



CENTRAL BANK OF THE TRNC

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I: FOREWORD

In the Global Economic Prospects report published by the World Bank in January 2021, it was stated that after the collapse in global economic growth in 2020 due to the Covid-19 outbreak, the global economic growth rate is expected to be at the level of 4 percent in 2021. The report suggests that limiting the spread of the virus, providing relief for vulnerable populations, and overcoming vaccine-related challenges are immediate policy priorities. In the World Economic Outlook Update report published by the IMF in January 2021, it was stated that the recent vaccine approvals have raised hopes of a turnaround in the pandemic later this year, but renewed waves and new variants of the virus pose concerns for the outlook. In the report, the global growth contraction for 2020 is estimated at -3.5 percent, 0.9 percentage point higher than projected in the previous forecast, reflecting stronger-than-expected momentum in the second half of 2020.

As a result of the CBRT MPC meetings held in the last quarter of 2020, the Committee decided to implement a strong monetary tightening, to eliminate risks to the inflation outlook, contain inflation expectations, and restore the disinflation process as soon as possible. In this context, the one-week repo auction interest rate, which is the policy rate, was increased from 15 to 17 percent. The Committee also announced that it would provide all funding through the main policy rate at the November 2020 meeting. At the first MPC meeting of 2021, the policy interest rate was kept at the same level.

In the fourth quarter of 2020, TRNC inflation change was 11.86 percent in October, 14.55 percent in November, and 15.03 percent in December, compared to December of the previous year. The sectors with the highest price increase at the end of December 2020 are furniture and home appliances with 26.66 percent, transportation with 21.68 percent and, health item with 20.57 percent. By the end of December 2020, the lowest price increase was in the communication item with 7.42 percent.

Total budget expenditures and budget revenues amounted to 8,696.2 million TRY and 8,160 million TRY in 2020, respectively and the budget had a deficit of 536.2 million TRY. Compared to 2019 budget results, budget revenues increased by 10.2 percent, and budget expenditures increased by 13.1 percent in 2020. Tax revenues item, which has the highest share in budget revenues, has decreased by 2.1 percent in 2020 and reached 4,842.5 million TRY, compared to 2019. Non-tax revenues item has decreased by 5.5 percent in 2020 and reached 1,502 million TRY, compared to the previous year. While the total donations, grants and loans item was 579 million TRY in 2019, it has increased by 181.1 percent in 2020 and amounted to 1,627.3 million TRY, compared to the previous year.

In 2020, total tax revenues and non-tax revenues decreased in real terms by 14.92 percent and 17.85 percent, respectively, compared to the previous year. Accordingly, total domestic income, which increased by an average of 5.40 percent in real terms in the last 5 years, decreased by 16.77 percent in real terms in 2020, compared to the previous year.

According to the foreign trade data announced by the TRNC Department of Trade, the export and import figures for October and November in the fourth quarter of 2020 were 11.8 million and 197.2 million US dollars, respectively. The total figures for the first eleven months of 2020 were 94.4 million US dollars in exports and 1.033 million US dollars in imports. Total exports increased by 22.3 percent in the first eleven months of 2020, total imports decreased by 20.4

percent, compared to the same period of the previous year. Looking at the 2019 and 2020 figures of imports to exports ratio, it is seen that the average of January - November period has been 6 and 9 percent, respectively.

In the fourth quarter of 2020, total assets of the banking sector increased by 4.21 percent to 50,601.3 million TRY. Total assets of the banking sector increased by 24.18 percent in one year. As of December 2020, gross loans and cash and cash equivalents have been the largest shares in the total assets with 56.83 percent and 29.17 percent, respectively. Business loans, which amounted to 18,868.7 million TRY as of December 2020, are in the first rank. It is followed by consumer loans with a total of 6,329 million TRY. Deposits, which have the largest share in the total liabilities of the sector with 82.58 percent, increased by 4.16 percent compared to the previous quarter as of the last quarter of 2020 and reached 41,787.6 million TL. Analysing the total deposits of the banking sector according to their types, savings deposits have the largest share with 29,453.4 million TRY. Looking at the maturity distribution of deposits, 1-month deposits have the largest share with a rate of 49.61 percent. In the banking sector, the loans to deposits ratio increased by 0.76 points in the fourth quarter of 2020 compared to the previous quarter and reached 68.82 percent. Non-performing loans (NPL) increased by 7.3 percent and reached 1,555.9 million TRY, compared to December of the previous year.

The banking sector's TRY deposits to TRY loans ratio (excluding NPL) increased from 84.55 percent to 91.89 percent as of December 2020 compared to the previous quarter, while FX deposits to FX loans ratio (excluding NPL) decreased from 53.41 percent to 50.83 percent. TRY and FX deposits to loans ratio (excl. NPL) were 76.63 percent and 56.17 percent, respectively, in December 2019. In 2020, TRY deposits to TRY loans ratio increased, while there was a decrease in FX ratio.

In the fourth quarter of 2020, the sector's capital adequacy standard ratio increased by 0.22 points compared to the previous quarter and reached 15.91 percent, above the legal limit of 10 percent. CASR based on bank groups has been 13.25 percent in public banks, 12.58 percent in private banks, and 21.25 percent in branch banks.

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 as of the fourth quarter of 2020, and I hope that it will be beneficial for those interested in the subject.

Regards,



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II: ABBREVIATIONS

EU	European Union
USA	United States of America
ECB	European Central Bank
ATM	Automated Teller Machine/Cash Dispenser
IMM	Interbank Money Market
BoE	Bank of England
Brexit	Withdrawal of the United Kingdom from the European Union
SPO	State Planning Organisation
WTO	World Trade Organisation
EA 19	Euro Area
EUROSTAT	European Statistical Office
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 Banks + Receivables from IMM Transactions

INDEX

I: FOREWORD	i
II: ABBREVIATIONS	v
III: DEFINITIONS	v
INDEX	vii
IV: LIST OF TABLES	ix
V: LIST OF CHARTS	xi
1 INTERNATIONAL DEVELOPMENTS	1
1.1 Overview and Current Developments	1
1.1 Economic and Financial Outlook in Selected Countries	2
1.1.1 Growth.....	2
1.1.2 Inflation.....	3
1.1.3 Policy Interest Rates.....	3
1.1.4 Exchange Rates.....	5
2 EMPLOYMENT AND PRICES	7
2.1 Employment	7
2.2 Inflation	8
3 FOREIGN TRADE AND TOURISM	11
3.1 Developments in Exports and Imports	11
3.2 Tourism	14
4 BUDGETARY DEVELOPMENTS	17
4.1 Fourth Quarter 2020 Results	17
4.2 Revenues	17
4.3 Expenditures	18
4.4 Budget Implementation Results	19
4.5 Financing Balance	20
5 MONETARY AND FINANCIAL DEVELOPMENTS	23
5.1 Overview of the Banking Sector	23
5.1.1 Financial Deepening.....	23
5.1.2 Performance Ratios of the Banking Sector.....	23
5.1.3 Concentration in the Banking Sector.....	24
5.1.4 Number of Banks, Branches, Personnel and ATMs.....	24
5.2 Banking Sector Consolidated Balance Sheet	26
5.2.1 Assets and Liabilities Structure.....	27
5.2.2 Cash and Cash Equivalents.....	29
5.2.3 Loans.....	30
5.2.4 Securities Portfolio.....	32

5.2.5	Deposits	33
5.2.6	Shareholders' Equity	36
5.3	Money Supply	37
5.4	Overview of Interbank Money Market.....	38
5.5	Credit Cards Maximum Interest Rates	41
6	<i>FINANCIAL STABILITY ANALYSIS</i>.....	43
6.1	Capital Adequacy.....	43
6.2	Non-Performing Loans	44
6.3	Return on Assets and Return on Equity.....	46
ANNEX A.	<i>ECONOMIC DECISIONS</i>	47
ANNEX B.	<i>STATISTICAL DATA</i>	49
ANNEX C.	<i>NOTES</i>	89

