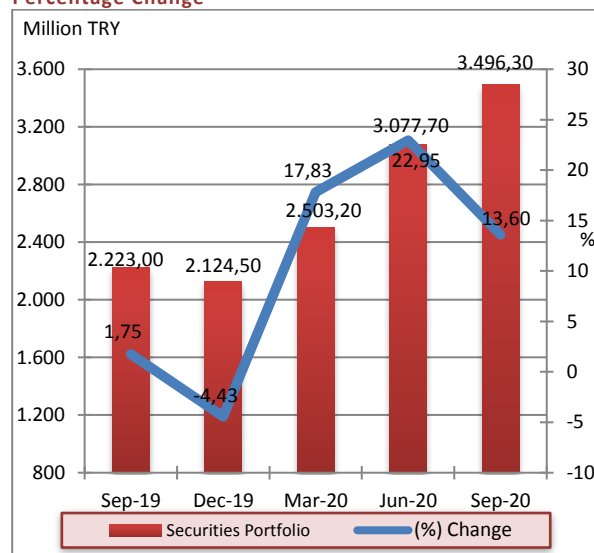


Source: Central Bank of TRNC

### 5.2.4 SECURITIES PORTFOLIO

Securities portfolio increased by 1.75 percent in September 2019, then decreased by 4.43 in December 2019, compared to the previous quarter. Securities portfolio increased by 17.83, 22.95 and 13.6 percent in March, June and September 2020, respectively, compared to the previous quarter.

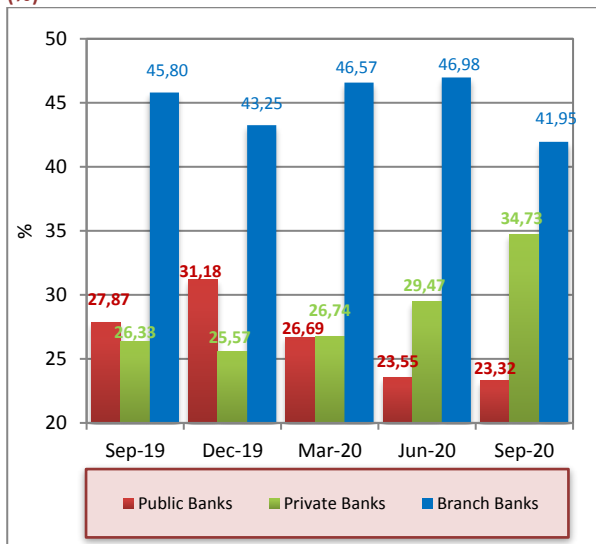
**Chart 5.13: Securities Portfolio Totals and Quarterly Percentage Change**



Source: Central Bank of TRNC

By the end of the third quarter of 2020, the share of public banks in total SP decreased from 23.55 percent to 23.32 percent and the share of branch banks from 46.98 percent to 41.95 percent, while the share of private banks increased from 29.47 percent to 34.73 percent, compared to the previous quarter. During September 2019 - September 2020 period, the shares of public banks and branch banks in total loans decreased, while the share of private banks increased.

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 13.74 percent in the third quarter of 2020, compared to the previous quarter. Deposits increased by 32.74 percent in the one year and amounted to 40,120.4 million TRY at the end of September 2020.

As of the end of September 2020, it is observed that the largest share belongs to savings deposits with 28,590 million TRY as it was in the previous periods. This is followed by commercial deposits with 8,238.1 million TRY and official deposits with 2,611.8 million TRY. In September 2019 - September 2020 period, savings deposits increased by 34.33 percent, commercial deposits by 46.41 percent, while official deposits decreased by 8.7 percent.

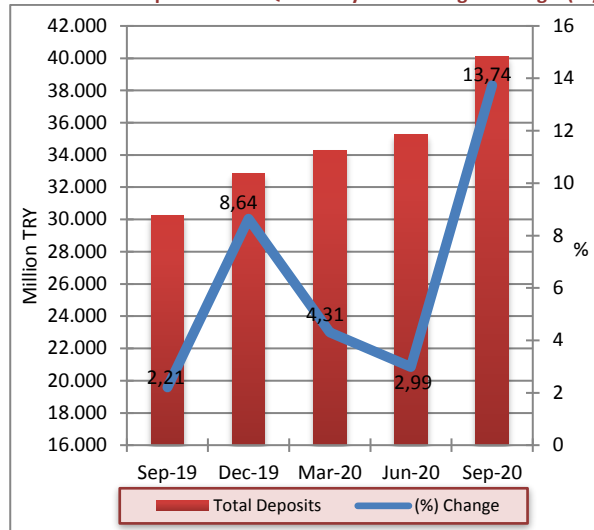
Table 5.12: Development of Deposits by Type (Million TRY)

	2019			2020		Percentage Change	
	September	December	March	June	September	06/2020 – 09/2020	09/2019 – 09/2020
<b>Savings</b>	21.283,6	23.316,4	24.047,1	25.082,7	28.590,0	13,98	34,33
<b>Commercial</b>	5.626,8	6.457,5	6.968,7	7.265,8	8.238,1	13,38	46,41
<b>Official</b>	2.860,6	2.624,6	2.685,6	2.325,6	2.611,8	12,31	-8,70
<b>Other</b>	453,8	438,8	550,1	601,0	680,5	13,23	49,96
<b>Total Deposits</b>	<b>30.224,8</b>	<b>32.837,3</b>	<b>34.251,5</b>	<b>35.275,1</b>	<b>40.120,4</b>	<b>13,74</b>	<b>32,74</b>
<b>Debts to Banks</b>	2.270,1	2.436,6	2.250,8	2.242,0	2.549,6	13,72	12,31
<b>Total Deposits Including Debts to Banks</b>	<b>32.494,9</b>	<b>35.273,9</b>	<b>36.502,3</b>	<b>37.517,1</b>	<b>42.670,0</b>	<b>13,73</b>	<b>31,31</b>

Source: Central Bank of TRNC

In 2019, total deposits increased by 2.21 percent in the third quarter and by 8.64 percent in the last quarter. Total deposits increased by 4.31, 2.99 and 13.74 percent in the first, second and third quarters of 2020, respectively.

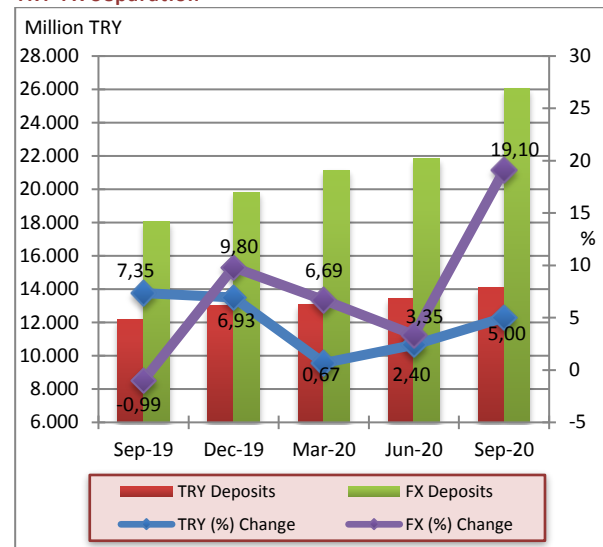
Chart 5.15: Deposits and Quarterly Percentage Change (%)



Source: Central Bank of TRNC

In the third quarter of 2020, it is observed that deposits amounted to 14,087.4 million TRY in Turkish Lira currency and 26,033 million TRY in foreign currency. In this period, TRY deposits increased by 5 percent and FX deposits increased by 19.1 percent, compared to the previous quarter.

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



Source: Central Bank of TRNC

At the end of September 2020, compared to the previous quarter, TRY deposits of public banks decreased by 1.61 percent and FX deposits increased by 22.08 percent, private banks' TRY deposits increased by 6.57 percent and FX deposits increased by 19.75 percent. In the same period, branch banks' TRY deposits increased by 10.92 percent and FX deposits increased by 15.54 percent.

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

	June 2020			September 2020			Percentage Change 06/2020 - 09/2020		
	TRY	FX	Total	TRY	FX	Total	TRY	FX	Total
Public Banks	4.662,7	4.329,3	8.992,0	4.587,7	5.285,2	9.872,9	-1,61	22,08	9,80
Private Banks	4.820,6	11.739,9	16.560,5	5.137,4	14.058,4	19.195,8	6,57	19,75	15,91
Branch Banks	3.932,8	5.789,8	9.722,6	4.362,3	6.689,4	11.051,7	10,92	15,54	13,67
<b>Total Deposits</b>	<b>13.416,1</b>	<b>21.859,0</b>	<b>35.275,1</b>	<b>14.087,4</b>	<b>26.033,0</b>	<b>40.120,4</b>	<b>5,00</b>	<b>19,10</b>	<b>13,74</b>

Source: Central Bank of TRNC

As in previous periods, the maturity concentration of the banking sector deposits belongs to 1-month deposits with a ratio of 249.71 percent in September 2020. 1-month deposits are followed by, 3-month deposits with a share of 18.43 percent, demand deposits with a share of 17.22 percent, 1-year deposits with a share of 10.66 percent and 6-month deposits with a share of 3.98 percent.

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

0.38 points in demand deposits, 0.19 points in 3-month deposits, 0.07 points in 6-month deposits and 0.47 points in 1-year deposits, while 1-month deposits decreased by 1.11 points.

During September 2019 - September 2020 period, demand and 1-year deposits increased by 2.55 and 0.77 points respectively, while 1-month, 3-month and 6-month deposits decreased by 2.12, 0.99 and 0.21 points, respectively.

**Table 5.14: Maturity Distribution of Deposits (%)**

	2019			2020		Change (Points)	
	September	December	March	June	September	06/2020-09/2020	09/2019-09/2020
<b>Demand</b>	14,67	14,34	15,00	16,84	17,22	0,38	2,55
<b>1-Month</b>	51,83	51,72	51,20	50,82	49,71	-1,11	-2,12
<b>3-Month</b>	19,42	19,68	19,06	18,24	18,43	0,19	-0,99
<b>6-Month</b>	4,19	3,89	4,17	3,91	3,98	0,07	-0,21
<b>1-Year</b>	9,89	10,37	10,57	10,19	10,66	0,47	0,77
<b>Total</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>	<b>100,00</b>		

Source: Central Bank of TRNC

When the distribution of deposits in the banking sector is analysed by their size, 0-5 thousand TRY decreased from 345.4 million TRY to 341.1 million TRY, 5-10 thousand TRY deposits from 422.3 million TRY to 411.4 million TRY, 10-50 thousand TRY deposits from 2,740.8 to 2,715.5 million TRY, 50-100 thousand TRY deposits from 3,524.9 million TRY to 3,421.2 million TRY, while

deposits over 100 thousand TRY deposits increased from 28,241.7 million TRY to 33,231.2 million TRY as of the end of September 2020, compared to the previous quarter. In the third quarter of 2020, the share of deposits over 100 thousand TRY has been 82.83 percent, and deposits of 50-100 thousand TRY had a share of 8.53 percent.

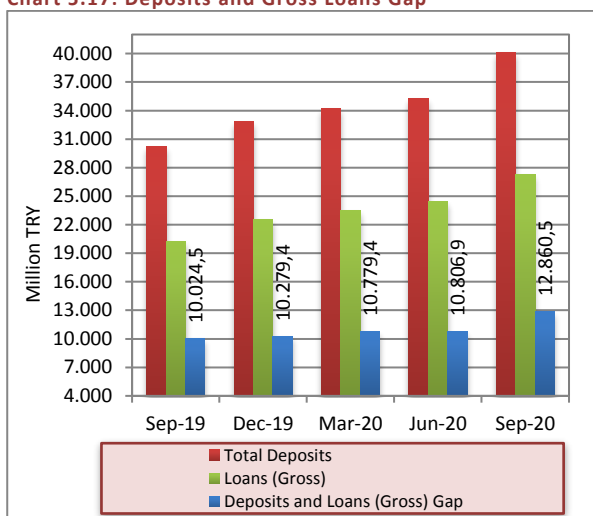
**Table 5.15: Distribution of Deposits by Size (Million TRY)**

	2019			2020	
	September	December	March	June	September
<b>0-5 thousand TRY</b>	325,8	335,0	333,8	345,4	341,1
<b>5-10 thousand TRY</b>	387,0	417,7	388,6	422,3	411,4
<b>10-50 thousand TRY</b>	2.498,9	2.663,7	2.565,9	2.740,8	2.715,5
<b>50-100 thousand TRY</b>	3.782,5	3.671,3	3.501,3	3.524,9	3.421,2
<b>Over 100 thousand TRY</b>	23.230,6	25.749,6	27.461,9	28.241,7	33.231,2
<b>Total Deposits</b>	<b>30.224,8</b>	<b>32.837,3</b>	<b>34.251,5</b>	<b>35.275,1</b>	<b>40.120,4</b>

Source: Central Bank of TRNC

Total deposits and gross loans gap, which was 10,806.9 million TRY at the end of June 2020, has increased by 2,053.6 million TRY and rose to 12,860.5 million TRY at the end of September 2020.

Chart 5.17: Deposits and Gross Loans Gap

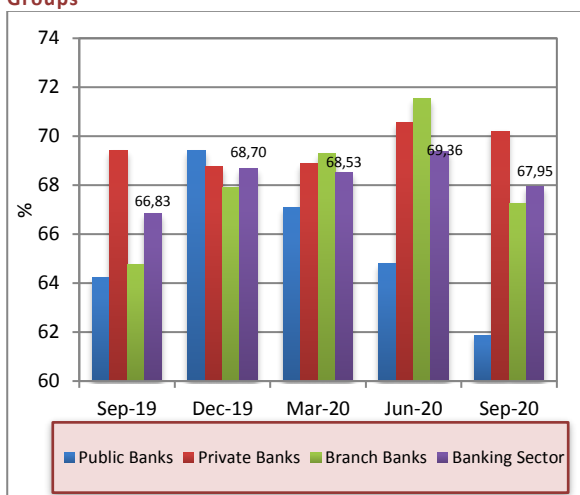


Source: Central Bank of TRNC

Loans to total deposits ratio, which is one of the indicators of the banking sector's depth and intermediary function, was 69.36 percent at the end of June 2020, afterwards, it has declined to 67.95 percent at the end of September 2020. The loans to total deposits ratio increased by 1.12 points in one year.

When the loans to deposits ratio at the end of September 2020 is examined based on bank groups, private banks rank first with 70.21 percent. Private banks are followed by branch banks with a rate of 67.27 percent. Public banks have a conversion rate of 61.88 percent.

Chart 5.18: Deposits to Loans (Gross) Ratio Based on Bank Groups



Source: Central Bank of TRNC

### 5.2.6 SHAREHOLDERS' EQUITY

Shareholders' equity, which is of great importance in terms of stability and healthy development of the sector, increased by 5.98 percent, compared to the previous quarter and reached 4,260.9 million TRY at the end of the third quarter of 2020.

Shareholders' equity increased by 14.59 percent in September 2019 - September 2020 period. In the one-year period, the paid-in capital of the sector increased by 52.2 million TRY, and reserve requirements increased by 443 million TRY.

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

	2019				2020
	Sept.	Dec.	March	June	Sept.
Paid-in Capital	1.329,1	1.332,3	1.332,7	1.378,9	1.381,3
Reserve Requirements	923,6	929,0	1.088,4	1.207,3	1.366,6
Fixed Asset Revaluation Fund	2,2	3,0	3,0	3,0	3,6
Securities Value Increment Fund	150,1	168,4	173,8	181,0	215,1
Period Profit (Loss)	749,2	808,9	196,2	351,0	556,8
Accumulated Profit (Loss)	564,3	558,8	1.166,5	899,1	737,5
<b>Total</b>	<b>3.718,5</b>	<b>3.800,4</b>	<b>3.960,6</b>	<b>4.020,3</b>	<b>4.260,9</b>

Source: Central Bank of TRNC

### 5.3 MONEY SUPPLY

Money supply classified as narrow money, M1, increased by 13.98 percent at the end of September 2020 compared to June 2020 and rose from 8,528 million TRY to 9,719.8 million TRY. M1 increased by 43.46 percent in one-year period.

The money supply qualified as M2, which amounted to 35,868.4 million TRY at the end of June 2020, increased by 13.44 percent in the third quarter of 2020 and reached 40,687.9 million TRY. M2 increased by 35.13 percent in one-year period.

M3 money supply classified as broad money, which is estimated by adding official deposits and other deposits within the Central Bank of the TRNC to the M2, increased by 14.27 percent in the third quarter of 2020 compared to the previous quarter and rose from 38,322.4 million TRY to 43,790.6 million TRY. The increase rate of M3 is 31.73 percent, compared to the same period of the previous year.

Table 5.17: Money Supply (Million TRY)

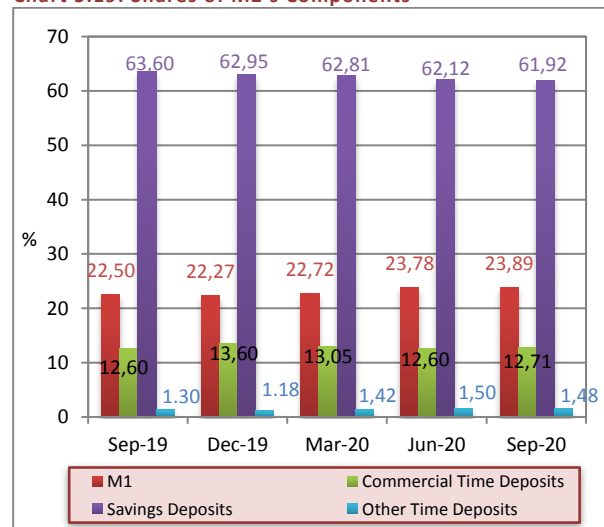
Years	Period	M1	Annual Percentage Change	M2	Annual Percentage Change	M3	Annual Percentage Change
2016	III	3.158,0	11,59	15.285,2	7,04	16.319,0	8,02
	IV	3.544,1	24,74	16.946,4	19,21	17.996,6	19,10
2017	I	3.754,8	34,20	18.019,6	25,66	19.209,2	26,53
	II	3.906,7	31,23	18.670,5	27,70	20.066,2	28,69
	III	4.126,2	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
	IV	7.386,0	28,97	33.164,4	23,53	35.890,4	24,32
2020	I	7.871,1	24,98	34.643,4	19,25	37.619,0	20,47
	II	8.528,0	29,57	35.868,4	19,30	38.322,4	18,31
	III	9.719,8	43,46	40.687,9	35,13	43.790,6	31,73

Source: Central Bank of the TRNC

As in previous periods, the largest share in M2 is 61.92 percent with the savings deposits as of September 2020. This is followed by M1 with a share of 23.89 percent, commercial time deposits with 12.71 percent and other time deposits with a ratio of 1.48 percent.

Savings time deposit, which constitutes the largest share of the structure of M2, decreased by 1.68 points from 63.6 percent to 61.92 percent in September 2019 - September 2020 period. In the mentioned period, M1, one of the other subcomponents of M2, increased from 22.5 percent to 23.89 percent, commercial time deposits from 12.6 to 12.71 percent, and other time deposits from 1.3 percent to 1.48 percent.

Chart 5.19: Shares of M2's Components



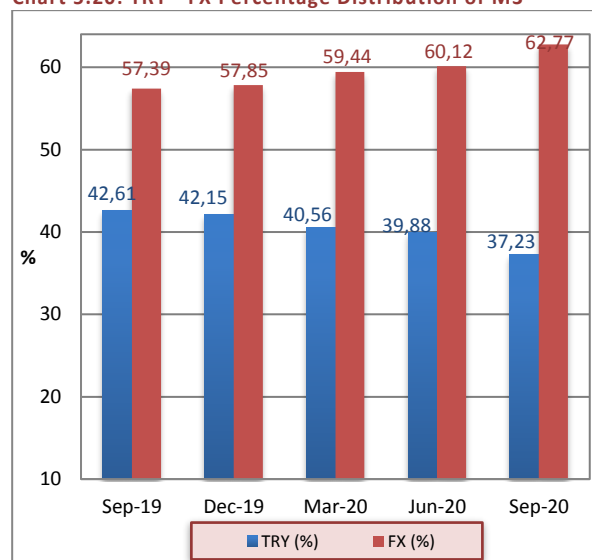
Source: Central Bank of TRNC

Analysing the TRY-FX percentage distribution of M3 as of September 2020, it is observed that the share of TRY deposits in M3 is 37.23 percent and the share of FX deposits is 62.77 percent. These shares were 42.61 percent in TRY and 57.39 percent in FX at the end of September 2019.

#### 5.4 OVERVIEW OF INTERBANK MONEY MARKET

As of the third quarter of 2020, there have been 787 transactions in TRY, 675 transactions in USD, 252 transactions in EUR and 479 transactions in GBP currency, within the interbank money market operating under the TRNC Central Bank. In this period, transactions of 59,058 million TRY in Turkish Lira currency, 2,273 million USD, 9,307 million EUR and 6,981 million GBP in foreign currency were made.

Chart 5.20: TRY - FX Percentage Distribution of M3



Source: Central Bank of TRNC

Table 5.18: Transaction Volume (x 1.000) and Amount

	TRY		\$		€		£	
	Number	Volume	Number	Volume	Number	Volume	Number	Volume
2019 - Q3	878	49.312.550	518	1.367.725	215	8.981.250	567	6.124.550
2019 - Q4	855	59.581.150	600	2.333.775	162	9.307.000	580	6.981.350
2020 - Q1	845	61.885.050	523	1.786.925	189	7.218.250	549	6.072.875
2020 - Q2	752	42.667.500	539	1.440.375	211	5.633.725	423	3.850.000
2020 - Q3	787	59.058.150	675	2.272.575	252	3.157.825	479	5.112.275

Source: Central Bank of TRNC



Looking at the volume distributions of overnight transactions made in the third quarter of 2020, it is observed that the shares are 99.99 percent in TRY, 99.91 percent in USD, 98.85 in EUR and 100 percent in GBP. In the same period, the share of 1-month

transactions was 1 in ten thousand TL and 9 per ten thousand in US dollars. It is seen that the share of 1-month transactions in the Euro currency is 1.08 percent, and the share of 3-month transactions is 6 per ten thousand.

Table 5.19: Transaction Volume (x 1.000)

	TRY		\$		€		£	
	Volume	Share (%)	Volume	Share (%)	Volume	Share (%)	Volume	Share (%)
<b>2019 Q3</b>	<b>49.312.550</b>		<b>1.367.725</b>		<b>8.981.250</b>		<b>6.124.550</b>	
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
<b>2019 Q4</b>	<b>59.581.150</b>		<b>2.333.775</b>		<b>9.307.000</b>		<b>6.981.350</b>	
ON	59.562.650	99,97	2.333.375	99,98	9.302.000	99,95	6.968.400	99,81
1W	7.500	0,01						
2W			300	0,02				
3W								
1M	11.000	0,02			5.000	0,05	12.950	0,19
3M			100					
<b>2020 Q1</b>	<b>61.885.050</b>		<b>1.786.925</b>		<b>7.218.250</b>		<b>6.072.875</b>	
ON	61.884.050	100,00	1.786.925	100,00	7.210.950	99,90	6.068.075	99,92
1W	1.000							
2W								
3W								
1M					7.300	0,10	4.800	0,08
3M								
<b>2020 Q2</b>	<b>42.667.500</b>		<b>1.440.375</b>		<b>5.633.725</b>		<b>3.850.000</b>	
ON	42.667.000	100,00	1.440.375	100,00	5.608.500	99,55	3.846.050	99,90
1W					150	0,00		
2W								
3W								
1M	500	0,00			25.000	0,44	3.950	0,10
3M					75	0,00		
<b>2020 Q3</b>	<b>59.058.150</b>		<b>2.272.575</b>		<b>3.157.825</b>		<b>5.112.275</b>	
ON	59.053.650	99,99	2.270.575	99,91	3.121.600	98,85	5.112.275	100,00
1W								
2W								
3W								
1M	4.500	0,01	2.000	0,09	34.225	1,08		
3M					2.000	0,06		

Source: Central Bank of TRNC

Note: ON: Overnight  
W: Week  
M: Month

Average interest rates for overnight transactions made in the third quarter of 2020 have been 6.14 percent in TRY, 0.54 percent in USD, 0.13 percent in EUR, and 0.28 percent in GBP. Average interest rates for 1-month

transactions have been 9.5 percent in TRY, 0.6 percent in USD, and 0.36 percent in EUR. Average interest rates for 3-month transactions have been 1.3 percent in EUR.

Table 5.20: Average Interest Rates (%)

		2019		2020		
		Q3	Q4	Q1	Q2	Q3
TRY	ON	14,76	9,25	7,01	5,75	6,14
	1W	16,97	8,88	9,75		
	2W					
	1M	18,50	10,42		7,00	9,50
	3M					
\$	ON	1,25	1,22	0,72	0,50	0,54
	1W					
	2W		1,50			
	3W					
	1M	1,50				0,60
	3M		4,00			
€	ON	0,32	0,16	0,07	0,07	0,13
	1W				1,25	
	2W					
	3W					
	1M	0,70	0,45	0,39	0,29	0,36
	3M				1,50	1,30
£	ON	0,53	0,37	0,20	0,20	0,28
	1W					
	2W					
	3W					
	1M	1,40	0,67	0,44	0,32	

Source: Central Bank of TRNC

Note: ON: Overnight

W: Week

M: Month

## 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 the Central Bank of the TRNC.

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

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

As of March 2020, within the scope of the measures taken after the Covid-19 outbreak was seen in our country, credit card interest rates were lowered. As of April, the monthly maximum contractual interest rate was determined as 1 percent for TRY and 0.75 percent for FX, and these rates were maintained in the July and September decisions.

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
02/01/2020 (OG 1)	2,35	2,85	1,21	1,71
01/04/2020 (OG 56)	1,00	1,50	0,75	1,25
01/07/2020 (OG 123)	1,00	1,50	0,75	1,25
01/10/2020 (OG 188)	1,00	1,50	0,75	1,25

Source: Central Bank of TRNC

## 5.6 NON-BANK FINANCIAL INSTITUTIONS

### 5.6.1 INTERNATIONAL BANKING UNITS

As of September 2020, the total asset size of the six International Banking Units decreased by 13.24 percent compared to the end of 2019 and declined to 300.1 million USD. In the aforementioned period, cash and cash equivalents decreased by 37.62 percent to 81.1 million USD, gross loans decreased by 3.09 percent to 207.1 million USD, while other assets increased 440.91 percent to 11.9 million USD.

Total deposits decreased by 15.43 percent in December 2019 - September 2020 period and declined to 235.7 million USD. Debts to banks increased by 36.07 percent, reaching 8.3 million USD, while shareholders' equity decreased by 8.15 percent to 55.2 million USD, and other liabilities item decreased by 10 percent to 0.9 million USD.

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

	December 2019	September 2020	Percentage Change
<b>Cash and Cash Equivalents</b>	130,0	81,1	-37,62
<b>Loans (Gross)</b>	213,7	207,1	-3,09
<b>Other Assets</b>	2,2	11,9	440,91
<b>Assets/Liabilities</b>	<b>345,9</b>	<b>300,1</b>	<b>-13,24</b>
<b>Deposits</b>	278,7	235,7	-15,43
<b>Debts to Banks</b>	6,1	8,3	36,07
<b>Shareholders' Equity</b>	60,1	55,2	-8,15
<b>Other Liabilities</b>	1,0	0,9	-10,00

Source: Central Bank of TRNC

### 5.6.2 INSURANCE COMPANIES

As of the end of 2019, 33 insurance companies are operating in the sector. The consolidated asset size of the insurance companies, which was 711.7 million TRY as of the end of 2018, increased by 20.25 percent and reached 855.8 million TRY. Cash values were 284,8 million TRY, receivables were 178,7 million TRY and fixed assets were 171,6 million TRY as of the end of 2019.

Debts, which are one of the liability items of the consolidated balance sheet of the insurance companies, increased by 2.87 percent to 96.8 million TRY, provisions increased by 27.74 percent to 498.3 million TL, shareholders' equity increased by 11.78 percent to 176.5 million TRY, in one-year period (December 2018-December 2019). In the same period, the profits increased by 25.43 percent and reached 66.1 million TRY.

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

	2018	2019	Percentage Change
<b>Cash Assets</b>	235,7	284,8	20,83
<b>Receivables</b>	148,3	178,7	20,50
<b>Fixed Assets</b>	154,1	171,6	11,36
<b>Other Assets</b>	173,6	220,7	27,13
<b>Assets/Liabilities</b>	<b>711,7</b>	<b>855,8</b>	<b>20,25</b>
<b>Debts</b>	94,1	96,8	2,87
<b>Provisions</b>	1	498,3	27,74
<b>Shareholders' Equity</b>	157,9	176,5	11,78
<b>Profit/Loss</b>	52,7	66,1	25,43
<b>Other Liabilities</b>	16,9	18,1	7,10

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

## 5.6.3 COOPERATIVES

The balance sheet dated December 2019 on cooperatives operating in the country was prepared based on the data of 66 cooperatives, which had submitted balance sheets to the supervision system as a result of the audit completed on December 31, 2019.

The consolidated asset size of the insurance companies, which was 1,768.2 million TRY as of the end of 2018, increased by 10.52 percent and reached 1,954.2 million TRY at the end of 2019.

As of the end of December 2019, cash and cash equivalents increased by 18.97 percent to 895.1 million TRY, and gross loans increased by 5.2 per mille to 947.2 million TRY, compared to the previous year.

In the same period, deposits decreased by 12.38 percent to 1,721.4 million TRY, shareholders' equity increased by 2.88 percent to 160.7 million TRY while other liabilities decreased by 10.1 percent to 72.1 million TRY.

**Table 5.24: Consolidated Balance Sheet of Cooperatives (Million TRY)**

	2018	2019	Percentage Change
<b>Cash and Cash Equivalents</b>	752,4	895,1	18,97
<b>Loans (Gross)</b>	942,3	947,2	0,52
<b>Other Assets</b>	73,5	111,9	52,2
<b>Assets/Liabilities</b>	<b>1.768,2</b>	<b>1.954,2</b>	<b>10,52</b>
<b>Deposits</b>	1.531,8	1.721,4	12,38
<b>Shareholders' Equity</b>	156,2	160,7	2,88
<b>Other Liabilities</b>	80,2	72,1	-10,10

Source: TRNC Registrar of Cooperative Companies

## 5.6.4 EXCHANGE OFFICES

There are 43 operating exchange offices as of the end of 2019. As of the end of 2019, when the consolidated balance sheet of the exchange offices is analysed, it is seen that there is an increase in cash and cash equivalents, commercial and other receivables and stocks, compared to the previous year. Compared to the end of 2019, cash and cash equivalents increased by 1.9 million TRY, commercial and other receivables by 600 million TRY, and stocks by 3.4 million TRY.

As of the end of 2019, the consolidated asset size of the exchange offices increased by 16.67 percent compared to the previous year and reached 41.3 million TRY. As of the end of 2019, short-term liabilities in the liability structure amounted to 6.4 million TRY, long-term liabilities amounted to 700 million TRY, shareholders' equity to 34.2 million TRY and the profit amounted to 800 million TRY.