IV: LIST OF TABLES

Table 1.1: GDP Forecasts	1
Table 2.1: Registered Active Unemployment - Overview (Number of persons)	7
Table 2.2: Overview of Active Vacancy Listings (Number of persons)	7
Table 2.3: Consumer Prices Index (% Change, 2015=100)	10
Table 3.1: Exports and Imports	11
Table 3.2: Main Import Goods (US dollar)	12
Table 3.3: TRNC Exports by Country Groups (percentage share).....	13
Table 3.4: TRNC Imports by Country Groups (percentage share)	14
Table 3.5: Number of Passengers Arriving in TRNC by Air and Sea	14
Table 3.6: Border Gate Entries to TRNC by Nationalities and Months.....	16
Table 3.7: Number of Tourist Accommodations and Bednights by Nationalities	16
Table 4.1: Budget Balance (Million TRY).....	17
Table 4.2: Budget Revenues (Million TRY)	18
Table 4.3: Budget Expenditures (Million TRY).....	18
Table 4.4: Budget Implementation Results (Million TRY).....	19
Table 4.5: Financing Balance (Million TRY).....	20
Table 4.6: Real Domestic Income - Expenditure Changes by Years (%).....	21
Table 4.7: TRY Government Domestic Borrowing Bond (DIBS) Tenders Held by the TRNC Ministry of Finance through Central Bank of the TRNC.....	22
Table 5.1: Performance Ratios.....	23
Table 5.2: Concentration in the Banking Sector (%)	24
Table 5.3: Number of Banks.....	24
Table 5.4: Number of Branches and Personnel.....	25
Table 5.5: Number of ATMs	25
Table 5.6: Banking Sector Consolidated Balance Sheet (Million TRY).....	26
Table 5.7: Structural Percentage Distribution of Banking Sector Assets / Liabilities (%)	27
Table 5.8: Development of Total Assets Based on Bank Groups (Million TRY)	28
Table 5.9: TRY and FX Distribution of Gross Loans and Deposits (%).....	28
Table 5.10: Development of the Cash and Cash Equivalents (Million TRY).....	29
Table 5.11: Distribution of Loans by Type (Million TRY)	30
Table 5.12: Development of Deposits by Type (Million TRY).....	33
Table 5.13: Development of Deposits Based on Bank Groups (Million TRY).....	34
Table 5.14: Maturity Distribution of Deposits (%)	35
Table 5.15: Distribution of Deposits by Size (Million TRY).....	35
Table 5.16: Development of Shareholders' Equity (Million TRY).....	36
Table 5.17: Money Supply (Million TRY)	37
Table 5.18: Transaction Volume (x 1.000) and Amount	38
Table 5.19: Transaction Volume (x 1.000)	39
Table 5.20: Average Interest Rates (%).....	40
Table 5.21: Credit Cards Maximum Interest Rates (%)	41
Table 6.1: Risk-Weighted Assets(Million TRY).....	43
Table 6.2: Development of Various Selected Items by Bank Groups (Million TRY)	45
Table 6.3: Return on Assets and Return on Equity and Net Interest Income Ratios (%)	46
Table A.1: Economic Decisions - Central Bank of the TRNC	47
Table A.2: Economic Decisions - Legislative Regulations	48
Table B.1: Central Bank of the TRNC Selected Balance Items (TRY).....	50
Table B.2: Central Bank of the TRNC Liquid Assets (TRY).....	51
Table B.3: Loans Extended to the Banking Sector by Central Bank of the TRNC (TRY)	52
Table B.4: Deposits and Reserve Requirements in Central Bank of the TRNC (TRY)	53

<i>Table B.5: Central Bank of the TRNC Exchange Rates (End of month)</i>	54
<i>Table B.6: Cross Rates</i>	55
<i>Table B.7: Interest Rates Applied to Turkish Lira and Foreign Currency Deposits by Central Bank of the TRNC (%)</i>	56
<i>Table B.8: Interest Rates Applied to Reserve Requirements by Central Bank of the TRNC (%)</i>	57
<i>Table B.9: Rediscount Interest Rates (%)</i>	58
<i>Table B.10: Reserve Requirements Ratios (%)</i>	59
<i>Table B.11: Overdraft Cheques</i>	60
<i>Table B.12: Assets / Liabilities Sum of Banking Sector (Million TRY)</i>	61
<i>Table B.13: Loans (Total) - By Types (Million TRY)</i>	62
<i>Table B.14: Loans (TRY) - By Types (Million TRY)</i>	63
<i>Table B.15: Loans (FX) - By Types (Million TRY)</i>	64
<i>Table B.16: Loans - By Terms (Million TRY)</i>	65
<i>Table B.17: Loans - Public and Private (Million TRY)</i>	66
<i>Table B.18: Distribution of Total Loans by Size (Million TRY)</i>	67
<i>Table B.19: Development of Shareholders' Equity (Million TRY)</i>	68
<i>Table B.20: Capital Adequacy Ratio (%)</i>	69
<i>Table B.21: Banking Sector Profit / Loss Table (Million TRY)</i>	70
<i>Table B.22: Deposits (Total) - By Maturity Groups (Million TRY)</i>	71
<i>Table B.23: Deposits (TRY) - By Maturity Groups (Million TRY)</i>	71
<i>Table B.24: Deposits (FX) - By Maturity Groups (Million TRY)</i>	72
<i>Table B.25: Deposits (Total) - By Types (Million TRY)</i>	72
<i>Table B.26: Deposits (TRY) - By Types (Million TRY)</i>	73
<i>Table B.27: Deposits (FX) - By Types (Million TRY)</i>	73
<i>Table B.28: Money Supply (Million TRY)</i>	74
<i>Table B.29: Licensed Banks Operating under the Banking Law</i>	75
<i>Table B.30: Main Economic and Social Indicators</i>	76
<i>Table B.31: Sectorial Developments in Gross Domestic Product (Current Prices, Million TRY)</i>	77
<i>Table B.32: Percentage Distribution of Gross Domestic Product</i>	78
<i>Table B.33: Overall Balance of the Economy (Current Prices, Million TRY)</i>	79
<i>Table B.34: Real Growth Rates of Sectorial Value Added (%)</i>	79
<i>Table B.35: Balance of Payments (Million USD)</i>	80
<i>Table B.36: Percentage Change of Consumer Prices Index Compared to December of Last Year</i>	80
<i>Table B.37: TRNC and TR Inflation Rates</i>	81
<i>Table B.38: Consumer Price Index (2015 = 100)</i>	81
<i>Table B.39: Minimum Wage Developments</i>	82
<i>Table B.40: Fuel Retail Prices</i>	83
<i>Table B.41: Exports of TRNC by Country Groups (USD)</i>	84
<i>Table B.42: Imports of TRNC by Country Groups (USD)</i>	85
<i>Table B.43: Distribution of Passengers Arriving in the TRNC by Ports</i>	86
<i>Table B.44: Total Border Gate Entries in 2019 - 2020 (Number of persons)</i>	86
<i>Table B.45: Number of Persons Accommodating in Touristic Accommodation Facilities</i>	87

V: LIST OF CHARTS

Chart 1.1: GDP Growth Rates of Selected Countries	2
Chart 1.2: Inflation Rates of Selected Countries	3
Chart 1.3: CB Policy Interest Rates of Selected Developed Countries	4
Chart 1.4: CBRT Weighted Average Funding Cost.....	4
Chart 1.5: Currency Exchange Rates (January 2, 2013 =100).....	5
Chart 2.1: Registered Active Unemployment - Periodic Distribution	7
Chart 2.2: Applications - Vacancies - Employments.....	7
Chart 2.3: Inflation Rates Compared to the Previous Month.....	8
Chart 2.4: Inflation Rate Compared to the Same Month of the Previous Year	8
Chart 2.5: Cumulative Inflation Rate Compared to December of the Previous Year.....	8
Chart 2.6: 12-Month Cumulative Sectorial Inflation Rates	9
Chart 3.1: Imports and Exports	12
Chart 3.2: Foreign Trade Volume (exports + imports), Foreign Trade Balance (exports - imports)	13
Chart 3.3: Number of Arriving Passengers in 2020 Compared to 2019 and Average of the Last 5 Years.....	15
Chart 3.4: Hotel Bed Occupancy Rates by Months (%)	15
Chart 3.5: Total Number of Hotel Beds.....	15
Chart 4.1: Budget Results (Million TRY)	17
Chart 4.2: Budget Revenues Distribution (Million TRY).....	18
Chart 4.3: Budget Expenditures Distribution (Million TRY)	18
Chart 4.4: Domestic Income to Budget Expenditures Ratio by Quarters	20
Chart 4.5: Domestic Income to Budget Expenditures Ratio by Years.....	21
Chart 4.6: Grants and Loans Extended by Turkey/TRNC GDP Ratio (%).....	22
Chart 5.1: Financial Deepening (%).....	23
Chart 5.2: Number of Personnel and Branches.....	25
Chart 5.3: Assets of the Banking Sector and Quarterly Development (%)	27
Chart 5.4: Shares of Bank Groups in the Sector's Total Assets (%)	28
Chart 5.5: Quarterly Percentage Change of Cash and Cash Equivalents	29
Chart 5.6: Shares of Cash and Cash Equivalents by Bank Groups (%).....	29
Chart 5.7: Development of Gross Loans and Quarterly Percentage Change	30
Chart 5.8: Banking Sector Loans (Net) TRY and FX Separation and Quarterly Percentage Change.....	30
Chart 5.9: Share of Gross Loans Based on Bank Groups (%)	31
Chart 5.10: Share of Loan Sizes in Total Loans (%)	31
Chart 5.11: Term Structure in Loans (Million TRY).....	31
Chart 5.12: Public and Private Sector Distribution of Loans (Million TRY).....	32
Chart 5.13: Securities Portfolio Totals and Quarterly Percentage Change	32
Chart 5.14: Shares of Securities Portfolio by Bank Groups (%)	33
Chart 5.15: Deposits and Quarterly Percentage Change (%)	34
Chart 5.16: Quarterly Percentage Change of Deposits and TRY-FX Separation.....	34
Chart 5.17: Deposits and Gross Loans Gap.....	36
Chart 5.18: Deposits to Loans (Gross) Ratio Based on Bank Groups.....	36
Chart 5.19: TRY and FX Deposits to Loans Ratio (Excluding NPL)	36
Chart 5.20: Shares of M2's Components.....	37
Chart 5.21: TRY - FX Percentage Distribution of M3	38
Chart 6.1: Capital Adequacy Standard Ratio	43
Chart 6.2: Risk-Weighted Assets.....	43
Chart 6.3: Increase Rates in Total Shareholders' Equity and Total Assets (Quarter-on-quarter).....	44
Chart 6.4: Shareholders' Equity to Total Assets Ratio of Banking Sector.....	44
Chart 6.5: Development of Non-Performing Loans.....	44
Chart 6.6: Distribution of Non-Performing Loans by Bank Groups	45
Chart 6.7: NPL Conversion Rate and Provisions for NPL/ NPL.....	46

1 INTERNATIONAL DEVELOPMENTS

1.1 OVERVIEW AND CURRENT DEVELOPMENTS

In the Global Economic Prospects report published by the World Bank in January 2021, it was stated that after the collapse in global economic growth in 2020 due to the Covid-19 outbreak, the global economic growth rate is expected to be at the level of 4 percent in 2021. The report suggests that limiting the spread of the virus, providing relief for vulnerable populations, and overcoming vaccine-related challenges are immediate policy priorities. It's also stated in the report that to confront the adverse legacies of the pandemic, it will be critical to foster resilience by safeguarding health and education, prioritizing investments in digital technologies and green infrastructure, improving governance, and enhancing debt transparency. It was also highlighted that global collaboration will be needed to tackle challenges.