**Table 5.25: Consolidated Balance Sheet of Exchange Offices (Million TRY)**

	2018	2019	Percentage Change
<b>Current Assets</b>	34,6	40,7	17,63
- Cash and Cash Equivalents	19,5	21,4	9,74
- Commercial and Other Receivables	0,2	0,8	300,00
- Stocks	14,9	18,3	22,82
- Other Current Assets	-	0,2	100,00
<b>Fixed Assets</b>	0,8	0,6	-25,00
<b>Assets/Liabilities</b>	<b>35,4</b>	<b>41,3</b>	<b>16,67</b>
<b>Foreign Resources</b>	8,0	7,1	-11,25
- Short Term	5,9	6,4	8,47
- Long Term	2,1	0,7	-66,67
<b>Shareholders' Equity</b>	27,4	34,2	24,82
- Profit/Loss	-0,3	0,8	366,67
- Other Shareholders' Equity	27,7	33,4	20,58

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

Note: Year-end consolidated balance sheet of 2018 consists of the data of 35 exchange offices, and the year-end consolidated balance sheet of 2019 consists of the data of 39 exchange offices.



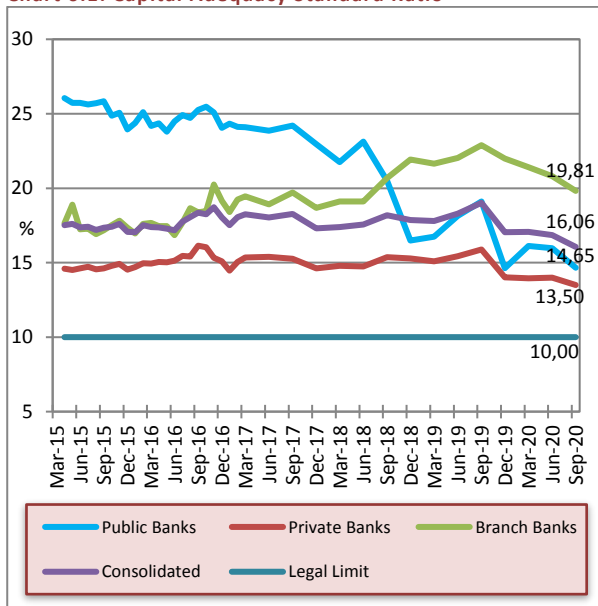
## 6 FINANCIAL STABILITY ANALYSIS

### 6.1 CAPITAL ADEQUACY

In the third quarter of 2020, the sector’s capital adequacy standard ratio decreased by 0.8 points compared to the previous quarter and reached 16.06 percent, well above the legal limit of 10 percent.

As of September 2020, CASR based on bank groups has been 14.65 percent in public banks, 13.5 percent in private banks and 19.81 percent in branch banks. As of June 2020, these ratios have been 15.97, 14 and 20.81 percent, respectively. Compared to the same period of the previous year, CASR decreased by 4.46 points in public banks, by 2.38 points in private banks and by 1.08 points in branch banks in September 2020.

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 2020, assets with 0 percent risk weight increased by 19.4 percent, assets with 50 percent risk weight by 15.4 percent, and assets with 100 percent risk weight increased by 12.4 percent. In the period concerned, total market risk and operational risk increased by 254.6 million TRY and reached 5,242.5 million TRY, compared to the previous period. Total market risk and operational risk of the sector increased by 1,406.5 million TRY in one-year period (September 2019 - September 2020).

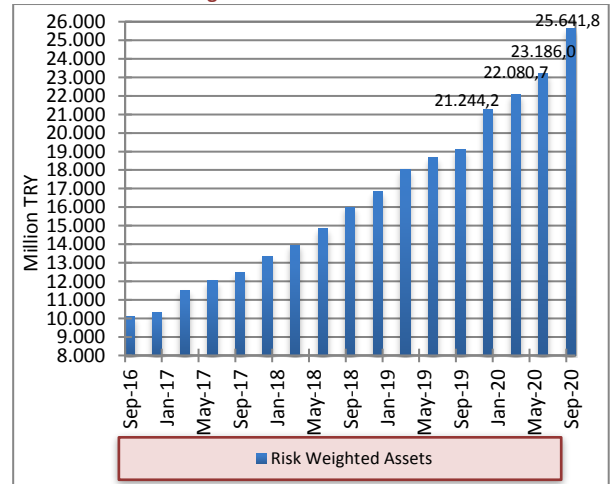
Table 6.1: Risk-Weighted Assets

	Sept. 2019	Dec. 2019	March 2020	Jun. 2020	Sept. 2020	% Change (06/20-09/20)
0 %	14.534,4	14.865,8	15.205,2	15.357,5	18.330,9	19,4
20 %	7.340,8	8.565,5	8.365,9	8.327,3	8.202,0	-1,5
50 %	8.291,1	9.076,9	11.068,3	11.725,3	13.527,5	15,4
100 %	9.649,9	10.464,6	10.085,5	10.670,7	11.995,1	12,4
Market Risk + Operational Risk	3.836	4.528,1	4.787,9	4.987,3	5.242,5	5,1

Source: Central Bank of TRNC

In the third quarter of 2020, risk-weighted assets increased by 11 percent, compared to the previous quarter. The weighted sum of risk-weighted assets, which amounted to 23,186 million TRY as of June 2020, increased by 2,445.8 million TRY at the end of September 2020 and reached 25,641.8 million TRY. Risk-weighted assets of the sector increased by 34.3 percent in September 2019 - September 2020 period.

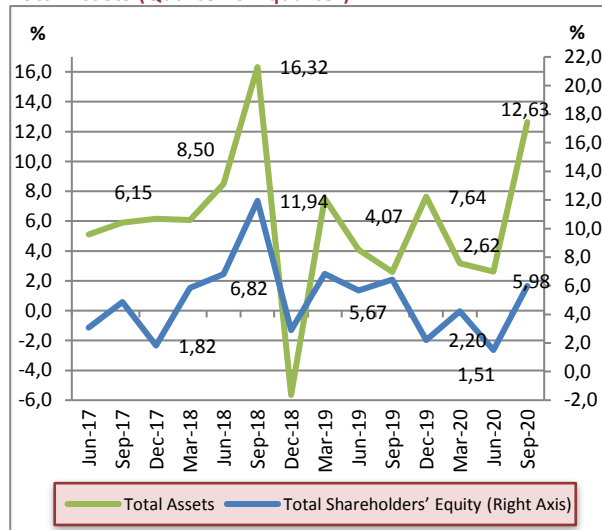
Chart 6.2: Risk-Weighted Assets



Source: Central Bank of the TRNC

As of the end of September 2020, total assets increased by 12.63 percent and total shareholders' equity increased by 5.98 percent, compared to June 2020. Total assets and shareholders' equity increased by 28.38 percent and 14.59 percent, respectively, compared to the same period of the previous year.

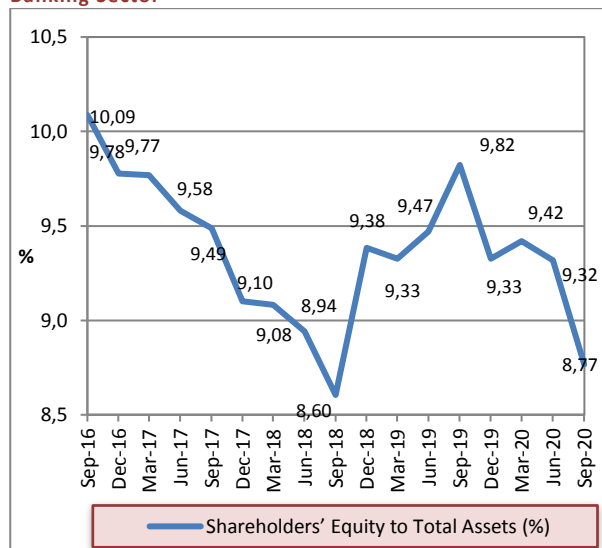
**Chart 6.3: Increase Rates in Total Shareholders' Equity and Total Assets (Quarter-on-quarter)**



Source: Central Bank of TRNC

The ratio of total shareholders' equity to total assets in the banking sector, which declined in 2019, has increased in the first quarter of 2020, then declined again in the second and third quarters to reach 9.32 and 8.77 percent.

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

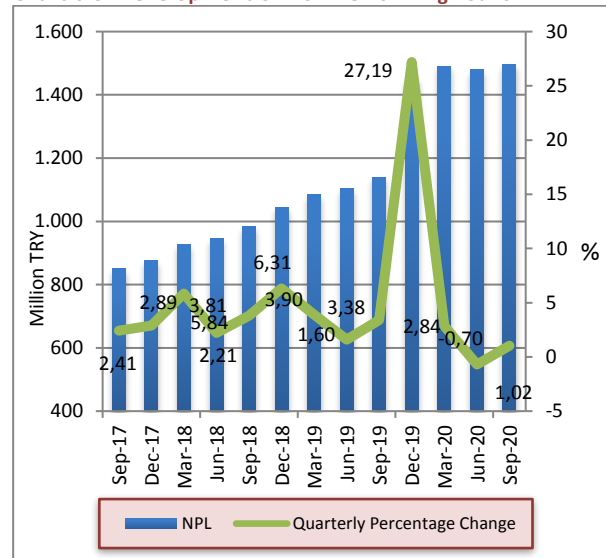


Source: Central Bank of TRNC

## 6.2 NON-PERFORMING LOANS

Sector's non-performing loans, amounting to 1.481 million TRY as of the end of June 2020, increased by 1 percent and reached 1,496 million TRY as of the end of September 2020. Non-performing loans increased by 31.2 percent, compared to the same period of the previous year.

**Chart 6.5: Development of Non-Performing Loans**

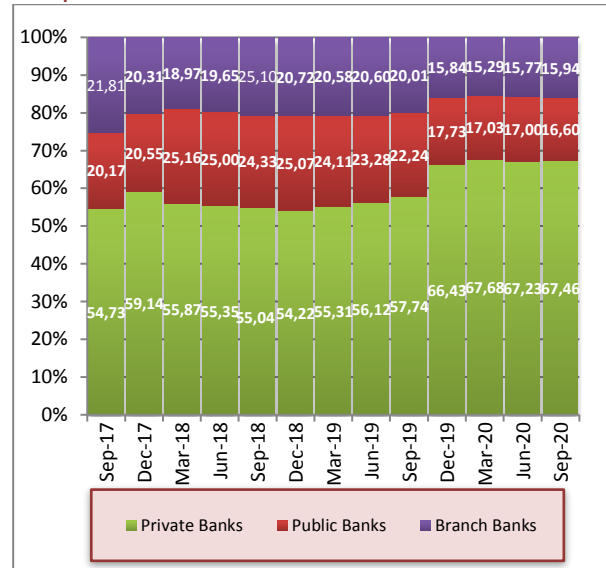


Source: Central Bank of TRNC



As of the end of the third quarter of 2020, it is seen that the share of public banks in total NPL decreased, while the share of private banks and branch banks increased, compared to the previous quarter. Accordingly, in June 2020 - September 2020 period, the share of public banks decreased from 17 percent to 16.6 percent, while the share of private banks increased from 67.23 percent to 67.46 percent and the share of branch banks from 15.77 percent to 15.94 percent. In September 2019 - September 2020 period, the share of private banks in total NPL increased from 57.74 percent to 67.46 percent, while the share of branch banks decreased from 20.01 percent to 15.94 percent and the share of public banks from 22.24 percent to 16.60 percent.

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



Source: Central Bank of TRNC

In the third quarter of 2020, total assets amount to 48,597 million TRY, total gross loans amount to 27,259.9 million TRY, non-performing loans amount to 1,495.9 million TRY and provisions for non-performing loans amounts to 835.7 million TRY. Analysed by bank groups, as of September 2020, total assets in public banks are 11,064.2 million TRY, total gross loans are 6,109.1 million TRY, non-performing loans are 248.3 million TRY and provisions for non-performing loans are 216.2 million TRY.

In the private banks, total assets amount to 22,410.1 million TRY, total gross loans amount to 13,477.4 million TRY, non-performing loans amount to 1,009.1 million TRY and provisions for non-performing loans amounts to 427.5 million TRY. Branch banks have total assets of 15,122.7 million TRY, total gross loans of 7,673.4 million TRY, non-performing loans of 238.5 million TRY and provisions for non-performing loans of 192 million TRY.

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

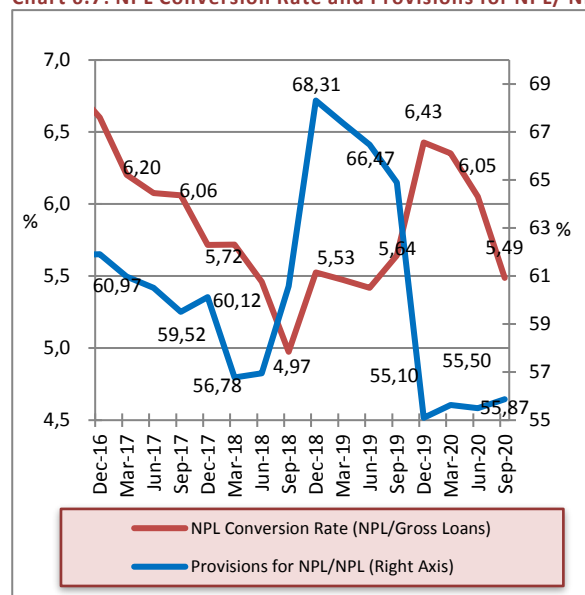
	Total Assets			Total Gross Loans			NPL			Provisions for NPL		
	March 20	Jun. 20	Sept.20	March 20	Jun. 20	Sept.20	March 20	Jun. 20	Sept.20	March 20	Jun. 20	Sept.20
<b>Public Banks</b>	9.737,6	10.135,5	11.064,2	5.799,5	5.827,2	6.109,1	253,9	251,7	248,3	218,6	217,8	216,2
<b>Private Banks</b>	19.274,1	19.512,2	22.410,1	11.276,9	11.686,7	13.477,4	1.009,2	995,6	1.009,1	431,3	419,0	427,5
<b>Branch Banks</b>	13.033,9	13.498,6	15.122,7	6.395,7	6.954,3	7.673,4	228,0	233,5	238,5	179,5	184,9	192,0
<b>Total</b>	<b>42.045,6</b>	<b>43.146,3</b>	<b>48.597,0</b>	<b>23.472,1</b>	<b>24.468,2</b>	<b>27.259,9</b>	<b>1.491,1</b>	<b>1.480,8</b>	<b>1.495,9</b>	<b>829,4</b>	<b>821,7</b>	<b>835,7</b>

Source: Central Bank of TRNC

NPL conversion rate, which was 6.82 percent as of December 2016, started to fall as of this period and declined to 4.97 percent by September 2018. Rising again in December 2018, the NPL conversion rate reached 6.43 percent at the end of December 2019. The NPL conversion rate, which was 6.35, 6.05 and 5.49 percent in March, June and September periods of 2020, respectively, decreased by 0.15 points in one year (September 2019 - September 2020).

While the ratio of provisions for NPL to total NPL had been 55.6 percent by the end of March 2020, it decreased by 0.1 points to 55.5 percent in June 2019 and then it increased by 0.3 points to 55.8 percent. During December 2018 - December 2019, the ratio of provisions for NPL to total NPL decreased from 68.31 percent to 60.60 percent.

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 1.59 percent at the end of June 2020, decreased to 1.44 percent in the third quarter of 2020, return on equity, which was 16.72 percent, decreased to 15.56 percent and net interest margin decreased from 3.25 percent to 3.2 percent. From September 2019 to September 2020, the return on assets of the sector decreased from 2.39 percent to 1.44 percent, return on equity from 25.1 to 15.56 percent, and net interest margin from 4.03 to 3.2 percent.