The World Bank report indicates that the growth in emerging markets and developing economies is envisioned to firm to 5 percent in 2021. But this projection is also expected to remain well below its pre-pandemic projection. The report states that the pandemic has exacerbated the risks associated with global debt accumulation and the debt levels have reached historic highs, making the global economy particularly vulnerable to financial market stress. It's highlighted that the heightened level of uncertainty around the global outlook highlights policy makers' role in raising the likelihood of better growth outcomes.

In the Economic Outlook Interim Report published by the OECD in March 2021, it is mentioned that global economic prospects have improved markedly in recent months, helped by the gradual deployment of effective vaccines, announcements of additional fiscal support in some countries, and signs that economies are coping better with measures to suppress the virus.

The report indicates that the global GDP growth is projected to be 5.5 percent in 2021, with global output rising above the pre-pandemic level by mid-2021. It was also stated that, despite the improved global outlook, output and incomes in many countries will

remain below the level expected before the pandemic at the end of 2022.

The report highlighted the increasing signs of divergence across countries and sectors. According to the report, strict containment measures will hold back growth in some countries and service sectors in the near term, while others will benefit from effective public health policies, faster vaccine deployment, and strong policy support.

In the World Economic Outlook Update report published by the IMF in January 2021, it was stated that the recent vaccine approvals have raised hopes of a turnaround in the pandemic later this year, but renewed waves and new variants of the virus pose concerns for the outlook.

The IMF report indicates that the global growth contraction for 2020 is estimated at -3.5 percent. On the other hand, the economy is projected to grow 5.5 percent in 2021 and 4.2 percent in 2022.

Table 1.1: GDP Forecasts

	2019	2020 ³	2020 ⁴	2021 ¹	2021 ²
IMF	2.8	3.3	-3.5	3.4	5.5
World Bank	2.3	2.5	-4.3	2.6	4.0
OECD	2.7	2.4	-3.4	3.3	5.6

Source: OECD, World Bank, IMF

¹ First projection of the year.

² Last projection of the year.

³ Last projection before the Covid-19 epidemic.

⁴ Last projection after the Covid-19 epidemic.

In the World Economic Outlook report, the global growth contraction for 2020 is estimated at -3.5 percent, 0.9 percentage point higher than projected in the previous forecast. This projection reflects stronger-than-expected momentum in the second half of 2020.

In the IMF report, the 2021 forecast is revised up 0.3 percentage point relative to the previous forecast, reflecting expectations of a vaccine-powered strengthening of activity later in the year and additional policy support in a few large economies. It was stated that the strength of the recovery is projected to vary significantly across countries, depending on access to medical interventions, the effectiveness of policy support, exposure to cross-country spill overs.

The IMF report highlights that strong multilateral cooperation is required to bring the pandemic under control everywhere. Such efforts include bolstering funding for the COVAX facility to accelerate access to vaccines for all countries, ensuring universal distribution of vaccines, and facilitating access to therapeutics at affordable prices for all.

The report states that many countries, particularly low-income developing economies, entered the crisis with high debt that is set to rise further during the pandemic. It was also suggested in the report that the global community will need to continue working closely to ensure adequate access to international liquidity for these countries. The IMF report also suggested that where sovereign debt is unsustainable, eligible countries should work with creditors to restructure their debt under the Common Framework agreed by the G20.

1.1 ECONOMIC AND FINANCIAL OUTLOOK IN SELECTED COUNTRIES

1.1.1 GROWTH

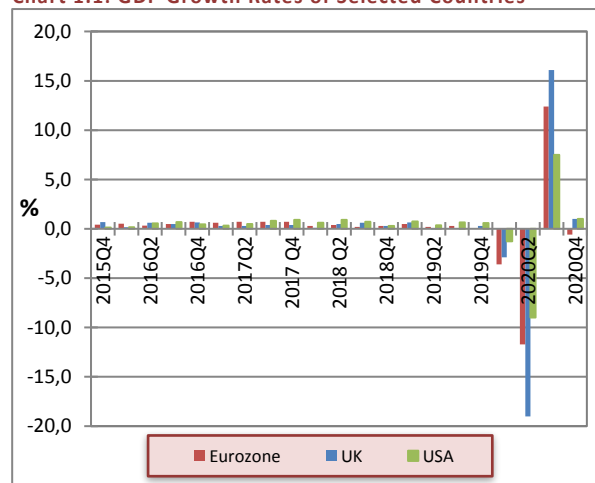
According to the data announced by the US Bureau of Economic Analysis, the US economy, which contracted by 31.4 percent in the second quarter of 2020, grew by 33.4 percent in the third quarter. Real gross domestic product (GDP) increased at an annual rate of 4.1 percent in the fourth quarter of 2020, according to the second estimate released. In 2020, due to the effects of coronavirus, the US economy contracted by 3.5 percent, in worst performance since 1946. The decrease in real GDP in 2020 reflected decreases in exports, private inventory investment, non-residential fixed investment, and state and local government that were partly offset by increases in federal government spending and residential fixed investment.

According to the chained volume index data released by the UK's Office for National Statistics (ONS), the previously announced annual contraction rate of 21.5 percent for the second quarter of 2020 was revised to 19 percent. Although the UK economy grew by 16.1 percent and 1 percent, respectively, in the last two quarters of 2020 compared to the previous quarter, the contraction by 9.9 percent in 2020 is its largest annual contraction since the Great Frost in 1709.

According to the first released data, the Eurozone economy contracted by 0.6 percent in the fourth quarter of 2020 compared to the previous quarter and by 5 percent on an annual basis, according to seasonally adjusted data. According to the first seasonally adjusted GDP data announced for 2020, the Eurozone economy contracted by 6.8 percent annually.

Based on the chained volume index, Turkish economy grew by 6.3 percent in the third quarter of 2020, compared to the same period of the previous year and exceeded expectations. The expectations for this quarter were that the Turkish economy would grow by about 5 percent. According to seasonally adjusted GDP data, economic growth has been 15.9 percent in the third quarter compared to the previous quarter.

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 5.0 points, public consumption contributed 0.1 points to economic growth in the third quarter of 2020. According to chain-linked volume figures, investment expenditures recorded its fastest increase since 2011, contributing 5.0 points to GDP growth. In the period, stock change item played an important role in growth with a contribution of 5.3 points.

According to the production approach, all the main subsectors supported GDP growth in the third quarter. Thanks to the easing of lockdown restrictions, the services sector made the highest contribution to growth with 2.5 points. The industrial sector made its highest contribution since the first quarter of 2018 with 1.5 points. Agricultural and construction sectors added 0.8 points and 0.4 points to growth, respectively.

Based on the chained volume index, Turkish economy grew by 5.9 percent in the third quarter of 2020, compared to the same period of the previous year. With the updates announced in March 2021, the contraction of the Turkish economy in the second quarter was revised from 9.9 percent to 10.3 percent. According to expenditure approach, the contribution of consumption expenditures to growth was 5.7 points, while the contribution of investment expenditures was 2.6 points in the last quarter of 2020. According to the production approach, all the main subsectors except the construction supported GDP growth.

Gross Domestic Product obtained by addition of four quarters with chain linked volume index, increased by 1.8 percent in 2020 compared with the previous year.

1.1.2 INFLATION

Analysing the fourth quarter 2020 monthly CPI data of the USA, there was no increase in October and November, while it increased by 0.4 percent in December. Annual increases in CPI were 1.2 percent, 1.1 percent and 1.3 percent in October, November and December, respectively.

According to ONS data, the UK annual CPI change was 0.8 percent in the last quarter of 2020. Annual increases in CPI were 0.9 percent, 0.6 percent and 0.8 percent in October, November and December 2020, respectively. As of January 2021, the annual change in CPI was announced as 0.9 percent.

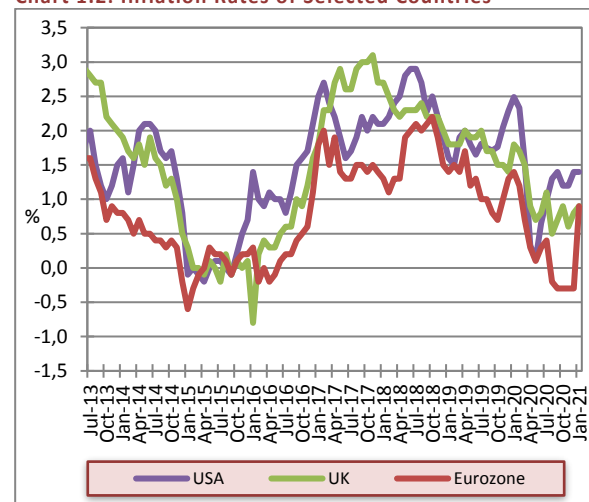
According to EUROSTAT data, the harmonized annual CPI rates in the Eurozone decreased by 0.3 percent in October, November and December 2020. In January 2021, the annual CPI rate increased for the first time after July 2020 and reached 0.9 percent. In the relevant period, the biggest contribution to the change in the annual CPI was from the service sector. In this sector, non-energy industrial goods, food, alcohol and tobacco prices contributed to the increase in the CPI.