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

Description	2019		2020		
	Sept.	Dec.	March	Jun.	Sept.
Return on Assets <sup>1</sup>	2,39	2,19	1,98	1,59	1,44
Return on Equity <sup>2</sup>	25,1	22,88	20,81	16,72	15,56
Net Interest Margin <sup>3</sup>	4,03	3,86	3,45	3,25	3,20

Source: Central Bank of TRNC

<sup>1</sup> Return on Assets: Net Profit / Total Assets

<sup>2</sup> Return on Equity: Net Profit / Total Shareholders' Equity

<sup>3</sup> (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**

Title	Notifications, Notices, and Board of Directors Decisions Published in the Official Gazette		Official Gazette	
	Date	Number	Date	Number
Turkish Lira and Foreign Currency Deposit Interest Rate Change	17.01.2020	1076	20.01.2020	12
Turkish Lira Rediscount and Advance Annual Interest Rate Change	17.01.2020	1076	20.01.2020	12
Turkish Lira Deposits and Reserve Requirements Interest Rate Change	20.02.2020	1081	24.02.2020	29
Turkish Lira Rediscount and Advance Annual Interest Rate Change	20.02.2020	1081	24.02.2020	29
Notification on the Measurement and Assessment of Capital Adequacy of Banks (Amendment)	20.02.2020	1082	24.02.2020	29
Notification on the Risks Undertaken (Amendment)	20.02.2020	1083	24.02.2020	29
Turkish Lira Deposits and Reserve Requirements Interest Rate Change	10.03.2020	1087	11.03.2020	37
Maximum Interest Rates to be Applied on Credit Cards	25.03.2020	1090	01.04.2020	56
Notification on the Risks Undertaken (Amendment)	08.04.2020	1093	11.04.2020	63
Notification on Accounting Systems and Document Storage (Amendment)	08.04.2020	1094	11.04.2020	63
Turkish Lira Deposits and Reserve Requirements Interest Rate Change	30.04.2020	1099	04.05.2020	77
Turkish Lira Rediscount and Advance Annual Interest Rate Change	30.04.2020	1099	04.05.2020	77
Maximum Interest Rates to be Applied on Credit Cards	30.06.2020	1107	01.07.2020	123
Notification on the Risks Undertaken (Amendment)	02.07.2020	1110	06.07.2020	127
Turkish Lira and Foreign Currency Deposit and Reserve Requirement Accounts Interest Rates and Turkish Lira Rediscount, Discount and Advance Interest Rate Change	20.08.2020	1125	24.08.2020	158
Amendment on Calculation of Reserve Requirement Liabilities	14.09.2020	1131	15.09.2020	178
Notification on the Consumer Loans Law	24.09.2020	1139	12.10.2020	197
Credit Cards Monthly Maximum Contractual and Default Interest Rates Change	30.09.2020	1142	01.10.2020	188
Turkish Lira and Foreign Currency Deposits and Reserve Requirements Interest Rate Change	30.09.2020	1143	01.10.2020	188
Notification on the Risks Undertaken (Amendment)	30.09.2020	1144	02.10.2020	191

**Table A.2: Economic Decisions - Legal Regulations**

Title	Law/Draft Law/Bill		Official Gazette	
	Date	Number	Date	Number
<b>Laws</b>				
Consumer Loans Law	29.06.2020	31/2020	14.07.2020	136
Law on Leasing, Factoring and Financing Companies and the Prevention of Usury	04.08.2020	43/2020	19.08.2020	155
<b>Draft Laws and Bills</b>				
Bill on the Regulating the Rules to be Applied in Debt Relations in the Turkish Republic of Northern Cyprus	06.01.2020	27/3/2019	06.01.2020	3
<b>Statutory Decrees</b>				
Statutory Decree on the Extension of the Payment Period of the February 2020 Premiums of the Insured Under the Social Security Law and Obligation to Pay Premium Until 30 March 2020	23.03.2020	E.T(K-I)465-2020	23.03.2020	49
Statutory Decree on the Extension of the Payment Period of the February 2020 Premiums of the Insured Under the TRNC Social Insurance Law and Obligation to Pay Premium Until 30 March 2020	23.03.2020	E.T(K-I)466-2020	23.03.2020	49
Statutory Decree on Premium, Deposit and Contribution Premium Investments in Domestic Local for the February 2020 Period to be made by the Employers to the Provident Fund	23.03.2020	E.T(K-I)463-2020	23.03.2020	49
Statutory Decree on Employment Support Payment by the Provident Fund Employment Support Centre to Ensure Sustainability of Employment	25.03.2020	E.T(K-I)492-2020	25.03.2020	50
Statutory Decree on Classifying Banking and Insurance Transactions Tax and Special Communication Services Tax Liabilities as Temporary Tax Liabilities	25.03.2020	E.T(K-I)485-2020	25.03.2020	50
Statutory Decree on Extension of the Payment Period of the Premiums to be paid by the Insured Under the Social Security Law, Operating in the Tourism, Agency, Restaurant and Construction (Excluding Office Employees) Sectors and Who are Liable to Pay Premium	23.03.2020	E.T(K-I)461 -2020	25.03.2020	50
Statutory Decree on Deductions from All Kinds of Salaries, Wages, and Payments of Salary Nature or Retirement Pensions	25.03.2020	E.T(K -I)491-2020	25.03.2020	50
Statutory Decree on Extension of the Payment Period of the Premiums to be paid by the Insured Under the TRNC Social Insurance Law, Operating in the Tourism, Agency, Restaurant and Construction (Excluding Office Employees) Sectors and Who are Liable to Pay Premium	23.03.2020	E.T(K-I)460-2020	25.03.2020	50
Statutory Decree on Premium, Deposit and Contribution Premium Investments in Local Employment to be Made to the Provident Fund by the Employers Operating in Tourism, Agency, Restaurant and Construction (Excluding Office Workers) Sectors	23.03.2020	E.T(K-I)464-2020	25.03.2020	50
Providing Financial Support to TRNC National University Students Studying Abroad Who Did Not Come Back to the TRNC During the Outbreak	24.03.2020	E.T(K-I)474-2020	25.03.2020	50
Statutory Decree on Providing Ten Percent Discount For Those Who Pay Their Taxes On Time	27.03.2020	E.T(K-1)512-2020	27.03.2020	51
Statutory Decree on Suspension of the Implementation of Article 25 of the Public Officers Law for All Public Officers for 4 Months	27.03.2020	E.T(K-I)509-2020	27.03.2020	51
Statutory Decree on Postponement of Debtors' Debts to Banks	27.03.2020	E.T(K-I)510-2020	27.03.2020	51

Statutory Decree on Bank Cards and Credit Cards Law	27.03.2020	E.T(K-I)511 - 2020	27.03.2020	51
Statutory Decree on the Extension of the Payment Period of the February 2020 Premiums of the Insured Under the Social Security Law and Obligation to Pay Premium Until April 15, 2020	30.03.2020	E.T(K-I)516-2020	30.03.2020	53
Statutory Decree on Discounts and/or Delays Applied to Receivables Arising and/or to Arise from All Government Lease Contracts in April and May 2020	31.03.2020	E.T(K-I)519-2020	31.03.2020	55
Statutory Decree on Policies Law	31.03.2020	E.T(K-I)527-2020	31.03.2020	55
Statutory Decree on Loan Interest Support Fund	01.04.2020	E.T(K-I)528-2020	01.04.2020	56
Statutory Decree on Postponement of Debtors' Debts to Cooperatives	01.04.2020	E.T(K-I)533 -2020	01.04.2020	56
Statutory Decree on Credit Guarantee Fund Law	01.04.2020	E.T(K-I)530-2020	01.04.2020	56
Statutory Decree on Postponement of the Collection of Monetary Provisions and Provisions Regarding the Eviction of Houses and Workplaces	24.04.2020	E.T(K-I)574-2020	24.04.2020	72
Statutory Decree on Continuation of Five Percent Discount Rights Won If A Declaration Is Submitted Within Fifteen Days From the End of the Legal Declaration Period, in the absence of a Tax Payable	30.04.2020	E.T(K-I)582-2020	30.04.2020	73
Statutory Decree on Credit Guarantee Fund Law	01.05.2020	E.T(K-I)581 -2020	01.05.2020	74
Statutory Decree on	14.05.2020	E.T(K-I)616-2020	14.05.2020	82
Statutory Decree on the Extension of the Payment Period of January 2020, February 2020, and March 2020 Premiums of the Insured Under the TRNC Social Insurance Law and Obligation Until May 22, 2020	14.05.2020	E.T(K-I)617-2020	14.05.2020	82
Statutory Decree on Premium, Deposit and Contribution Premium Investments in Local Employment for January 2020, February 2020 and March 2020 Periods to be Made by the Employers to the Provident Fund	14.05.2020	E.T(K-I)619-2020	14.05.2020	82
Statutory Decree on Policies Law	15.05.2020	E.T(K- I)618-2020	15.05.2020	84
Statutory Decree on Temporary and Partial Payments from the Provident Fund Savings	18.05.2020	E.T(K-I)651-2020	18.05.2020	86
Statutory Decree on Regulation of Tenant-Lessor Relations within the Scope of Measures Taken Regarding the Coronavirus (Covid-19) Pandemic	18.05.2020	E.T(K-1)649-2020	18.05.2020	86
Statutory Decree on	18.05.2020	E.T(K-I)650-2020	18.05.2020	86
Statutory Decree on	29.06.2020	E.T(K-I)825-2020	29.06.2020	121
Statutory Decree on Amendment of the Statutory Decree on Partial Work Applicable to Those Insured Under the TRNC Social Insurance Law	29.06.2020	E.T(K-1)822-2020	29.06.2020	121
Statutory Decree on Loan Interest Support Fund Law (Amendment)	02.07.2020	E.T(K-I)853-2020	03.07.2020	125
Statutory Decree on Debt Restructuring	02.07.2020	E.T(K-I)854-2020	03.07.2020	125
Statutory Decree on Providing Additional Resources to Credit Guarantee Fund	02.07.2020	E.T(K-I)852-2020	03.07.2020	125
Extension of Instalment Payment Periods and Maturities of Loans Extended from Interest Difference Fund	02.07.2020	E.T(K-I)855-2020	03.07.2020	125
Decree on Tax Rates for Banking and Insurance Transactions in Loan Transactions for Housing Purchase	02.07.2020	E.T(K-I)849-2020	03.07.2020	125

Statutory Decree on the Amendment of the Statutory Decree on Loan Interest Support Fund	11.09.2020	E.T(K-I)1176-2020	11.09.2020	176
Statutory Decree on Debt Restructuring	01.10.2020	E.T(K-I)1241-2020	06.10.2020	193
<b>Notifications</b>				
Reducing the Savings Deposit Insurance Premium Rate	02.04.2020	E.T(K-I)534-2020	02.04.2020	57
Law on Credit Guarantee Fund - Notification on Regulating the Procedures and Principles Regarding Loans to be Guaranteed by the Fund			07.04.2020	60
Law on Credit Guarantee Fund - Notification on Fund Guarantees			2018	78
Law on TRNC Savings Deposit Insurance and Financial Stability Fund - Notification on Collection Procedures and Principles for the Savings Deposit Insurance Premiums			06.07.2020	127
Decree on Tax Rates for Banking and Insurance Transactions in Loan Transactions for Housing Purchase	02.07.2020	E.T(K-I)849-2020	03.07.2020	125
<b>Regulations</b>				
Regulation on the Procedures and Principles Regarding the Use of Bank Cards and Credit Cards (Amendment)	27.03.2020	E.T(K-1)514-2020	27.03.2020	51
Regulation on the Procedures and Principles Regarding the Use of Bank Cards and Credit Cards (Amendment)	02.07.2020	E.T(K-I)851-2020	03.07.2020	125
Regulation on Promoting Local Labour Employment (Amendment)	14.07.2020	E.T(K-I)919-2020	24.07.2020	143

## 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
<b>30 Jun. 2016</b>	4.743.182.458	213.175.830	2.640.121	<b>4.958.998.409</b>	318.658.983	1.476.230.465	1.172.163.993	1.991.944.968	<b>4.958.998.409</b>
<b>30 Sept. 2016</b>	5.466.386.701	186.416.180	2.729.886	<b>5.655.532.767</b>	319.829.286	1.706.384.976	1.233.282.326	2.396.036.179	<b>5.655.532.767</b>
<b>31 Dec. 2016</b>	6.362.944.796	67.051.670	22.187.719	<b>6.452.184.185</b>	465.169.093	2.083.019.935	1.359.700.420	2.544.294.737	<b>6.452.184.185</b>
<b>31 Mar. 2017</b>	6.764.573.400	101.158.224	3.401.183	<b>6.869.132.807</b>	365.686.916	2.121.997.651	1.448.684.018	2.932.764.222	<b>6.869.132.807</b>
<b>30 Jun. 2017</b>	6.981.906.564	134.992.949	2.841.955	<b>7.119.741.468</b>	367.060.935	2.317.720.970	1.512.813.049	2.922.146.514	<b>7.119.741.468</b>
<b>30 Sept. 2017</b>	7.630.043.970	191.469.924	2.907.269	<b>7.824.421.163</b>	368.577.947	2.505.097.829	1.615.196.100	3.335.549.287	<b>7.824.421.163</b>
<b>31 Dec. 2017</b>	8.118.080.496	114.227.729	3.260.499	<b>8.235.568.724</b>	384.891.701	2.681.914.710	1.729.000.717	3.574.231.898	<b>8.370.039.032</b>
<b>31 Mar. 2018</b>	8.545.422.968	219.540.337	4.339.065	<b>8.769.302.370</b>	436.642.697	2.870.588.126	1.851.557.638	3.610.513.909	<b>8.769.302.370</b>
<b>30 Jun. 2018</b>	9.341.542.297	155.660.857	2.673.006	<b>9.499.876.160</b>	439.621.419	3.105.622.819	1.993.912.015	3.960.719.907	<b>9.499.876.160</b>
<b>30 Sept. 2018</b>	11.073.132.669	172.557.057	2.684.160	<b>11.248.373.886</b>	445.771.689	3.717.146.751	2.052.867.163	5.032.588.283	<b>11.248.373.886</b>
<b>31 Dec. 2018</b>	10.499.595.834	61.335.607	294.637.228	<b>10.855.568.669</b>	480.942.598	3.917.979.147	1.885.311.620	4.571.335.304	<b>10.855.568.669</b>
<b>31 Mar. 2019</b>	10.833.216.002	188.417.441	12.142.380	<b>11.033.775.823</b>	565.586.996	4.040.009.260	2.011.711.161	4.416.468.406	<b>11.033.775.823</b>
<b>30 Jun. 2019</b>	11.423.695.382	198.753.741	4.705.193	<b>11.627.154.316</b>	569.937.350	4.264.704.130	2.101.571.020	4.690.941.816	<b>11.627.154.316</b>
<b>30 Sept. 2019</b>	12.024.932.318	188.602.841	99.806.315	<b>12.313.341.474</b>	574.939.219	4.069.005.293	2.134.892.647	5.534.504.315	<b>12.313.341.474</b>
<b>31 Dec. 2019</b>	12.816.365.963	50.103.991	612.537.467	<b>13.479.007.421</b>	589.827.556	4.568.214.697	2.350.769.024	5.970.196.144	<b>13.479.007.421</b>
<b>31 Mar. 2020</b>	12.962.190.610	46.763.724	495.989.949	<b>13.504.944.283</b>	678.679.012	4.579.477.472	2.700.672.024	5.546.115.775	<b>13.504.944.283</b>
<b>30 Jun. 2020</b>	12.855.700.190	46.763.724	19.401.356	<b>12.921.865.270</b>	681.402.724	4.289.003.090	2.889.007.202	5.062.452.254	<b>12.921.865.270</b>
<b>30 Sept. 2020</b>	15.359.430.508	52.012.879	34.655.533	<b>15.446.098.920</b>	682.771.674	5.397.934.136	3.183.661.686	6.181.731.424	<b>15.446.098.920</b>

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
<b>30 Jun. 2015</b>	82.385.984	2.341.331	1.467.167.127	2.411.582.643	113.843.324	219.992.300	<b>4.297.312.709</b>
<b>30 Sept. 2015</b>	140.974.336	2.341.331	1.467.337.337	2.899.368.703	114.480.913	258.569.150	<b>4.883.071.770</b>
<b>31 Dec. 2015</b>	87.625.194	2.611.239	1.402.006.529	2.945.775.755	55.692.162	326.613.050	<b>4.820.323.929</b>
<b>31 Mar. 2016</b>	117.668.364	2.611.239	1.499.576.679	2.952.607.384	77.638.972	109.228.600	<b>4.759.331.238</b>
<b>30 Jun. 2016</b>	90.757.864	2.611.239	1.614.592.023	2.855.674.301	33.822.031	145.725.000	<b>4.743.182.458</b>
<b>30 Sept. 2016</b>	238.570.625	2.611.239	2.029.877.829	3.097.871.008	0	97.456.000	<b>5.466.386.701</b>
<b>31 Dec. 2016</b>	216.724.660	3.440.019	2.260.530.677	3.687.779.940	0	194.469.500	<b>6.362.944.796</b>
<b>31 Mar. 2017</b>	165.588.687	3.440.019	2.101.326.259	4.030.683.635	0	463.534.800	<b>6.869.132.807</b>
<b>30 Jun. 2017</b>	171.906.834	3.440.019	1.823.606.608	4.299.854.053	0	683.099.050	<b>6.981.906.564</b>
<b>30 Sept. 2017</b>	275.459.595	3.440.019	1.842.387.496	4.739.760.510	0	768.996.350	<b>7.630.043.970</b>
<b>31 Dec. 2017</b>	257.360.230	3.997.999	1.728.967.292	5.187.178.813	0	903.656.300	<b>8.081.160.634</b>
<b>31 Mar. 2018</b>	382.362.841	3.997.999	1.705.665.243	5.630.492.210	0	822.904.675	<b>8.545.422.968</b>
<b>30 Jun. 2018</b>	281.516.845	3.997.999	1.845.209.663	6.467.950.290	0	742.867.500	<b>9.341.542.297</b>
<b>30 Sept. 2018</b>	701.495.845	3.997.999	2.827.946.391	7.539.692.434	0	0	<b>11.073.132.669</b>
<b>31 Dec. 2018</b>	596.636.956	5.503.526	2.886.583.754	6.838.280.699	0	172.590.899	<b>10.499.595.834</b>
<b>31 Mar. 2019</b>	703.356.751	5.503.326	2.788.997.426	7.087.363.508	727.800	247.266.991	<b>10.833.216.002</b>
<b>30 Jun. 2019</b>	684.254.253	5.503.526	2.956.877.407	7.386.165.087	731.140	390.163.969	<b>11.423.695.382</b>
<b>30 Sept. 2019</b>	695.057.549	5.503.526	3.258.721.464	7.319.698.436	90.233.033	655.718.310	<b>12.024.932.318</b>
<b>31 Dec. 2019</b>	604.203.296	7.318.980	3.647.687.308	7.510.965.029	332.867.787	713.323.563	<b>12.816.365.963</b>
<b>31 Mar. 2020</b>	426.840.059	7.318.980	3.537.260.461	7.670.737.329	178.859.125	1.141.174.656	<b>12.962.190.610</b>
<b>30 Jun. 2020</b>	851.174.116	7.318.980	3.480.507.658	6.506.580.011	849.420	2.009.270.005	<b>12.855.700.190</b>
<b>30 Sept. 2020</b>	1.090.478.693	7.318.980	4.181.981.541	6.350.544.980	974.190	3.728.132.124	<b>15.359.430.508</b>

Source: Central Bank of TRNC

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

Date	Agriculture	Trading	Industry	Exports	Small Business Owners	Tourism	Education	Total
30 Sept. 2015							5.311.384	<b>5.311.384</b>
31 Dec. 2015								-
31 Mar. 2016								-
30 Jun. 2016							4.083.448	<b>4.083.448</b>
30 Sept. 2016							4.270.101	<b>4.270.101</b>
31 Dec. 2016							5.065.643	<b>5.065.643</b>
31 Mar. 2017								-
30 Jun. 2017							4.943.377	<b>4.943.377</b>
30 Sept. 2017							5.415.736	<b>5.415.736</b>
31 Dec. 2017							5.807.899	<b>5.807.899</b>
31 Mar. 2018							5.789.550	<b>5.789.550</b>
30 Jun. 2018							6.912.450	<b>6.912.450</b>
30 Sept. 2018							9.112.800	<b>9.112.800</b>
31 Dec. 2018							7.933.350	<b>7.933.350</b>
31 Mar. 2019							8.313.450	<b>8.313.450</b>
30 Jun. 2019							8.649.750	<b>8.649.750</b>
30 Sept. 2019							8.498.850	<b>8.498.850</b>
31 Dec. 2019								-
31 Mar.2020								-
30 Jun. 2020								-
30 Sept. 2020							5.348.480	<b>5.348.480</b>

Source: Central Bank of TRNC

Note: Interest revenue rediscounts are included in the figures.

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

Date	Public Deposits		Banks				Other		Total
			A-Deposits		B-Reserve Requirements				
	TRY	FX	TRY	FX	TRY	FX	TRY	FX	
<b>30 Jun. 2016</b>	78.931.631	12.662.410	294.047.768	975.886.690	606.507.229	565.656.764	479.769	114.222.197	<b>2.648.394.458</b>
<b>30 Sept. 2016</b>	51.544.433	68.733.216	389.781.881	1.098.732.181	622.344.234	610.938.092	527.417	97.065.848	<b>2.939.667.302</b>
<b>31 Dec. 2016</b>	29.069.115	35.483.804	459.264.539	1.442.174.000	652.163.031	707.537.389	794.582	116.233.895	<b>3.442.720.355</b>
<b>31 Mar. 2017</b>	58.041.406	24.242.055	461.185.477	1.467.785.063	691.268.617	757.415.401	624.885	110.118.765	<b>3.570.681.669</b>
<b>30 Jun. 2017</b>	78.704.320	22.436.407	374.581.174	1.734.713.467	710.390.248	802.422.801	573.332	106.712.270	<b>3.830.534.019</b>
<b>30 Sept. 2017</b>	15.915.165	32.448.413	425.277.954	1.918.976.979	734.899.763	880.296.337	760.406	111.718.912	<b>4.120.293.929</b>
<b>31 Dec. 2017</b>	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	<b>4.410.915.426</b>
<b>31 Mar. 2018</b>	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	<b>4.722.145.764</b>
<b>30 Jun.2018</b>	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	<b>5.099.534.834</b>
<b>30 Sept. 2018</b>	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	<b>5.770.013.914</b>
<b>31 Dec. 2018</b>	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	<b>5.803.290.767</b>
<b>31 Mar.2019</b>	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	<b>6.051.720.421</b>
<b>30 Jun. 2019</b>	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	<b>6.366.275.150</b>
<b>30 Sept. 2019</b>	355.937.954	80.590.555	352.615.354	3.112.598.004	789.935.711	1.344.956.936	1.011.763	166.251.663	<b>6.203.897.940</b>
<b>31 Dec. 2019</b>	61.510.327	60.554.852	766.047.422	3.522.339.747	853.421.489	1.497.347.535	1.737.248	156.025.101	<b>6.918.983.721</b>
<b>31 Mar.2020</b>	107.123.252	51.809.876	678.036.718	3.591.165.501	994.608.788	1.706.063.236	659.161	150.682.964	<b>7.280.149.496</b>
<b>30 Jun. 2020</b>	77.668.999	56.092.776	515.562.626	3.480.903.245	1.013.971.938	1.875.035.264	1.701.088	157.074.356	<b>7.178.010.292</b>
<b>30 Sept. 2020</b>	608.951.094	106.926.073	444.078.224	4.005.388.538	1.035.786.158	2.147.875.528	9.859.691	222.730.516	<b>8.581.595.822</b>

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
<b>2012</b>		1,7826	1,7912	2,3517	2,3630	2,8708	2,8858
<b>2013</b>		2,1343	2,1381	2,9365	2,9418	3,5114	3,5297
<b>2014</b>		2,3189	2,3230	2,8207	2,8258	3,5961	3,6149
<b>2015</b>		2,9076	2,9128	3,1776	3,1833	4,3007	4,3231
<b>2016</b>		3,5192	3,5255	3,7099	3,7166	4,3189	4,3414
<b>2017</b>		3,7719	3,7787	4,5155	4,5237	5,0803	5,1068
<b>2018</b>		5,2609	5,2704	6,0280	6,0388	6,6528	6,6875
<b>2019</b>		5,9402	5,9509	6,6506	6,6625	7,7765	7,8171
<b>2020</b>	<b>1</b>	5,9716	5,9824	6,5782	6,5901	7,7598	7,8002
	<b>2</b>	6,2259	6,2371	6,8592	6,8716	8,0068	8,0485
	<b>3</b>	6,5160	6,5277	7,2150	7,2280	8,0579	8,1000
	<b>4</b>	6,9787	6,9913	7,5764	7,5901	8,6599	8,7051
	<b>5</b>	6,8138	6,8260	7,5770	7,5907	8,3838	8,4276
	<b>6</b>	6,8422	6,8545	7,7082	7,7221	8,4282	8,4721
	<b>7</b>	6,9372	6,94970	8,1481	8,1628	8,9760	9,0228
	<b>8</b>	7,3050	7,3182	8,6897	8,7054	9,6867	9,7372
	<b>9</b>	7,8080	7,8221	9,1281	9,1446	10,0309	10,0832

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		1,3114	1,1196
2020	1	1,3017	1,1016
	2	1,2882	1,1017
	3	1,2388	1,1073
	4	1,2430	1,0856
	5	1,2325	1,1120
	6	1,2339	1,1266
	7	1,2961	1,1746
	8	1,3283	1,1896
	9	1,2869	1,1691

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				
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
16.12.2019	7,25	0,75	0,05	0,125	13.12.2019	1069	16.12.2019	178
20.01.2020	6,75	0,50	0,05	0,125	17.01.2020	1076	20.01.2020	12
24.02.2020	6,50	0,50	0,05	0,125	20.02.2020	1081	24.02.2020	29
11.03.2020	6,50	0,25	0,05	0,125	10.03.2020	1087	11.03.2020	37
04.05.2020	5,00	0,25	0,05	0,125	30.04.2020	1099	04.05.2020	77
24.08.2020	6,75	0,40	0,15	0,25	20.08.2020	1125	24.08.2020	158
01.10.2020	8,25	0,60	0,25	0,30	30.09.2020	1143	01.10.2020	188

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
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
16.12.2019	2,50	0,25	0,00	0,05	13.12.2019	1069	16.12.2019	178
24.02.2020	2,25	0,25	0,00	0,05	20.02.2020	1081	24.02.2020	29
11.03.2020	2,25	0,125	0,00	0,05	10.03.2020	1087	11.03.2020	37
04.05.2020	1,00	0,125	0,00	0,05	30.04.2020	1099	04.05.2020	77
24.08.2020	2,75	0,20	0,05	0,10	20.08.2020	1125	24.08.2020	158
01.10.2020	3,50	0,25	0,10	0,15	30.09.2020	1143	01.10.2020	188

Source: Central Bank of TRNC

**Table B.9: Rediscount Interest Rates (%)**

Effective Date	Currency																
	TRY					\$				€				£			
	Trad.	Ind. Tourism Agri. Edu.	Exp.	Small Business	Advances Against FX	Trad.	Ind. Tourism Edu.	Exp.	Advances Against FX	Trad.	Ind. Tourism Edu.	Exp.	Advances Against FX	Trad.	Ind. Tourism Edu.	Exp.	Advances Against FX
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	15,00	12,00	12,00	11,00	11,00	4	4	4	4	4	4	4	4	4	4	4	4
16.12.19	13,00	10,00	10,00	9,00	10,50	4	4	4	4	4	4	4	4	4	4	4	4
20.01.20	12,50	9,50	9,50	8,50	10,00	4	4	4	4	4	4	4	4	4	4	4	4
24.02.20	12,25	9,25	9,25	8,25	9,75	4	4	4	4	4	4	4	4	4	4	4	4
04.05.20	10,75	8,00	8,00	7,00	8,25	4	4	4	4	4	4	4	4	4	4	4	4
24.08.20	12,75	10,00	10,00	9,00	10,50	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	Turkish Lira and Foreign Currency Liabilities					Precious Metal Liabilities	Board Decision	
	Other Liabilities Excluding Deposits	Deposits with up to 3-month maturity	Deposits with 3 to 6-month maturity	Deposits with 6-month to 1-year maturity	Deposits with over 1-year maturity	General	Date	Number
28.02.2014	8	8	7	6	5	0	30.01.2014	872
15.08.2018	7	7	6	5	4	0	14.08.2018	1005
31.12.2019	7,25	7,25	6,25	5,25	4,25	0	27.12.2019	1072
31.01.2020	7,50	7,50	6,50	5,50	4,50	0	27.12.2019	1072
29.02.2020	7,75	7,75	6,75	5,75	4,75	0	27.12.2019	1072
31.03.2020	8	8	7	6	5	0	27.12.2019	1072

Source: Central Bank of TRNC

**Table B.11: Overdraft Cheques**

Years	Months	People Restrained from Using Cheque Books (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			2,166
2020	1	132	132
	2	158	290
	3	83	373
	4	12	385
	5	10	395
	6	76	471
	7	295	766
	8	271	1,037
	9	179	1,216

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
<b>31 Dec. 2016</b>	5.275,8	1.587,8	1.358,4	12.763,1	-521,6	670,7	<b>21.134,2</b>	16.635,2	2.432,8	2.066,2	<b>21.134,2</b>
<b>31 Mar. 2017</b>	5.589,2	1.596,6	1.445,4	13.231,5	-500,4	742,7	<b>22.105,0</b>	17.652,4	2.293,4	2.159,2	<b>22.105,0</b>
<b>30 Jun. 2017</b>	6.103,5	1.601,3	1.511,6	13.666,3	-502,4	851,8	<b>23.232,1</b>	18.494,1	2.512,2	2.225,8	<b>23.232,1</b>
<b>30 Sept. 2017</b>	6.840,0	1.632,6	1.606,9	14.028,2	-506,1	1.001,1	<b>24.602,7</b>	19.672,9	2.595,6	2.334,3	<b>24.602,7</b>
<b>31 Dec. 2017</b>	7.161,7	1.704,7	1.729,3	15.306,2	-526,0	739,3	<b>26.115,3</b>	21.098,1	2.640,4	2.376,8	<b>26.115,3</b>
<b>31 Mar. 2018</b>	7.303,9	1.980,8	1.835,4	16.195,6	-525,9	908,8	<b>27.698,6</b>	22.352,7	2.830,2	2.515,7	<b>27.698,6</b>
<b>30 Jun. 2018</b>	8.021,5	2.140,2	1.983,5	17.330,4	-539,1	1.115,4	<b>30.051,9</b>	24.131,2	3.233,5	2.687,2	<b>30.051,9</b>
<b>30 Sept. 2018</b>	9.661,8	2.611,7	2.019,9	19.752,4	-595,3	1.506	<b>34.956,5</b>	28.163,1	3.785,3	3.008,1	<b>34.956,5</b>
<b>31 Dec. 2018</b>	9.940,9	2.043,4	1.886,4	18.906,1	-713,5	916,9	<b>32.980,2</b>	26.441,8	3.443,3	3.095,1	<b>32.980,2</b>
<b>31 Mar. 2019</b>	10.792,8	2.255,0	2.017,1	19.823,9	-731,1	1.295,1	<b>35.452,8</b>	28.449,2	3.699,9	3.303,7	<b>35.452,8</b>
<b>30 Jun. 2019</b>	11.354,1	2.184,8	2.093,5	20.347,3	-733,0	1.647,8	<b>36.894,5</b>	29.572,1	3.828,3	3.494,1	<b>36.894,5</b>
<b>30 Sept. 2019</b>	12.151,4	2.223,0	2.120,9	20.200,3	-740,0	1.899,8	<b>37.855,4</b>	30.224,8	3.912,1	3.718,5	<b>37.855,4</b>
<b>31 Dec. 2019</b>	13.277,3	2.124,5	2.348,6	22.557,9	-799,0	1.239,2	<b>40.748,5</b>	32.837,3	4.110,8	3.800,4	<b>40.748,5</b>
<b>31 Mar. 2020</b>	12.508,6	2.503,2	2.752,8	23.472,1	-829,5	1.638,4	<b>42.045,6</b>	34.251,5	3.833,5	3.960,6	<b>42.045,6</b>
<b>30 Jun. 2020</b>	11.871,7	3.077,7	2.868,0	24.468,2	-821,8	1.682,5	<b>43.146,3</b>	35.275,1	3.850,9	4.020,3	<b>43.146,3</b>
<b>30 Sept. 2020</b>	13.636,7	3.496,3	3.208,3	27.259,9	-835,7	1.831,5	<b>48.597,0</b>	40.120,4	4.215,7	4.260,9	<b>48.597,0</b>