According to the data announced by the Turkish Statistical Institute, the annual change in the CPI in 2020 was 14.60 percent. This rate is higher than the 12.1 percent year-end forecast made in the Inflation Report published by the CBRT at the end of October. Food and non-alcoholic beverages, transportation and miscellaneous goods and services made the highest contributions to the annual CPI inflation.

According to data released by Turkey Statistical Institute (TURKSTAT), in November and December 2020, annual CPI increased by 14.03 percent and 14.6 percent, while D-PPI increased by 23.11 percent and 25.15 percent, respectively. In November and December 2020, monthly CPI increased by 2.30 percent and 1.25 percent, while D-PPI increased by 4.08 percent and 2.36 percent, respectively.

Annual CPI increased to 14.97 percent in January 2021. Annual D-PPI inflation continued to rise, reaching the highest level since May 2019 with 26.16 percent.

Chart 1.2: Inflation Rates of Selected Countries



Source: OECD

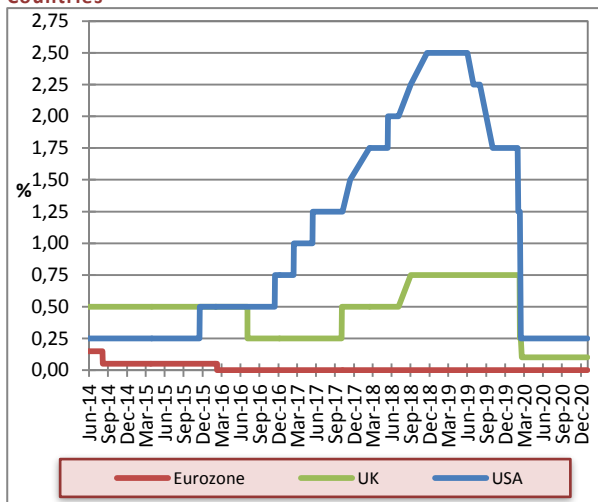
1.1.3 POLICY INTEREST RATES

The Fed did not change its policy rate at the Federal Open Market Meeting (FOMC) held in the last quarter of 2020, keeping it at the 0.00 - 0.75 percent band. The Fed announced an extension through March 31, 2021, for several of its lending facilities that were generally scheduled to expire on or around December 31, 2020. At its first meeting held in 2021, the Fed maintained the policy rate at the 0.00 - 0.25 percent band. In his statement after the meeting, Powell, chair of the Fed indicated that the ongoing Covid-19 crisis continues to weigh on economic activity and employment, and the path of the economy will depend on the course of the virus, including progress on vaccinations.

The Bank of England (BoE) kept its policy rate unchanged at 0.1 percent at its meetings held in December 2020 and February 2, 2021. The bond purchase program also remained unchanged at 435 billion GBP.

As a result of the monetary policy meeting of ECB held in December 2020, the size of the PEPP (Pandemic Emergency Purchase Programme) was increased by 500 billion EUR to 1 trillion 850 billion EUR. It also extended the horizon for net purchases under the PEPP to at least the end of March 2022. At the last meeting of 2020 and the January 2021 meeting, the policy rate was kept unchanged at 0 percent. It was also announced that the interest rates would remain at their present until the inflation outlook converge to a level sufficiently close to 2 percent. After the meeting, ECB President Lagarde stated that the purchases will be conducted under the PEPP to preserve favourable financing conditions over the extended period. The relevant purchases will be flexible according to market conditions and with a view to preventing a tightening of financing conditions that is inconsistent with countering the downward impact of the pandemic on the projected path of inflation. The president also highlighted that if favourable financing conditions can be maintained with asset purchase flows that do not exhaust the envelope over the net purchase horizon of the PEPP, the envelope need not be used in full.

Chart 1.3: CB Policy Interest Rates of Selected Developed Countries



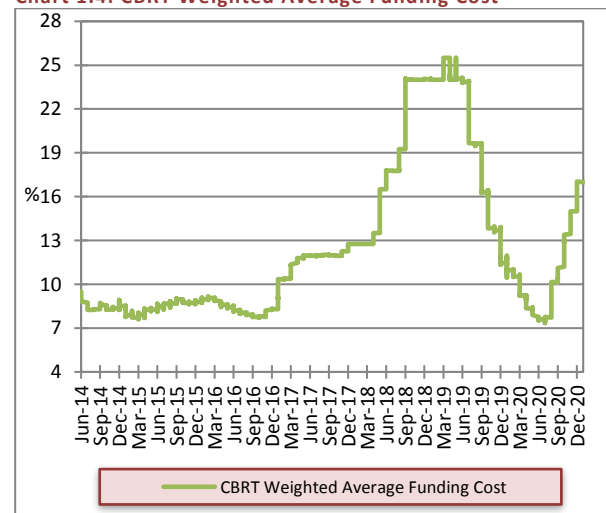
Source: FED, ECB, BoE

After its October 2020 meeting, the Monetary Policy Committee of CBRT decided to keep the policy rate constant at 10.25 percent. The Committee adjusted the monetary policy operational framework and set the margin between the CBRT Late Liquidity Window lending rate and overnight lending rate as 300 basis points. After its November 2020 meeting, CBRT Monetary Policy Committee decided to increase the policy rate from 10.25 percent to 15 percent. The MPC also decided to provide all funding through the main policy rate, which is the one-week repo auction rate. At the last meeting of the year held on December 24, 2020, the Committee increased the policy rate from 15 percent to 17 percent.

At the first meeting of 2021, the Monetary Policy Committee (MPC) has decided to keep the policy rate constant at 17 percent in line with the market expectations.

The statement released after the meeting highlighted that the tight monetary policy stance would be maintained for an extended period until strong indicators point to a permanent fall in inflation and price stability. The Committee also underlined the normalization-related upside risks during the year due to the relatively low course of inflation in accommodation, education, transport, recreational and cultural services items.

Chart 1.4: CBRT Weighted Average Funding Cost

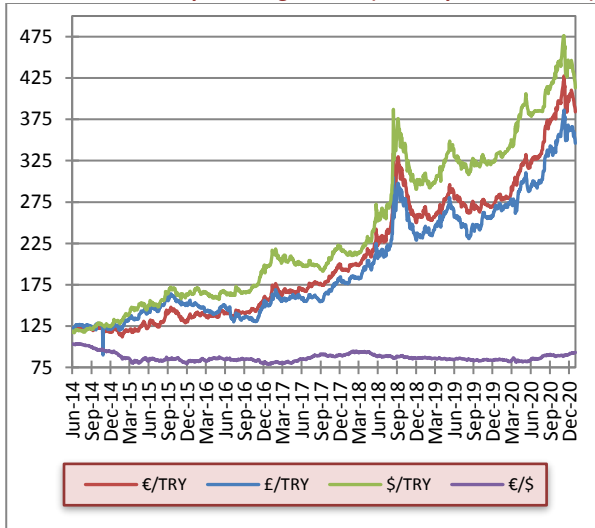


Source: CBRT

1.1.4 EXCHANGE RATES

In the fourth quarter of 2020, the Turkish lira experienced nearly 40 percent depreciation against the euro, pound sterling and US dollar, compared to the same period of the previous year. In the fourth quarter of 2019, while the average exchange rates for GBP/TRY, EUR/TRY, and USD/TRY were 7.43, 6.40 and 5.79, respectively, the averages for the same period of 2020 have been 10.36, 9.37 and 7.86. Comparing the fourth quarter exchange rates of 2019 and 2020, it is seen that the Turkish lira depreciated by 46.40 percent against the euro, 39.43 percent against the pound sterling, and 35.75 percent against the US dollar.

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



Source: Central Bank of TRNC

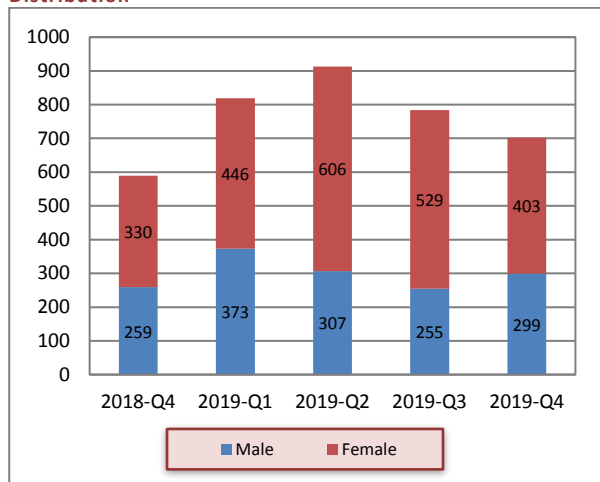
2 EMPLOYMENT AND PRICES

(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 prepared by the TRNC Labour Office, the number of registered unemployed people, which was 784 by the end of the third quarter of 2019, decreased to 702 as of the fourth quarter of 2019. When the unemployment rate 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, as of the last quarter of 2019.