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
<b>31 Dec. 2016</b>	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	<b>11.920,6</b>
<b>31 Mar. 2017</b>	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	<b>12.410,8</b>
<b>30 Jun. 2017</b>	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	<b>12.836,0</b>
<b>30 Sept. 2017</b>	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	<b>13.178,0</b>
<b>31 Dec. 2017</b>	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	<b>14.431,3</b>
<b>31 Mar. 2018</b>	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	<b>15.269,5</b>
<b>30 Jun. 2018</b>	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	<b>16.383,9</b>
<b>30 Sept. 2018</b>	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	<b>18.769,8</b>
<b>31 Dec. 2018</b>	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	<b>17.861,5</b>
<b>31 Mar. 2019</b>	254,5	2,4	3,9	0,0	100,6	11.896,4	38,4	20,2	4.672,6	452,9	0,4	8,3	0,0	1.288,0	<b>18.738,6</b>
<b>30 Jun. 2019</b>	250,3	0,9	4,2	0,0	96,9	12.364,5	37,2	20,8	4.685,9	493,2	0,3	8,7	0,0	1.281,7	<b>19.244,6</b>
<b>30 Sept. 2019</b>	243,0	1,9	3,8	0,0	89,5	12.274,1	32,8	20,7	4.631,6	541,6	0,0	8,4	0,0	1.212,9	<b>19.060,3</b>
<b>31 Dec. 2019</b>	268,4	1,7	4,2	0,0	124,7	13.782,8	40,6	21,5	5.075,2	556,6	0,1	0,0	0,0	1.232,0	<b>21.107,8</b>
<b>31 Mar. 2020</b>	294,3	1,3	4,5	0,0	126,5	14.143,8	43,3	23,1	5.352,9	508,7	0,0	0,0	0,0	1.482,6	<b>21.981,0</b>
<b>30 Jun. 2020</b>	184,5	0,7	4,6	0,0	131,2	14.807,8	64,8	23,7	5.618,8	576,6	0,0	0,0	0,0	1.574,7	<b>22.987,4</b>
<b>30 Sept. 2020</b>	219,5	0,2	5,2	0,0	173,2	16.601,4	73,5	26,0	6.269,3	639,6	0,0	5,3	0,0	1.750,6	<b>25.764,0</b>

Source: Central Bank of the TRNC

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

Date	Discount Loans	Export Loans	Import Loans	Export Guaranteed Investment Loans	Other Investment Loans	Business Loans	Directed Loans	Loans of Funds Originated	Consumer Loans	Credit Cards	Loans to Purchase Security for Customers	Loans Extended by Central Bank of the TRNC	Loans Extended Through Central Bank of the TRNC	Other Loans	Total
<b>31 Dec. 2016</b>	117,6	3,8	0,3	0,0	53,2	3.575,9	16,5	3,8	2.270,9	323,1	0,1	0,0	0,0	644,9	<b>7.010,1</b>
<b>31 Mar. 2017</b>	127,2	5,6	0,5	0,0	61,7	3.637,1	22,8	3,5	2.310,6	356,9	0,1	0,0	0,0	675,1	<b>7.201,1</b>
<b>30 Jun. 2017</b>	131,8	6,1	0,1	0,0	60,2	3.664,0	20,3	3,8	2.401,9	376,9	0,1	0,0	0,0	698,8	<b>7.364,0</b>
<b>30 Sept. 2017</b>	135,3	6,9	0,2	0,0	74,4	3.631,2	16,7	5,3	2.457,6	389,1	0,1	0,0	0,0	684,7	<b>7.401,6</b>
<b>31 Dec. 2017</b>	140,4	6,1	0,1	0,0	75,9	3.918,0	21,2	5,9	2.627,5	392,6	0,1	0,0	0,0	698,4	<b>7.886,4</b>
<b>31 Mar. 2018</b>	149,1	5,2	0,5	0,0	69,3	3.973,9	22,1	5,8	2.566,2	390,3	0,2	0,0	0,0	840,8	<b>8.023,4</b>
<b>30 Jun. 2018</b>	156,9	6,9	0,1	0,0	68,3	4.053,6	16,3	5,5	2.640,4	419,1	0,5	0,0	0,0	875,4	<b>8.243,1</b>
<b>30 Sept. 2018</b>	166,2	4,9	0,1	0,0	62,5	4.130,1	15,1	5,7	2.617,2	441,9	0,7	0,0	0,0	700,0	<b>8.144,4</b>
<b>31 Dec. 2018</b>	170,5	2,9	0,1	0,0	58,5	4.700,1	32,7	4,3	2.548,2	454,4	0,4	0,0	0,0	670,9	<b>8.643,1</b>
<b>31 Mar. 2019</b>	168,7	2,4	0,1	0,0	59,6	4.753,7	38,4	4,3	2.567,0	450,1	0,3	0,0	0,0	772,6	<b>8.817,2</b>
<b>30 Jun. 2019</b>	158,7	0,9	0,1	0,0	56,4	4.873,0	37,2	4,5	2.608,4	489,7	0,3	0,0	0,0	762,3	<b>8.991,5</b>
<b>30 Sept. 2019</b>	151,5	1,9	0,1	0,0	51,3	4.915,3	32,8	4,8	2.666,9	537,7	0,0	0,0	0,0	746,1	<b>9.108,4</b>
<b>31 Dec. 2019</b>	172,3	1,7	0,1	0,0	46,6	5.580,3	40,6	4,7	2.906,8	552,0	0,1	0,0	0,0	667,6	<b>9.972,8</b>
<b>31 Mar. 2020</b>	182,0	1,3	0,1	0,0	42,6	5.537,1	43,3	4,5	3.155,0	506,0	0,0	0,0	0,0	767,2	<b>10.239,1</b>
<b>30 Jun. 2020</b>	96,8	0,7	0,1	0,0	40,9	5.737,4	64,8	4,2	3.322,3	574,8	0,0	0,0	0,0	875,1	<b>10.717,1</b>
<b>30 Sept. 2020</b>	122,5	0,2	0,1	0,0	36,9	6.335,3	73,5	4,0	3.698,7	637,1	0,0	0,0	0,0	992,5	<b>11.900,8</b>

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
<b>31 Dec. 2016</b>	48,2	0,0	3,3	0,0	49,1	3.334,8	0,0	11,1	1.141	1,7	0,0	5,0	0,0	316,3	<b>4.910,5</b>
<b>31 Mar. 2017</b>	52,3	0,0	3,3	0,0	51,0	3.569,4	0,0	11,0	1.203,5	1,9	0,0	0	0,0	317,3	<b>5.209,7</b>
<b>30 Jun. 2017</b>	48,2	0,0	3,1	0,0	31,1	3.811,2	0,0	10,4	1.240,3	2,2	0,0	5,3	0,0	320,2	<b>5.472,0</b>
<b>30 Sept. 2017</b>	42,7	0,0	3,3	0,0	36,8	3.967,3	0,0	10,6	1.357,6	2,5	0,0	5,4	0,0	350,2	<b>5.776,4</b>
<b>31 Dec. 2017</b>	54,5	0,0	3,6	0,0	36,0	4.488,4	0,0	11,1	1.525,4	2,1	0,0	5,7	0,0	417,8	<b>6.544,8</b>
<b>31 Mar. 2018</b>	57,1	0,0	3,7	0,0	33,6	4.933,6	0,0	11,2	1.689,3	2,1	0,0	0	0,0	515,5	<b>7.246,1</b>
<b>30 Jun. 2018</b>	63,4	0,0	4,1	0,0	35,7	5.657,2	0,0	12,9	1.822,1	2,5	0,0	6,9	0,0	535,9	<b>8.140,8</b>
<b>30 Sept. 2018</b>	81,9	0,0	4,6	0,0	47,0	7.474,0	0,0	16,8	2.329,6	2,8	0,0	9,1	0,0	659,6	<b>10.625,4</b>
<b>31 Dec. 2018</b>	66,1	0,0	3,7	0,0	39,5	6.585,7	0,0	14,9	1.976,4	2,9	0,0	7,9	0,0	521,2	<b>9.218,3</b>
<b>31.Mar.2019</b>	85,7	0,0	3,8	0,0	40,9	7.142,7	0,0	15,8	2.105,5	2,8	0,0	8,3	0,0	515,5	<b>9.921,4</b>
<b>30 Jun. 2019</b>	91,6	0,0	4,2	0,0	40,5	7.491,4	0,0	16,2	2.077,5	3,5	0,0	8,6	0,0	519,4	<b>10.253,1</b>
<b>30 Sept. 2019</b>	91,4	0,0	3,7	0,0	38,3	7.358,8	0,0	15,9	1.964,7	3,9	0,0	8,5	0,0	466,7	<b>9.951,9</b>
<b>31 Dec. 2019</b>	96,1	0,0	4,2	0,0	78,1	8.202,4	0,0	16,8	2.168,4	4,6	0,0	0,0	0,0	564,4	<b>11.135,0</b>
<b>31 Mar. 2020</b>	112,3	0,0	4,4	0,0	83,9	8.606,7	0,0	18,6	2.197,9	2,7	0,0	0,0	0,0	715,4	<b>11.741,9</b>
<b>30 Jun. 2020</b>	87,8	0,0	4,6	0,0	90,2	9.070,4	0,0	19,4	2.296,5	1,8	0,0	0,0	0,0	699,6	<b>12.270,3</b>
<b>30 Sept. 2020</b>	97,0	0,0	5,2	0,0	136,3	10.266,1	0,0	22,0	2.570,7	2,5	0,0	5,3	0,0	758,2	<b>13.863,2</b>

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 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
31 Dec. 2019	5.969,9	7,07	15.137,9	12,26	21.107,8	10,74
31 Mar. 2020	6.074,1	1,74	15.906,9	5,08	21.981,0	4,14
30 Jun. 2020	5.886,0	-3,10	17.101,4	7,51	22.987,4	4,58
30 Sept. 2020	6.161,8	4,7	19.602,2	14,6	25.764,0	12,1

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 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
31 Dec. 2019	4.850,4	16,61	16.257,4	9,1	21.107,8	10,7
31 Mar. 2020	4.905,1	1,13	17.075,9	5,04	21.981,0	4,14
30 Jun. 2020	4.750,8	-3,15	18.236,6	6,80	22.987,4	4,58
30 Sept. 2020	5.063,4	6,58	20.700,5	13,51	25.764,0	12,07

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 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
31 Dec. 2019	18.237,2	895,8	1.282,0	439,6	253,2	21.107,8
31 Mar. 2020	19.068,4	759,8	1.284,2	597,1	271,5	21.981,0
30 Jun. 2020	19.969,7	934,2	1.343,0	435,1	305,4	22.987,4
30 Sept. 2020	22.603,4	1.026,5	1.329,3	465,0	339,7	25.764,0

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
<b>31 Dec. 2016</b>	976,7	426,4	0,3	82,1	306,8	273,9	<b>2.066,2</b>
<b>31 Mar. 2017</b>	992,4	520,0	0,3	86,0	104,7	455,8	<b>2.159,2</b>
<b>30 Jun. 2017</b>	1.011,7	558,0	0,9	88,8	185,4	381,0	<b>2.225,8</b>
<b>30 Sept. 2017</b>	1.021,4	558,0	0,9	92,6	297,4	364,0	<b>2.334,3</b>
<b>31 Dec. 2017</b>	1.099,6	409,5	0,9	101,1	407,5	358,1	<b>2.376,8</b>
<b>31 Mar. 2018</b>	1.153,7	572,8	0,9	110,0	123,1	555,2	<b>2.515,7</b>
<b>30 Jun. 2018</b>	1.180,3	616,8	0,9	124,0	316,1	449,1	<b>2.687,2</b>
<b>30 Sept. 2018</b>	1.181,6	618,7	0,9	163,5	596,2	447,2	<b>3.008,1</b>
<b>31 Dec. 2018</b>	1.262,4	593,9	0,9	140,7	689,8	407,4	<b>3.095,1</b>
<b>31 Mar. 2019</b>	1.265,6	795,8	1,7	158,4	235,9	849,3	<b>3.306,7</b>
<b>30 Jun. 2019</b>	1.315,3	923,6	2,0	158,4	518,1	576,7	<b>3.494,1</b>
<b>30 Sept. 2019</b>	1.329,1	923,6	2,2	150,1	749,2	564,3	<b>3.718,5</b>
<b>31 Dec. 2019</b>	1.332,3	929,0	3,0	168,4	808,9	558,8	<b>3.800,4</b>
<b>31 Mar. 2020</b>	1.332,7	1.088,4	3,0	173,8	196,2	1.166,5	<b>3.960,6</b>
<b>30 Jun. 2020</b>	1.378,9	1.207,3	3,0	181,0	351,0	899,1	<b>4.020,3</b>
<b>30 Sept. 2020</b>	1.381,3	1.366,6	3,6	215,0	556,8	737,5	<b>4.260,9</b>

Source: Central Bank of TRNC

**Table B.20: Capital Adequacy Ratio (%)**

Date	Public Banks	Private Banks	Branch Banks	Banking Sector	Legal Limit
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
31 Dec. 2019	14,63	14,02	21,98	17,05	10,00
31 Mar. 2020	16,13	13,95	21,41	17,07	10,00
30 Jun. 2020	15,97	14,00	20,81	16,86	10,00
30 Sept. 2020	14,65	13,50	19,81	16,06	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 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	734,8	749,2
31 Dec. 2019	3.862,6	2.437,9	674,3	1.057,0	808,9
31 Mar. 2020	794,2	285,6	152,6	273,1	196,2
30 Jun. 2020	1.519,5	609,0	271,8	544,8	351,0
30 Sept. 2020	2.342,4	983,0	432,3	806,4	556,8

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 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
31 Dec. 2019	4.708,0	16.982,2	6.462,1	1.279,5	3.405,5	32.837,3
31 Mar. 2020	5.136,5	17.538,3	6.527,8	1.428,2	3.620,7	34.251,5
30 Jun. 2020	5.939,5	17.928,1	6.432,6	1.379,9	3.595,0	35.275,1
30 Sept. 2020	6.910,1	19.943,5	7.393,9	1.598,3	4.274,6	40.120,4