Chart 2.1: Registered Active Unemployment - Periodic Distribution



Source: Labour Office

The number of job seekers was 784 and the number of new job-seeking applicants was 811 by the end of the fourth quarter of 2019. 759 people were unregistered and 134 were employed by the end of the fourth quarter of 2019. 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

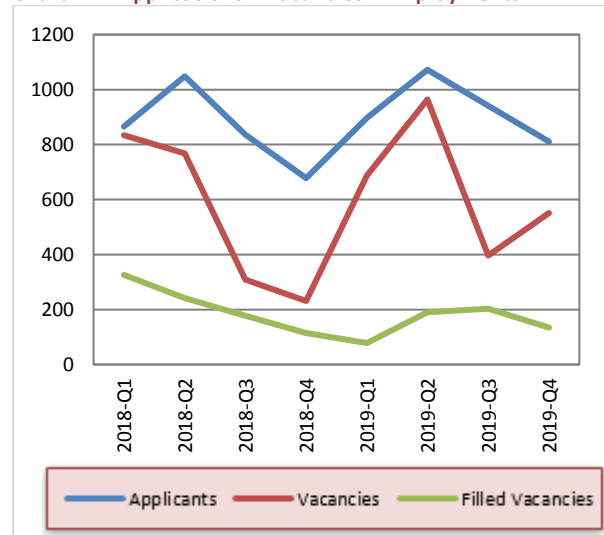
When the active vacancy listings are examined, it is seen that 1.607 vacancies were transferred to October as of the third quarter of 2019. 551 new vacancies were opened in the fourth quarter of 2019. In the relevant period, 1.825 vacancies were transferred to the next period as a result of 134 filled 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



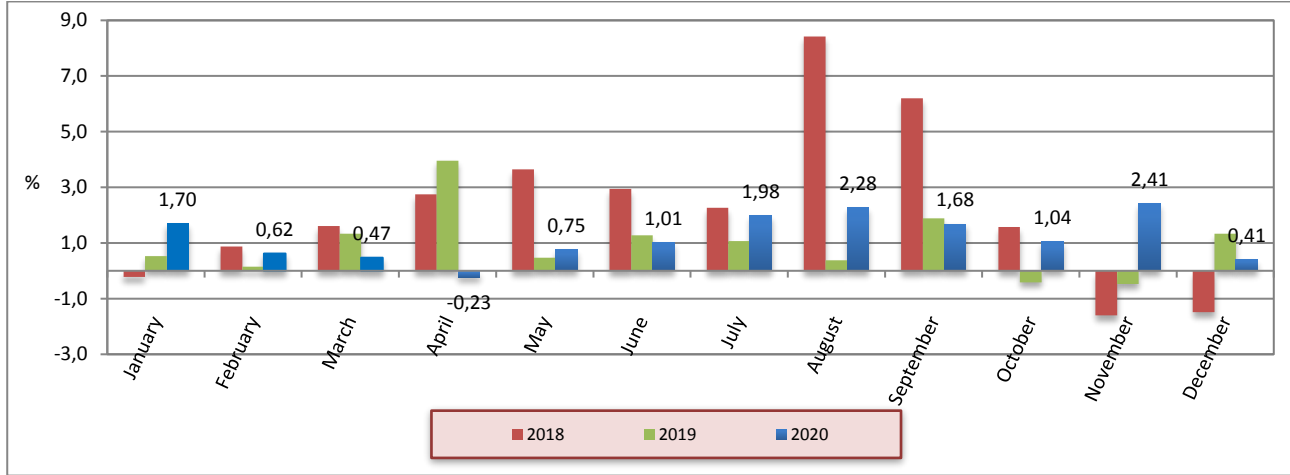
Source: Labour Office

2.2 INFLATION

In the last quarter of 2020, inflation rates compared to the previous month have been 1.04, 2.41 and 0.41 percent in October, November and December,

respectively. In the same period of 2019, inflation rates were -0.42, -0.47 and 1.33 percent, respectively.

Chart 2.3: Inflation Rates Compared to the Previous Month

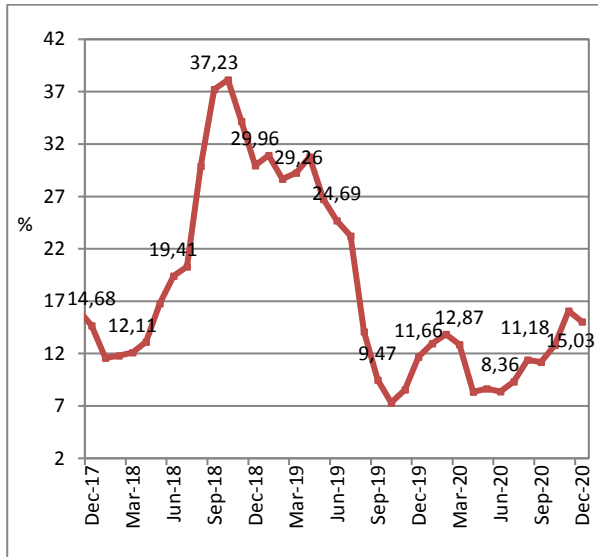


Source: TRNC Statistical Institute

In the last quarter of 2020, inflation rates compared to the same month of the previous year have been 12.82, 16.08 and 15.03 percent in October, November and December, respectively. In the same period of 2019, inflation rates were 7.31, 8.55 and 11.66 percent, respectively.

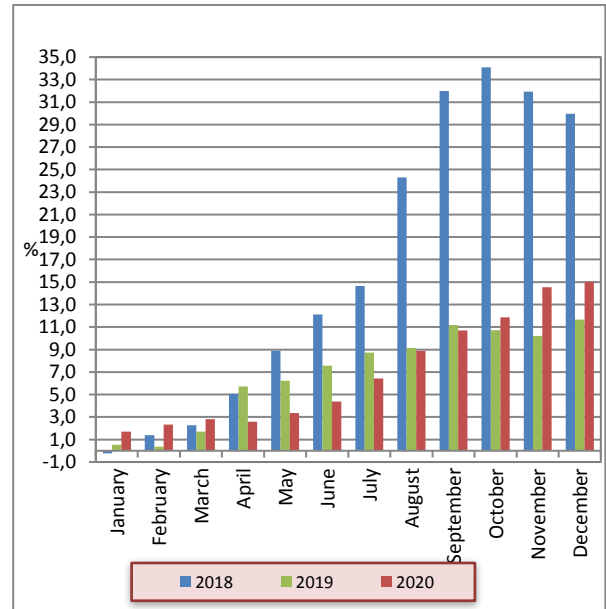
In the last quarter of 2020, inflation rates compared to December of the previous year have been 11.86, 14.55 and 15.03 percent in October, November and December, respectively.

Chart 2.4: Inflation Rate Compared to the Same Month of the Previous Year



Source: TRNC Statistical Institute

Chart 2.5: Cumulative Inflation Rate Compared to December of the Previous Year

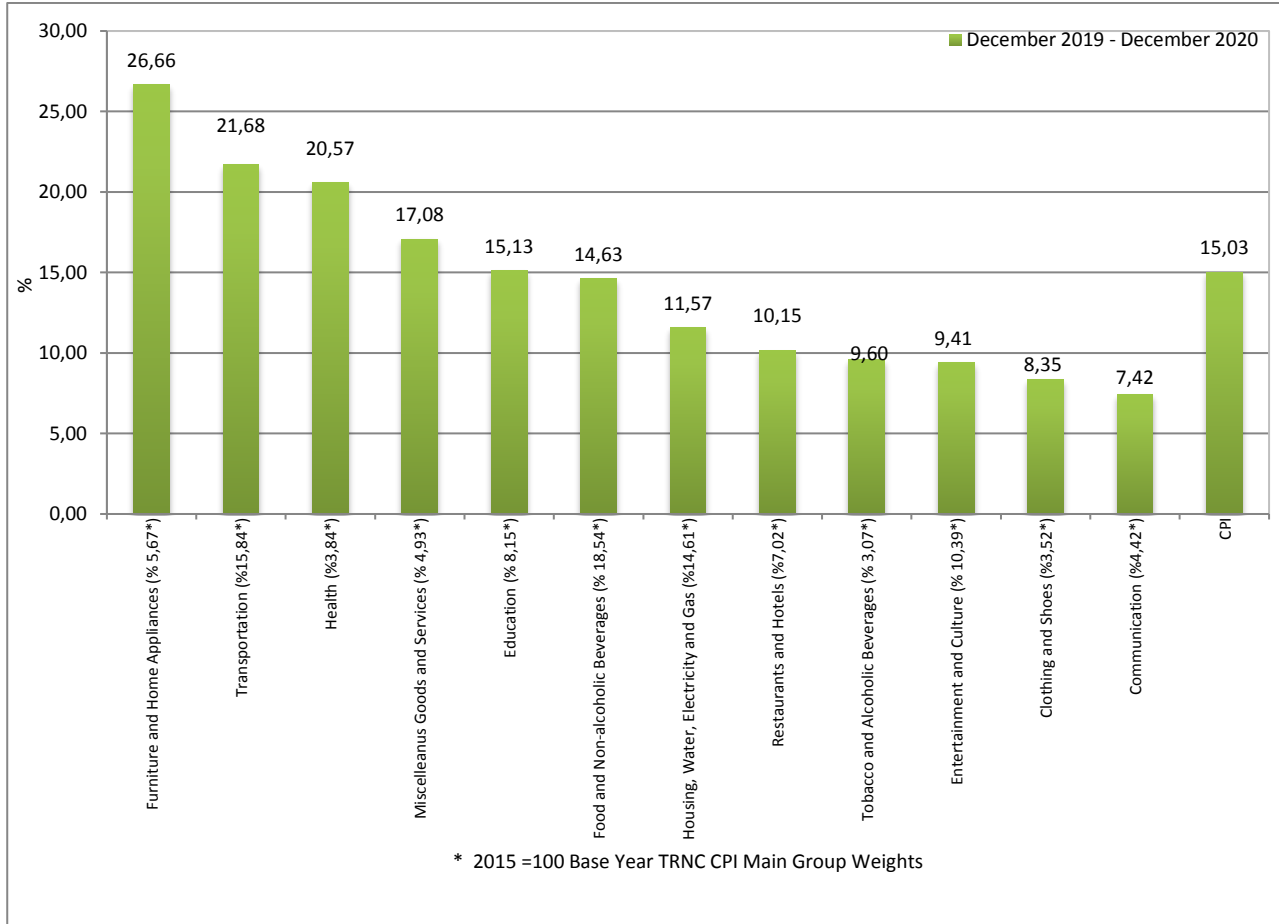


Source: TRNC Statistical Institute

The sectors with the highest price increase at the end of December 2020 are furniture and home appliances with 26.66 percent, transportation with 21.68 percent and, health item with 20.57 percent. As of the end of

December 2020, the lowest price increase compared to the same period of the previous year has been the communication item by 7.42 percent.