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 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
31 Dec. 2019	1.886,9	7.486,7	2.881,9	333,9	424,9	13.014,3
31 Mar. 2020	1.853,8	7.447,4	2.987,8	378,6	433,7	13.101,3
30 Jun. 2020	2.236,5	7.695,5	2.832,9	353,9	297,3	13.416,1
30 Sept. 2020	2.332,5	7.884,5	3.264,8	233,9	371,7	14.087,4

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 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	2.421,3	8.169,3	3.513,4	868,7	2.748,1	17.720,8
30 Jun. 2019	2.601,2	8.367,8	3.671,9	870,9	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
31 Dec. 2019	2.821,1	9.495,5	3.580,1	945,6	2.980,6	19.822,9
31 Mar. 2020	3.282,6	10.090,9	3.540,0	1.049,5	3.187,0	21.150,0
30 Jun. 2020	3.703,0	10.232,6	3.599,7	1.026,0	3.297,7	21.859,0
30 Sept. 2020	4.577,5	12.059,0	4.129,1	1.364,4	3.902,9	26.033,0

Source: Central Bank of TRNC

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

Date	Official	Commercial	Savings	Other	Banks	Total
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	32.494,9
31 Dec. 2019	2.624,6	6.457,5	23.316,5	438,7	2.436,6	35.273,9
31 Mar. 2020	2.685,6	6.968,7	24.047,1	550,1	2.250,8	36.502,3
30 Jun. 2020	2.325,6	7.265,8	25.082,7	601,0	2.242,0	37.517,1
30 Sept. 2020	2.611,8	8.238,1	28.590,0	680,5	2.549,6	42.670,0

Source: Central Bank of TRNC

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

Date	Official	Commercial	Savings	Other	Banks	Total
31 Dec. 2016	756,3	1.319,0	5.823,8	159,4	331,8	<b>8.390,3</b>
31 Mar. 2017	809,7	1.352,5	5.963,4	176,8	351,3	<b>8.653,7</b>
30 Jun. 2017	1.022,5	1.368,4	6.116,2	135,1	313,2	<b>8.955,4</b>
30 Sept. 2017	1.029,4	1.516,0	6.387,8	98,9	319,0	<b>9.351,2</b>
31 Dec. 2017	1.150,6	1.522,5	6.802,0	107,2	279,1	<b>9.861,4</b>
31 Mar. 2018	1.144,2	1.558,4	6.912,0	117,9	302,7	<b>10.035,2</b>
30 Jun. 2018	1.298,4	1.506,7	6.909,0	129,2	404,0	<b>10.247,3</b>
30 Sept. 2018	1.394,1	1.622,1	7.021,3	145,9	420,4	<b>10.603,8</b>
31 Dec. 2018	1.421,0	1.577,0	7.382,8	223,6	390,5	<b>10.994,9</b>
31 Mar. 2019	1.437,6	1.533,1	7.517,8	239,9	478,2	<b>11.206,7</b>
30 Jun. 2019	1.602,7	1.681,0	7.783,8	270,4	302,4	<b>11.640,3</b>
30 Sept. 2019	2.215,4	1.769,8	8.062,0	124,0	257,1	<b>12.428,3</b>
31 Dec. 2019	2.026,4	2.129,7	8.712,8	145,4	378,2	<b>13.392,5</b>
31 Mar. 2020	2.036,0	2.373,8	8.534,8	156,7	263,0	<b>13.364,3</b>
30 Jun. 2020	1.634,0	2.580,7	8.929,5	271,9	261,7	<b>13.677,8</b>
30 Sept. 2020	1.805,7	2.828,2	9.136,5	317,0	340,4	<b>14.427,7</b>

Source: Central Bank of TRNC

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

Date	Official	Commercial	Savings	Other	Banks	Total
31 Dec. 2016	235,4	1.721,5	6.463,4	156,4	1.266,0	<b>9.842,7</b>
31 Mar. 2017	297,7	1.958,2	6.932,1	162,2	1.108,7	<b>10.458,9</b>
30 Jun. 2017	272,0	2.143,8	7.257,6	178,4	1.238,2	<b>11.090,0</b>
30 Sept. 2017	315,1	2.398,3	7.758,8	168,6	1.281,6	<b>11.922,3</b>
31 Dec. 2017	348,5	2.420,0	8.578,2	169,1	1.358,3	<b>12.874,1</b>
31 Mar. 2018	360,3	2.712,6	9.298,0	249,3	1.335,3	<b>13.955,5</b>
30 Jun. 2018	432,0	3.179,4	10.448,2	228,2	1.600,9	<b>15.888,7</b>
30 Sept. 2018	596,0	3.998,4	13.072,1	313,2	1.907,7	<b>19.887,4</b>
31 Dec. 2018	496,8	3.345,6	11.628,0	367,0	1.638,1	<b>17.475,5</b>
31 Mar. 2019	665,9	3.717,8	13.056,9	280,2	1.685,4	<b>19.406,2</b>
30 Jun. 2019	658,1	3.753,1	13.506,7	316,2	1.887,9	<b>20.122,1</b>
30 Sept. 2019	645,1	3.857,0	13.221,5	329,9	2.013,0	<b>20.066,5</b>
31 Dec. 2019	598,2	4.327,8	14.603,6	293,4	2.058,3	<b>21.881,3</b>
31 Mar. 2020	649,6	4.594,9	15.512,3	393,2	1.988,0	<b>23.138,0</b>
30 Jun. 2020	691,6	4.685,1	16.153,2	329,1	1.980,3	<b>23.839,3</b>
30 Sept. 2020	806,1	5.409,9	19.453,5	366,5	2.209,2	<b>28.242,3</b>

Source: Central Bank of TRNC

**Table B.28: Money Supply (Million TRY)**

Year	Quarter	M1	Percentage Change Compared to the Same Period of Previous Year	M2	Percentage Change Compared to the Same Period of Previous Year	M3	Percentage Change Compared to the Same Period of Previous Year
<b>2016</b>	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
<b>2017</b>	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
<b>2018</b>	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
<b>2019</b>	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
	IV	7.386,0	28,97	33.164,4	23,53	35.890,4	24,32
<b>2020</b>	I	7.871,1	24,98	34.643,4	19,25	37.619,0	20,47
	II	8.528,0	29,57	35.868,4	19,30	38.322,4	18,31
	III	9.719,8	43,46	40.687,9	35,13	43.790,6	31,73

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**

	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>GNP (Current Prices, Million TRY)</b>	6.955,1	7.606,9	8.858,5	10.222,4	11.601,2	14.544,8	18.324,2	21.395,4	25.237,3 <sup>(T)</sup>
<b>GNP (Million USD)</b>	3.862,6	3.983,9	4.040,2	3.749,0	3.837,9	3.983,8	3.790,8	3.766,8	4.025,1 <sup>(T)</sup>
<b>GNP per capita (Current Prices, TRY)</b>	27.077,2	29.216,8	33.127,8	37.413	42.022	51.799	64.178	71.851,4**	
<b>GNP per capita (USD)</b>	15.037,9	15.301,6	15.109	13.721	13.902	14.187	13.277	12.649	13.212 <sup>(T)</sup>
<b>Inflation Rate (%)</b>	3,6	10,2	6,5	7,8	10,2	14,7	29,9	11,6	10,7*
<b>Exports (Million USD) (1)</b>	116,3	120,7	134,0	118,1	105,5	105,6	100,9	82,5	82,6*
<b>Imports (Million USD)</b>	1.703,9	1.699,4	1.538,8	1.500,6	1.557,2	1.778,4	1.816,4	1.587,9	744,6*
<b>Foreign Trade Balance (Million USD)</b>	-1.587,6	-1.578,7	-1.404,8	-1.382,5	-1.415,2	-1.672,8	-1.715,5	-1.384,1	667,0*
<b>Exports / Imports (%)</b>	7,2	7,1	7,5	7,9	6,9	5,9	5,6	5,6	12,4*
<b>Number of Arriving Tourists</b>	1.166.186	1.232.753	1.366.007	1.483.244	1.577.073	1.734.330	1.759.625	1.749.979	352.728*
<b>a) Turkey</b>	904.505	923.308	1.020.577	1.110.795	1.218.232	1.324.248	1.359.420	1.358.465	283.433*
<b>b) Other</b>	261.681	309.445	345.430	372.449	358.841	410.082	400.205	391.514	69.295*
<b>Net Tourism Income (Million USD)</b>	571,9	613,4	691,6	697,7	714,4	864,9	912,4	954,5	1.017,2 <sup>(T)</sup>
<b>Employment</b>	96.539	97.867	103.149	112.811	118.387	120.999	132.411	138.438	143,560 <sup>(T)</sup>
<b>Number of Unemployed</b>	9.174	8.929	9.320	9.043	8.075	7.452	9.872	9.317	9,218 <sup>(F)</sup>
<b>Unemployment Rate (%)</b>	8,7	8,4	8,3	7,4	6,4	5,8	6,9	6,3	6,0 <sup>(F)</sup>
<b>Non-institutional Population (2)</b>	268.700	277.031	289.252	299.514	307.255	314.169	347.340	357.216	n.a
<b>Population (Projection) (3)</b>	297.608	306.368	320.884	331.432	339.478	351.965	372.486	n.a	n.a
<b>Annual Population Growth (%)</b>	3.1	3.3	3,8	3,9	2.9	3,1 <sup>(F)</sup>	n.a	n.a	n.a

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

<sup>(F)</sup> Forecast <sup>(T)</sup> Target

\* January – September data.

\*\*GNP per capita calculation is based on the average US dollar (USD) rate of the SPO.

1) Exports to the Southern Cyprus are not included.

2) Non-institutional Population: The population obtained through the Household Labour Force Survey, excluding those residing in schools, dormitories, hotels, kindergartens, nursing homes, private hospitals, prisons, barracks or military housing.

3) Population (Projection): The 2012-2018 projection data prepared using the census data conducted in 2011. These population figures are not used in GNP per capita calculation. 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)

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

Sectors	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 <sup>(T)</sup>
<b>1. Agriculture</b>	300,6	330,3	366,4	386,5	405,0	489,3	552,5	647,6	658,8	1.139,4	1.171,2	1.517,0
<b>2. Industry</b>	516,7	552,4	558,5	587,1	636,6	779,7	937,7	1.064,7	1.413,3	1.537,9	1.675,7	2.178,9
<b>3. Construction</b>	346,4	312,1	408,5	335,8	370,7	370,2	480,5	511,6	836,4	1.081,4	1.235,1	1.287,9
<b>4. Trade - Tourism</b>	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	4.746,7	5.866,5
<b>5. Transportation - Communication</b>	597,3	525,2	553,1	642,9	711,4	788,0	896,6	965,3	1.156,6	1.339,0	1.564,7	1.861,9
<b>6. Financial Institutions</b>	388,4	404,4	472,6	506,0	579,7	637,4	719,4	887,6	1.007,7	1.486,4	1.717,3	1.897,7
<b>7. Housing Income</b>	202,5	220,6	274,4	305,8	358,2	398,9	456,2	535,3	655,6	896,3	1.102,4	1.301,1
<b>8. Self-Employment and Services</b>	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	2.819,4	3.789,1
<b>9. Public Services</b>	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	3.441,7	3.296,9
<b>10. Import Taxes</b>	447,6	536,3	637,0	709,1	775,9	936,4	971,8	1.178,3	1.411,5	1.678,1	1.921,2	2.240,3
<b>11. GDP</b>	<b>5.376,3</b>	<b>5.614,1</b>	<b>6.509,0</b>	<b>6.955,1</b>	<b>7.606,9</b>	<b>8.858,6</b>	<b>10.222,5</b>	<b>11.601,2</b>	<b>14.544,8</b>	<b>18.324,1</b>	<b>21.395,4</b>	<b>25.237,3</b>
<b>12. Net Factor Income from Abroad</b>	38,9	35,4	50,2	-39,3	-27,5	-18,2	-11,7	4,2	6,9	10,6	13,7	16,6
<b>GNP</b>	<b>5.415,3</b>	<b>5.649,5</b>	<b>6.559,2</b>	<b>6.915,8</b>	<b>7.579,4</b>	<b>8.840,4</b>	<b>10.210,7</b>	<b>11.605,5</b>	<b>14.551,8</b>	<b>18.334,8</b>	<b>21.409,1</b>	<b>25.253,9</b>

Source: SPO, TRNC Statistical Institute

<sup>(T)</sup> Target

**Table B.32: Percentage Distribution of Gross Domestic Product**

Sectors	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 <sup>(F)</sup>
<b>1. Agriculture</b>	5,6	5,9	5,6	5,6	5,3	5,5	6,0	5,6	4,5	6,2	5,5	6,0
<b>2. Industry</b>	9,6	9,8	8,6	8,4	8,4	8,8	9,2	9,2	9,7	8,4	7,8	8,6
<b>2.1. Quarrying</b>	0,7	0,6	0,7	0,6	0,6	0,5	0,7	0,7	0,9	1,0	0,9	-
<b>2.2. Manufacturing Industry</b>	3,2	2,3	2,5	2,8	2,9	3,1	3,7	3,7	3,3	3,0	2,8	-
<b>2.3. Electricity-Water</b>	5,8	6,9	5,3	5,1	4,8	5,1	4,8	4,8	5,5	4,4	4,1	-
<b>3. Construction</b>	6,5	5,6	6,3	4,8	4,9	4,2	4,7	4,4	5,8	5,9	5,8	5,1
<b>4. Trade - Tourism</b>	14,3	16,0	18,7	19,9	20,1	20,6	19,7	19,7	20,1	20,8	22,2	23,2
<b>4.1. Wholesale and Retail Trade</b>	9,0	10,7	11,1	11,4	11,2	12,3	10,7	11,0	11,1	11,2	10,5	17,4
<b>4.2. Hotel and Restaurant Management</b>	5,2	5,4	7,6	8,5	8,9	8,3	9,0	8,7	9,0	9,6	11,7	5,8
<b>5. Transportation - Communication</b>	11,1	9,4	8,5	9,3	9,4	8,9	8,8	8,3	8,0	7,3	7,3	7,4
<b>6. Financial Institutions</b>	7,2	7,2	7,2	7,3	7,6	7,2	7,0	7,6	6,9	8,1	8,0	7,5
<b>7. Housing Ownership</b>	3,8	3,9	4,2	4,4	4,7	4,5	4,4	4,6	4,5	4,9	5,2	5,2
<b>8. Self-Employment and Services</b>	11,3	11,6	11,2	11,5	11,7	11,6	13,9	14,5	15,7	15,8	13,2	15,0
<b>9. Public Services</b>	22,3	21,0	19,9	18,6	17,7	18,1	16,8	15,9	15,1	13,4	16,1	13,1
<b>10. Import Taxes</b>	8,3	9,6	9,8	10,2	10,2	10,6	9,5	10,2	9,7	9,2	9,0	8,9
<b>GDP</b>	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, TRNC Statistical Institute

<sup>(F)</sup> Forecast

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019 <sup>(F)</sup>	2020 <sup>(T)</sup>
<b>1. Total Resources</b>	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	17.697,2	19.221,6	21.910,4
<b>2. Total Investments</b>	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	3.229,4	3.814,5
<b>3. Total Consumption</b>	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	15.992,2	18.096,0
<b>4. Public Disposable Income</b>	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	4.888,3	5.383,8
<b>5. Private Disposable Income</b>	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	16.992,5	19.870,1
<b>6. Private Savings Ratio (%)</b>	33,9	26,0	28,0	20,8	25,0	23,3	29,8	29,4	29,0	28,1	26,7	29,5
<b>7. Total Domestic Savings</b>	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	5.888,6	7.158,0