Chart 2.6: 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 the 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
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	14.1
	September	1.88	11.18	9.47
	October	-0.42	10.71	7.31
	November	-0.47	10.2	8.55
	December	1.33	11.66	11.66
2020	January	1.7	1.7	12.96
	February	0.62	2.33	13.84
	March	0.47	2.8	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	11.4
	September	1.68	10.7	11.18
	October	1.04	11.86	12.82
	November	2.41	14.55	16.08
	December	0.41	15.03	15.03

Source: TRNC Statistical Institute

3 FOREIGN TRADE AND TOURISM

(Exports and imports data of December 2020 prepared by the TRNC Department of Trade could not be obtained. Therefore, the existing data of the relevant period was not updated.)

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. Although there had been a decrease of 4.3 percent in October 2020 compared to October 2019, there was an increase of 44.67 percent in November 2020 compared to the same period of the previous year. Examining the total figures of TRNC in the first eleven months of 2019, total exports was 77.2 million USD, while it has increased to 94.4 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 decreased by 11.8 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 31.9 percent decrease in import figures in USD, compared to the same period of the previous year. Total imports, which were 336 million USD in the second quarter of 2019, decreased by 32 percent in the second quarter of 2020, when the effects of the Covid-19 pandemic deepened and declined to 228.8 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 13.4 percent. In the first two months of the fourth quarter, the decrease in imports, which started to increase again compared to the same months of the previous year, was 20.7 percent in October and 33.2 percent in November. The first eleven-month figures for 2019 and 2020 show that total imports decreased by 20.4 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	11,817,646	82.7	114,239,908	104,057,132	-8.9
February	10,992,833	15,155,057	37.9	113,811,722	124,063,465	9.0
March	11,550,142	10,259,962	-11.2	121,056,853	82,439,993	-31.9
Quarter I	29,010,837	37,232,662	28.3	349,108,483	310,560,590	-11.8
April	11,652,631	14,181,526	21.7	117,431,801	46,273,789	-60.6
May	8,464,815	8,060,696	-4.8	127,952,444	76,849,904	-39.9
June	3,554,331	6,472,775	82.1	91,098,847	105,679,152	16.0
Quarter II	23,671,777	28,714,997	21.3	336,483,092	228,802,845	-32.0
July	5,160,897	5,157,829	-0.1	126,442,969	99,746,377	-21.1
August	5,234,252	6,433,544	22.9	100,106,263	95,809,210	-4.3
September	4,186,735	5,040,279	20.4	115,568,009	100,775,155	-12.8
Quarter III	14,581,884	16,631,326	14.1	342,117,241	296,330,742	-13.4
October	5,490,470	5,256,283	-4.3	133,376,614	105,789,487	-20.7
November	4,428,878	6,523,306	44.67	136,862,258	91,449,198	-33.2
December						
Quarter IV (October – November)	9,919,348	11,779,589	18.8	270,238,872	197,238,685	-27
Year Total (January – November)	77,183,846	94,358,903	22.3	1,297,947,688	1,032,932,862	-20.4

Source: Department of Trade

Note: 1) Exports to Southern Cyprus are not included. 2) The import and export figures for 2020 are temporary.

Import figures of vehicles, which has the largest share in total imports during January - November 2020, increased by 10.4 percent in USD, compared to the same period of 2019. Fuel item, which has the second-highest share, decreased by 47.6 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 feed and additives, which has the third-highest share, decreased by 1.2 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 2.7 percent. The share of ten selected import items within the total has been 36.6 percent in January - November 2019 and 37.4 percent in the same period of 2020. Total import figures of the selected ten items in US dollar terms decreased by 19.4 percent in the eleven months, compared to the previous year.

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	99,192,785	7.6	109,547,140	10.6	10.4
Fuel	156,292,561	12.0	81,830,892	7.9	-47.6
Animal Feeds and Additives	28,603,962	2.2	28,267,854	2.7	-1.2
Construction Iron	37,306,755	2.9	27,292,894	2.6	-26.8
Medications	33,004,259	2.5	26,890,183	2.6	-18.5
Clothing Industry	43,139,269	3.3	26,623,568	2.6	-38.3
Telephone Handset	21,672,399	1.7	24,994,648	2.4	15.3
Mobile Phones	20,639,410	1.6	23,826,509	2.3	15.4
Cigarettes	22,561,643	1.7	20,432,480	2.0	-9.4
Data Processing Machines	13,192,978	1.0	16,867,539	1.6	27.9
Total	475,606,021	36.6	386,573,707	37.4	-19.4
Grand Total	1,297,947,688		1,032,932,862		-20.4

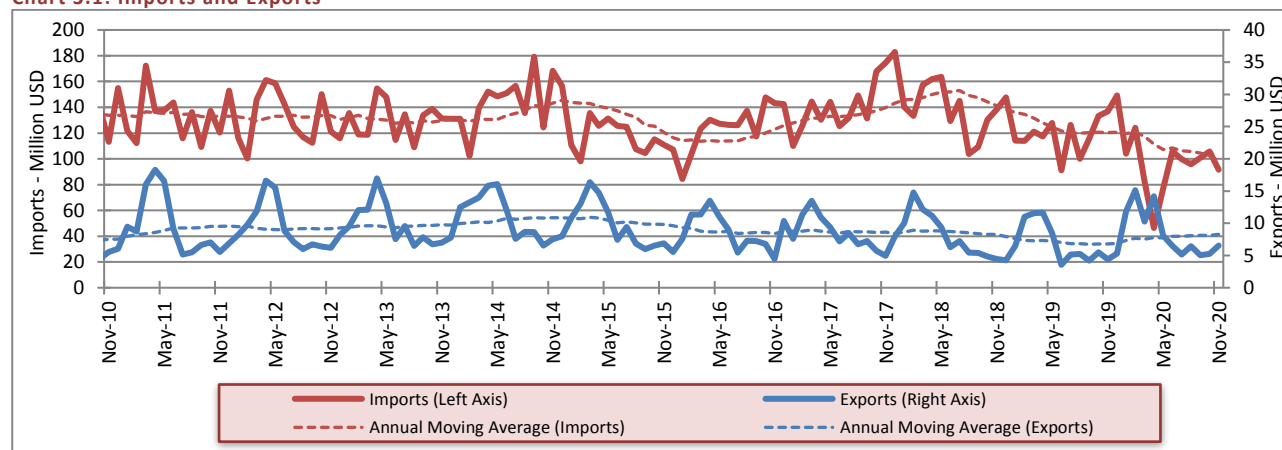
Source: Department of Trade

*Total figure of January – November period.

When exports and imports of the TRNC for 10 years between the period of November 2010 and November 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 moving average of imports, it is seen that it remained steady until February 2020, then it declined rapidly since March due to the Covid-19 epidemic, and remained low during the third and fourth quarters of 2020.

Chart 3.1: Imports and Exports

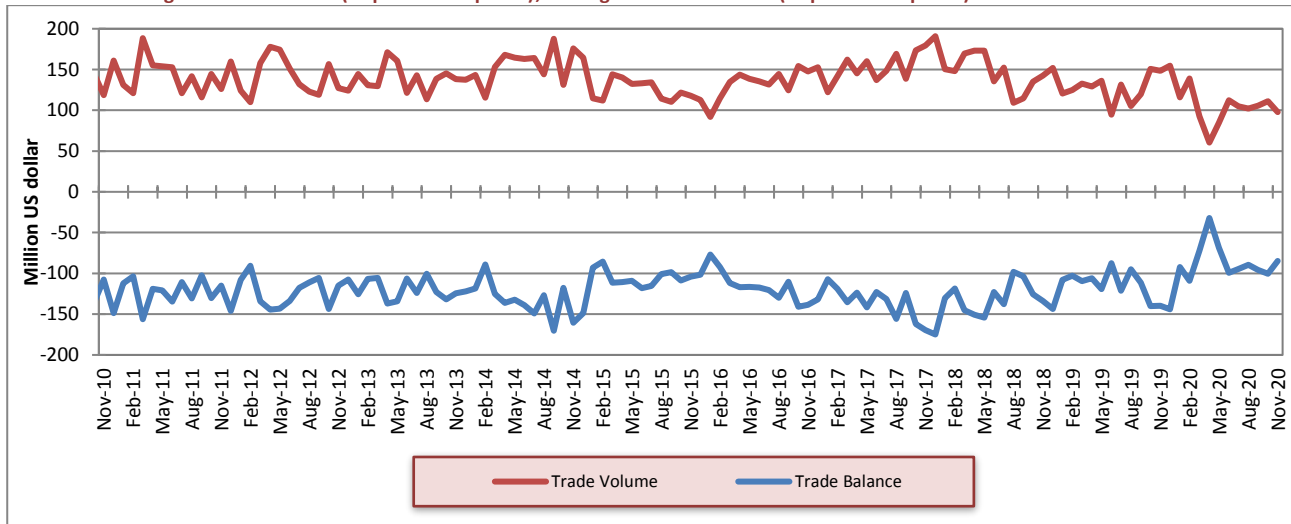


Source: Department of Trade

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. Trade volume, which was 149 million USD in November 2019, has become 98 million USD in the same month of 2020. In the relevant periods, foreign trade deficit figures have been 140 million USD and 85 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 - November period has been 6 and 9 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 2020, exports to Turkey, EU Countries and the Middle East and Arab Countries decreased, exports to other EU countries and other countries increased in 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 (January – November)	49.5	2.1	11.1	30.4	6.9

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 – November 2020, the share of imports from Turkey has been 60.8 percent and the share of imports from EU countries has been 15.2 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 (January – November)	60.8	15.2	12.6	3.1	5.2	3.0

Source: Department of Trade

3.2 TOURISM

In the fourth quarter of 2020, the number of passengers entering the country continued to remain low due to the ongoing measures taken against the Covid-19 outbreak. The number of passengers arriving in the country by air and sea was 13,275, 14,552 and 8,282 respectively in October, November and December of 2020. According to these figures, the number of passengers arriving in the country in the last quarter of 2020 decreased by 92.06 percent to 36,109, compared to the same period of 2019. In the fourth quarter, 24,282 of the arriving passengers were Turkish citizens, 11,825 of which were from third countries.

In 2020, the number of passengers arriving in the country has been 388,837 with a 77.8 percent decrease compared to 2019. 307,717 of the arriving passengers in 2020 were Turkish citizens and 81,120 were from third countries.

In the fourth quarter of 2020, the total number of passengers arriving in the country by air and sea decreased by 46.17 percent compared to the third quarter. The number of passengers arriving in the fourth quarter of 2020 constitutes 9.29 percent of the total passengers arriving in 2020.

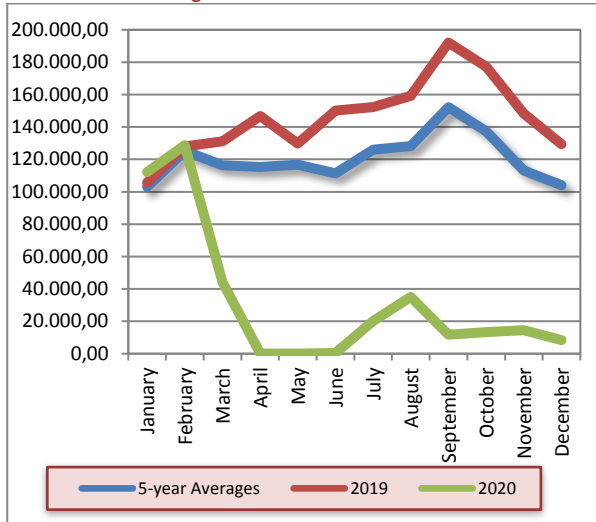
Table 3.5: Number of Passengers Arriving in TRNC by Air and Sea

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
Quarter I	275,080	226,298	-17.7	89,665	58,775	-34.5	364,745	285,073	-21.8
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
Quarter II	329,264	229	-99.9	97,399	352	-99.6	426,663	581	-99.9
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
Quarter III	387,362	56,906	-85.3	116,258	10,168	-91.3	503,620	67,074	-86.7
October	134,597	8,313	-93.8	42,530	4,962	-88.3	177,127	13,275	-92.5
November	121,143	10,202	-91.6	27,265	4,350	-84.0	148,408	14,552	-90.2
December	111,019	5,769	-94.8	18,397	2,513	-86.3	129,416	8,282	-93.6
Quarter IV	366,759	24,284	-93.38	88,192	11,825	-86.59	454,951	36,109	-92.06
Total	1,358,465	307,717	-77.3	391,514	81,120	-79.3	1,749,979	388,837	-77.8

Source: Tourism Planning Department

The fact that the number of passengers in 2020 was less than in previous years due to the measures taken against the pandemic caused a serious decrease in the average of the past five years. It is seen that the number of passengers arriving during 2020 has been above the average of 2019 until February and the average of the last 5 years. However, the number of passengers arriving after February 2020 has decreased sharply due to the measures taken due to the Covid-19 outbreak that started in our country in March.

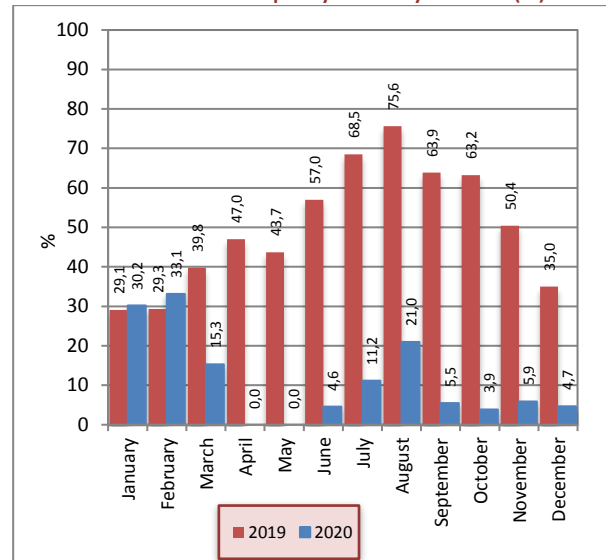
Chart 3.3: Number of Arriving Passengers in 2020 Compared to 2019 and Average of the Last 5 Years



Source: Tourism Planning Department

The occupancy rates of the touristic facilities in our country during October, November and December 2020 have been 3.5, 5.9 and 4.7 percent. For the same period of 2019, these rates were 63.2, 50.4 and 35 percent, respectively. 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. While the number of facilities that were awarded the Advanced Level of Hygiene Standards and Measures Certificate was 84 as of September 30, 2020, it increased to 94 as of the end of 2020.

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

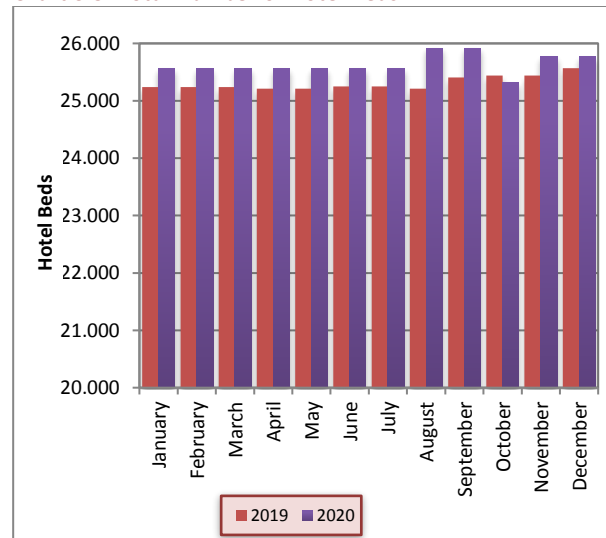


Source: Tourism Planning Department

* March 2020 occupancy rate is calculated for one-month period.
 ** 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.
 ***** The occupancy rate in October 2020 is the occupancy rate of open facilities among 87 certified facilities.
 ***** The occupancy rate in November 2020 is the occupancy rate of open facilities among 90 certified facilities. ***** The occupancy rate in December 2020 is the occupancy rate of open facilities among 94 certified facilities.

It is seen that the bed capacity of the sector, which was 25,570 at the end of 2019, has reached 25,766 at the end of the fourth quarter of 2020.

Chart 3.5: Total Number of Hotel Beds



Source: Tourism Planning Department

When border gate entries into the TRNC during the years 2019 and 2020 are examined, it is observed that the border gate entries (excluding TRNC citizens) were

4,531,644, after the epidemic that started in March, while this figure decreased by 82 percent to 816,336 for the period January-December 2020.

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	15,596	207,930	7,467	412,987	23,063
November	202,907	10,412	159,842	6,842	362,749	17,254
December	212,944	5,469	133,767	3,967	346,711	9,436
Total	2,435,381	504,390	2,096,263	311,946	4,531,644	816,336

Source: Tourism Planning Department

The total number of people staying at the tourist accommodation facilities in the TRNC were 1,149,714 and 244,614 in 2019 and 2020, respectively. It is observed that the total bed nights were 4,456,543 and 791,959 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 in 2019 and 2020.

Table 3.7: Number of Tourist Accommodations and Bednights by Nationalities

	Tourist Accommodations			Bednights		
	2019	2020	Percentage Change	2019	2020	Percentage Change
TR	769,763	155,329	-79.82	2,339,638	432,587	-81.51
Other	329,418	46,263	-85.96	2,003,944	275,757	-86.24
TRNC	50,560	43,022	-14.91	112,961	83,615	-25.98
Total	1,149,714	244,614	-78.72	4,456,543	791,959	-82.23

Source: Tourism Planning Department

4 BUDGETARY DEVELOPMENTS

4.1 FOURTH QUARTER 2020 RESULTS

In the third quarter of the fiscal year 2020, TRNC's total budget revenues increased by 32.3 percent and total expenditures increased by 17.6 percent, compared to the same period of the previous year. Following these changes, budget revenues and budget expenditures have become 2,795.8 and 3,127.9 million TRY in the fourth quarter of 2020. In the fourth quarter of 2019, public finance, which had a deficit of 547.5 million TRY, has had a deficit of 332.1 million TRY in the same period of 2020.