Source: SPO

<sup>(F)</sup> Forecast

<sup>(T)</sup> Target

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

Sectors	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 <sup>(T)</sup>
<b>1. Agriculture</b>	8,2	10,0	10,8	3,7	-1,6	4,8	14,5	-7,3	4,9	2,6	2,7	-0,9
<b>2. Industry</b>	-9,1	-0,2	3,4	-0,7	1,7	8,5	19,5	7,3	4,4	-12,4	-14,7	3,5
<b>3. Construction</b>	-18,5	3,8	3,3	-16,0	-0,3	-4,5	6,5	5,7	10,6	7,6	7,6	2,7
<b>4. Trade-Tourism</b>	-8,7	18,3	6,0	6,1	1,4	8,5	-0,8	4,8	9,0	0,4	0,4	3,4
<b>5. Transportation-Communication</b>	-2,8	-20,0	-4,3	5,7	2,0	3,2	5,7	1,8	6,9	3,5	3,5	2,3
<b>6. Financial Institutions</b>	1,7	0,3	1,4	8,1	7,5	0,8	1,6	2,0	3,1	2,7	1,2	2,5
<b>7. Housing Ownership</b>	3,8	4,0	3,9	3,7	3,2	2,6	3,0	3,5	3,8	4,6	5,0	0,8
<b>8. Self-Employment and Services</b>	3,4	-5,3	4,3	1,5	2,3	8,8	9,5	3,6	7,7	5,3	1,3	2,9
<b>9. Public Services</b>	-5,0	0,4	2,8	1,9	1,4	-0,1	0,1	-0,2	-0,8	1,3	3,7	0,2
<b>10. Import Taxes</b>	-7,1	18,6	3,9	8,9	-2,1	7,9	-9,6	9,0	0,5	2,4	3,6	4,7
<b>11. GDP</b>	<b>-5,5</b>	<b>3,7</b>	<b>3,9</b>	<b>1,8</b>	<b>1,1</b>	<b>4,8</b>	<b>4,0</b>	<b>3,6</b>	<b>5,4</b>	<b>1,3</b>	<b>0,2</b>	<b>2,5</b>
<b>12. Net Factor Income from Abroad</b>	-28,2	-9,8	27,1	-174,5	35,3	40,5	41,9	133,0	-38,4	23,3	10,9	-0,7
<b>GNP</b>	<b>-5,7</b>	<b>3,6</b>	<b>4,0</b>	<b>0,5</b>	<b>1,3</b>	<b>4,9</b>	<b>4,1</b>	<b>3,8</b>	<b>5,5</b>	<b>1,3</b>	<b>0,2</b>	<b>2,5</b>

Source: SPO, TRNC Statistical Institute

<sup>(F)</sup> Forecast

<sup>(T)</sup> Target

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>1. Current Accounts Balance</b>	-65,4	-275,8	-173,1	-125,1	-44,7	-11,7	271,6	287,6	294,4	215,9	221,3
<b>2. Balance of Capital Movements</b>	495,0	438,5	326,5	346,2	259,7	186,9	168,9	71,4	131,4	73,1	154,9
<b>3. Reserve Movements (- Increase, + Decrease)</b>	-172,1	-94,4	-47,3	-340,8	-219,9	-176,7	-75,8	-79,4	-826,6	+69,1	-290,3
<b>4. Net Errors and Omissions</b>	-257,5	-68,3	-106,1	119,7	4,9	1,5	-364,7	-279,6	400,8	-358,1	-85,9

Source: SPO, TRNC Statistical Institute

**Table B.36: Percentage Change of Consumer Prices Index Compared to December of Last Year**

Months	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>January</b>	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	1,70
<b>February</b>	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	2,33
<b>March</b>	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	2,80
<b>April</b>	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	2,57
<b>May</b>	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	3,34
<b>June</b>	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	4,38
<b>July</b>	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	6,44
<b>August</b>	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	8,87
<b>September</b>	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	10,7
<b>October</b>	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	10,71	
<b>November</b>	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	10,20	
<b>December</b>	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	11,66	

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	11,66	11,84
1992	63,4	66,0	2006	19,2	9,7	2020*	11,18	11,75
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, TRNC Statistical Institute

\* Based on September annual inflation data.

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

Main Groups	Change Rates of Main Goods and Services Groups Compared to the Previous Month											
	2020											
	1	2	3	4	5	6	7	8	9	10	11	12
1. Food and Non-Alcoholic Beverages	4,73	2,07	-0,61	-1,50	-0,91	-1,33	-1,20	3,74	3,41			
2. Alcoholic Beverages and Tobacco	-0,12	0,29	5,14	0,44	0,29	0,42	0,67	0,47	0,33			
3. Clothing and Shoes	0,01	-16,89	0,00	5,55	21,49	2,86	-0,71	-7,47	-1,64			
4. Housing, Water, Electricity, Gas and Other Fuels	0,98	0,51	0,10	-5,23	1,61	0,01	6,07	1,58	0,80			
5. Furniture, Home Appliances and Home Maintenance Services	0,48	0,48	0,74	0,98	1,62	3,02	1,47	1,68	5,58			
6. Health	0,75	4,12	0,52	0,98	0,24	0,40	1,07	7,30	1,10			
7. Transportation	1,27	0,31	1,13	1,94	-2,25	1,97	5,59	4,57	2,03			
8. Communication	0,71	0,76	0,01	0,01	1,65	0,85	0,68	0,41	0,93			
9. Entertainment and Culture	0,65	3,11	0,27	0,35	0,58	0,53	0,11	0,46	0,54			
10. Education	0,64	0,18	1,65	1,91	0,72	0,03	0,39	2,56	4,85			
11. Restaurants and Hotels	0,89	0,48	0,00	0,00	0,19	6,95	3,71	0,86	-4,58			
12. Miscellaneous Goods and Services	3,61	1,44	0,26	0,56	2,52	1,10	1,20	2,62	1,32			
General	1,70	0,62	0,47	-0,23	0,75	1,01	1,98	2,28	1,68			

Source: SPO, TRNC Statistical Institute

**Table B.39: Minimum Wage Developments**

<b>Years</b>	<b>Minimum Wage (TRY)</b>	<b>Exercise Date</b>
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
2020	3.820	01.02.2020

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			
16.01.2016	3,18	3,38	3,07	2,86	2,86
23.01.2016	3,18	3,38	2,97	2,86	2,86
06.02.2016	3,12	3,32	2,86	2,86	2,86
19.03.2016	3,20	3,40	2,94	2,94	2,94
05.05.2016	3,27	3,47	3,03	2,94	3,02
26.05.2016	3,39	3,59	3,20	-	3,17
17.06.2016	3,41	3,61	3,29	-	3,26
12.07.2016	3,41	3,61	3,29	-	3,26
24.08.2016	3,47	3,67	3,30	-	3,26
20.09.2016	3,54	3,74	3,36	-	3,32
11.10.2016	3,57	3,77	3,36	-	3,35
01.11.2016	3,63	3,83	3,45	-	3,41
07.01.2017	3,83	4,03	3,62	-	3,56
11.03.2017	3,76	3,96	3,59	-	3,51
01.04.2017	3,71	3,91	3,51	-	3,43
18.05.2017	3,67	3,87	3,47	-	3,39
29.11.2017	3,67	3,87	3,63	-	3,40
03.02.2018	3,85	4,04	3,78	-	3,55
17.03.2018	3,88	4,07	3,82	-	3,59
11.04.2018	4,19	4,37	4,02	-	3,78
03.05.2018	4,30	4,48	4,13	4,13	3,91
10.07.2018	4,32	4,50	4,13	4,13	4,01
31.07.2018	4,42	4,60	4,18	4,18	4,11
28.08.2018	4,97	5,16	4,76	4,76	4,65
20.09.2018	5,81	6,01	5,76	5,76	5,59
01.11.2018	5,61	5,71	5,55	5,76	5,46
22.11.2018	5,21	5,31	5,15	-	5,06
13.12.2018	5,06	5,16	4,95	-	4,86
10.01.2019	5,00	5,10	4,85	-	4,78
21.02.2019	5,06	5,16	4,91	-	4,75
14.03.2019	5,06	5,16	4,91	-	4,85
04.04.2019	5,41	5,51	5,01	-	4,95
08.08.2019	5,36	5,46	4,96	-	4,90
05.05.2020	4,96	5,06	4,56	-	4,50
18.06.2020	5,40	5,50	4,94	-	4,94
09.07.2020	5,78	5,88	5,32	-	5,29

Source: Ministry of Economy and Energy

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

<b>Years</b>	<b>Turkey</b>	<b>European Union Countries</b>	<b>Other EU Countries</b>	<b>Middle Eastern Countries</b>	<b>Other Countries</b>	<b>Total Exports</b>
<b>2006</b>	30.875.362	9.708.799	9.805.754	11.543.938	2.933.694	<b>64.867.547</b>
<b>2007</b>	48.907.443	13.225.555	7.369.006	9.702.231	4.480.578	<b>83.684.813</b>
<b>2008</b>	41.770.636	17.147.124	4.953.414	14.220.270	5.572.694	<b>83.664.138</b>
<b>2009</b>	38.482.808	13.156.210	1.206.347	13.833.521	4.384.880	<b>71.063.766</b>
<b>2010</b>	44.741.216	11.816.654	3.475.821	31.104.188	5.282.030	<b>96.419.909</b>
<b>2011</b>	61.333.755	9.515.772	1.514.866	36.886.525	10.645.168	<b>119.896.086</b>
<b>2012</b>	58.878.076	8.678.585	1.014.857	39.821.898	9.873.712	<b>116.267.128</b>
<b>2013</b>	62.969.817	9.145.514	2.733.484	38.472.891	7.359.533	<b>120.681.239</b>
<b>2014</b>	78.446.382	8.304.840	835.323	40.583.800	5.814.745	<b>133.985.090</b>
<b>2015</b>	66.228.637	6.195.715	3.811.828	35.611.170	5.885.294	<b>117.732.644</b>
<b>2016</b>	65.926.162	10.664.066	893.816	23.981.854	4.022.010	<b>105.487.908</b>
<b>2017</b>	63.818.406	8.362.779	1.681.343	22.247.673	9.505.787	<b>105.615.988</b>
<b>2018</b>	52.127.770	10.376.400	2.536.815	26.110.465	9.700.495	<b>100.851.945</b>
<b>2019</b>	43.130.122	2.129.943	2.236.897	30.490.266	4.448.151	<b>82.465.379</b>
<b>2020 (Jan.-Sept.)</b>	42.326.381	1.407.368	10.245.115	24.353.517	4.223.560	<b>82.578.985</b>

*Source: Department of Trade*

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

<b>Years</b>	<b>Turkey</b>	<b>European Union Countries</b>	<b>Far Eastern Countries</b>	<b>Other EU Countries</b>	<b>Middle Eastern Countries</b>	<b>Other Countries</b>	<b>Total Imports</b>
<b>2006</b>	946.978.969	247.072.030	82.977.243	16.460.425	65.267.005	17.464.606	<b>1.376.220.278</b>
<b>2007</b>	1.044.965.855	248.220.981	111.304.222	40.423.905	66.253.726	28.022.604	<b>1.539.191.293</b>
<b>2008</b>	1.172.502.792	236.344.802	109.156.742	78.503.072	56.482.297	27.673.475	<b>1.680.657.180</b>
<b>2009</b>	923.438.219	205.604.209	87.720.997	30.311.431	52.507.371	26.582.965	<b>1.326.165.192</b>
<b>2010</b>	1.137.378.970	251.285.189	90.266.660	29.873.873	69.000.395	26.375.578	<b>1.604.180.665</b>
<b>2011</b>	1.165.712.306	286.204.302	82.493.886	42.982.735	87.880.256	34.654.478	<b>1.699.927.963</b>
<b>2012</b>	1.234.214.030	247.749.409	81.109.808	28.245.460	81.484.144	31.111.112	<b>1.703.913.963</b>
<b>2013</b>	1.155.334.547	257.018.820	113.400.316	59.110.065	86.239.017	28.323.666	<b>1.699.426.431</b>
<b>2014</b>	995.563.199	238.330.438	125.280.677	70.915.525	75.481.630	33.204.743	<b>1.538.776.212</b>
<b>2015</b>	967.563.226	271.360.515	115.042.857	45.084.868	70.781.057	30.744.861	<b>1.500.577.384</b>
<b>2016</b>	940.845.300	326.806.415	133.943.157	51.872.616	69.557.193	34.165.573	<b>1.557.190.254</b>
<b>2017</b>	1.043.002.512	387.506.424	150.130.828	61.166.015	87.668.520	48.929.706	<b>1.778.404.005</b>
<b>2018</b>	1.068.509.898	356.271.158	149.333.076	90.732.549	100.527.838	50.989.832	<b>1.816.364.351</b>
<b>2019</b>	927.163.386	287.971.697	152.984.913	85.855.064	95.200.820	38.744.575	<b>1.587.920.455</b>
<b>2020 (Jan.-Sept.)</b>	448.012.540	118.887.070	90.683.135	23.647.163	37.042.648	26.294.435	<b>744,566,991</b>

Source: Department of Trade

**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	<b>1.646.213</b>
2015	1.693.694	60.733	19.196	342	<b>1.773.965</b>
2016	1.785.746	57.513	19.004	295	<b>1.862.558</b>
2017	1.794.483	71.619	21.668	283	<b>1.888.053</b>
2018	1.968.345	84.974	26.260	382	<b>2.079.961</b>
2019	1.973.844	70.097	24.575	476	<b>2.068.992</b>
2020 (Jan.-Sept.)	394.898	25.378	5.179	20	<b>425.475</b>

Source: Tourism Planning Department

**Table B.44: Total Border Gate Entries in 2019 - 2020 (Number of persons)**

Nationality	TRNC		Southern Cyprus		Other Countries		Total	
	2019	2020	2019	2020	2019	2020	2019	2020
January	150.377	166.644	152.451	197.924	112.207	120.770	415.035	485.340
February	165.802	177.777	139.516	182.753	113.106	124.300	418.424	484.830
March	163.402	50.937	182.463	52.878	149.119	33.104	494.984	136.919
April	157.512	633	203.143	17	184.496	547	545.151	1.197
May	174.290	948	208.708	29	191.193	79	574.191	1.056
June	184.323	12.707	228.747	921	195.225	430	608.295	14.058
July	185.157	46.741	224.977	9.951	212.027	3.628	622.161	60.320
August	190.241	38.557	261.727	13.979	231.897	4.675	683.865	57.211
September	192.118	58.787	212.741	14.461	205.454	6.135	610.313	79.383
October	181.499		205.057		207.930		594.486	
November	175.482		202.907		159.842		538.231	
December	186.317		212.944		133.767		533.028	
<b>Total</b>	<b>2.106.520</b>	<b>553.731</b>	<b>2.435.381</b>	<b>472.913</b>	<b>2.096.263</b>	<b>293.670</b>	<b>6.638.164</b>	<b>1.320.314</b>

Source: Tourism Planning Department

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

<b>Countries</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020 (Jan.- Sept.)</b>
<b>Turkey</b>	464.397	529.908	588.045	621.819	710.889	776.428	773.936	144.323
<b>TRNC</b>	40.125	49.598	52.335	53.224	55.613	49.344	50.560	41.688
<b>Other</b>	209.379	224.881	235.661	249.079	348.471	317.434	336.184	43.445
<b>Grand Total</b>	<b>713.901</b>	<b>804.387</b>	<b>876.041</b>	<b>924.122</b>	<b>1.114.973</b>	<b>1.143.206</b>	<b>1.160.680</b>	<b>855.571</b>

Source: Tourism Planning Department



## ANNEX C. NOTES

### Money Supply

'Money Supply' in the broad definition 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**

### 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".

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'.

### 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.

### 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](http://www.mb.gov.ct.tr)).

### 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.

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.

### 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







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**For information and suggestions: [www.mb.gov.ct.tr](http://www.mb.gov.ct.tr)**