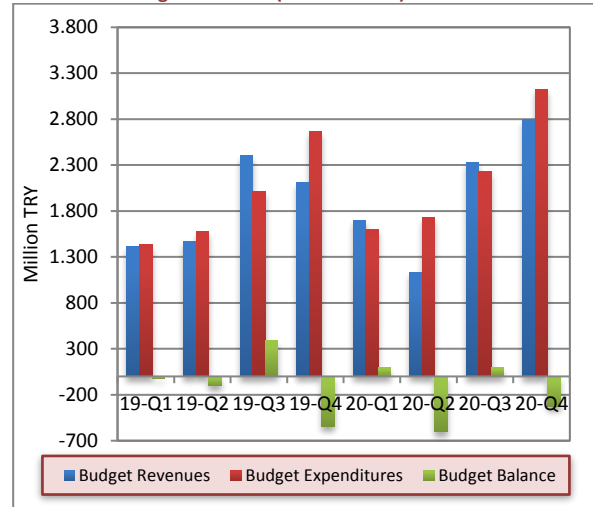
Table 4.1: Budget Balance (Million TRY)

	2019		2020		% Change
	Annual Results	October - December Results	Annual Results	October - December Results	
	Budget Revenues	7,402.9	2,113.2	8,160.0	
Budget Expenditures	7,688.5	2,660.7	8,696.2	3,127.9	17.6
Budget Balance	-285,6	-547,5	-536,2	-332,1	-39.3

Source: Ministry of Finance

28.5 percent of the total budget revenues of 7,402.9 million TRY obtained in 2019 were collected in the fourth quarter. In the same period of 2020, 34.3 percent of the foreseen total budget revenues have been collected. In 2020, 36 percent of 8,696.2 million TRY spent for the execution of services and activities had been used within the fourth quarter. This rate was 34.6 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 fourth quarter of fiscal year 2020, budget revenues increased by 682.6 million TRY compared to the same period of the previous year and amounted to 2,795.8 million TRY. The main reason for the increase in revenues in the last quarter compared to the same period of the previous year was the increase in donations, grants and loans item. In the last quarter of 2020, tax revenues item with the largest share in budget revenues decreased by 8 per mille compared to the same period of the previous year and amounted to 1,454.8 million TRY. Total tax revenues were 1,465.8 million TRY in the same period of 2019.

Donations, grants and loans item, which has the second-highest share in budget revenues has become 970.4 million TRY in the fourth quarter, while it was 152,3 million TRY in the same period of the previous year. In the fourth quarter of 2020, non-tax revenues item increased by 11 percent compared to the same period of the previous year and reached 363.2 million TRY. The share of other revenues item decreased by 95.6 percent to 7.4 million TRY in the same period.

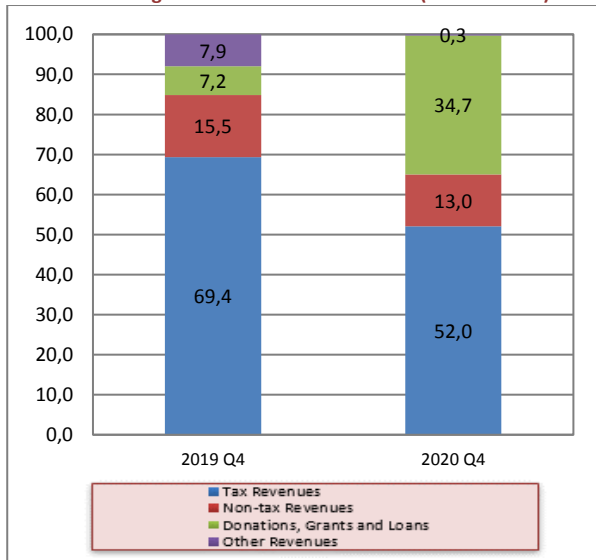
Table 4.2: Budget Revenues (Million TRY)

	2019 October - December	2020 October - December	% Change
Tax Revenues	1,465.8	1,454.8	-0.8
Non-Tax Revenues	327,3	363,2	11.0
Donations, Grants and Loans	152,3	970,4	537.2
Other Revenues	167,8	7.4	-95.6
Total	2,113.2	2,795.8	32.3

Source: Ministry of Finance

While the share of donations, grants and loans in total budget revenues was 7.2 percent in the fourth quarter of 2019, it has been 34.7 percent in the same period of 2020. In the same periods, while the share of tax revenues item was 69.4 percent, it has fallen to 52 percent, and while the share of non-tax revenues was 15.5 percent and it has declined to 13 percent. The share of other revenues item decreased from 7.9 percent to 0.3 percent.

Chart 4.2: Budget Revenues Distribution (Million TRY)



Source: Ministry of Finance

4.3 EXPENDITURES

As of the fourth quarter of 2020, total budget expenditures increased by 17.6 percent compared to the same period of the previous year and reached from 2,660.7 million TRY to 3,127.9 million TRY. In the fourth quarter of 2020, current transfers, capital expenditures and transfers, personnel expenditures and other expenditures items increased by 19, 251.5, 12.2 and 14.5 percent, respectively, compared to the same period of 2019. Goods and service purchase expenditures item decreased by 45.3 percent.

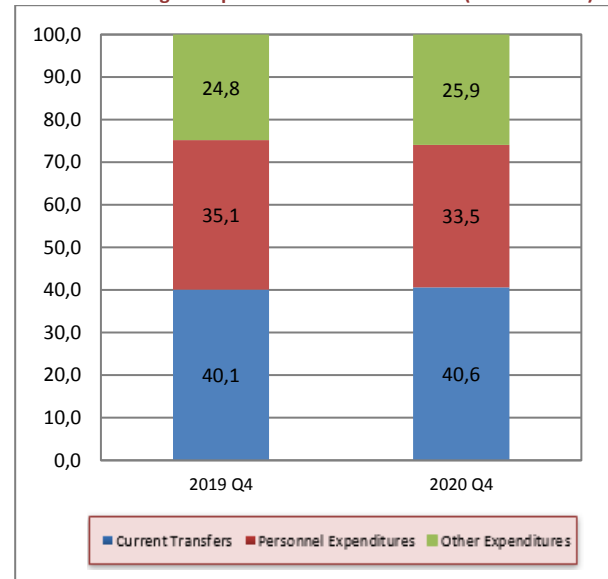
Table 4.3: Budget Expenditures (Million TRY)

	2019 October - December	2020 October - December	% Change
Current Transfers	1,067.3	1,270.3	19.0
Personnel Expenditures	933,7	1,047.1	12.2
Capital Expenditures and Transfers	136,8	480,9	251.5
Goods and Service Purchase Expenditures	449,9	246,0	-45.3
Other Expenditures	73.0	83.6	14.5
Total	2,660,7	3,127,9	17,6

Source: Ministry of Finance

The share of personnel expenditures item in total expenditures was 35.1 percent in the fourth quarter of 2019, while it has become 33.5 percent in the same period of 2020. In the same quarter of 2019, the share of the current transfers constituting 40.1 percent of the total budget expenditures has become 40.6 percent in the same period of 2020. The share of personnel expenditures and current transfers in budget expenditures was 75.2 percent in the fourth quarter of 2019 and it has become 74.1 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 amounted to 8,696.2 million TRY and 8.160 million TRY in 2020, respectively. Compared to 2019 budget results, budget revenues increased by 10.2 percent and budget expenditures increased by 13.1 percent in 2020. Tax revenues item, which has the highest share in budget revenues, has decreased by 2.1 percent in 2020 and reached 4,842.5 million TRY, compared to 2019. Non-tax revenues item has decreased by 5.5 percent in 2020 and reached 1,502 million TRY, compared to the previous year.

While the total donations, grants and loans item was 579 million TRY in 2019, it has increased by 181.1 percent in 2020 and amounted to 1,627.3 million TRY, compared to the previous year. Other revenues item has decreased by 34.2 percent and declined to 188.2 million TRY in 2020, compared to the previous year.

Current transfers item, which had the highest share in budget expenditures during 2019, has increased by 13.8 percent and reached 3,807.4 million TRY in 2020, compared to 2019. Personnel expenditures item, which has the second-highest share in budget expenditures, has increased by 13 percent and reached 3,142.3 million TRY. In 2020, the goods and services expenditures have declined to 640.4 million TRY, decreasing by 43.3 percent compared to 2019. Capital expenditures and transfers and other expenditures items increased by 411.9 million TRY and 260.8 million TRY, respectively.

The budget balance, which had a deficit of 285.6 million TRY in 2019, has increased by 88 percent to 536.2 million TRY in 2020.

Table 4.4: Budget Implementation Results (Million TRY)

	2019 Results	2020 Results	2019-2020 Change (%)	
Revenues	Tax Revenues	4,948.2	4,842.5	-2.14
	Non-Tax Revenues	1,589.6	1,502.0	-5.51
	Donations, Grants and Loans	579,0	1,627.3	181.05
	Other Revenues	286,1	188,2	-34.22
	Grand Total	7,402.9	8,160.0	10.23
Expenditures	Current Transfers	3,344.8	3,807.4	13.83
	Personnel Expenditures	2,780.2	3,142.3	13.02
	Capital Expenditures and Transfers	242,3	654,2	170.00
	Goods and Service Purchase Expenditures	1,130.1	640,4	-43.33
	Other Expenditures	191,1	451,9	136.47
	Grand Total	7,688.5	8,696.2	13.11
Revenues - Expenditures		-285,6	-536,2	

Source: Ministry of Finance

4.5 FINANCING BALANCE

Financing balance, which is equal to the gap between the total revenues figure (obtained by subtracting the loans extended by Turkey from the budget revenues) and budget expenditures, has had a deficit of 829.8 million TRY in the fourth quarter of 2020. Total loans extended by Turkey, used as a source of funding to meet the budget deficit has been 497.7 million TRY in the fourth quarter of 2020.

Domestic income item decreased by 6.9 percent and reached 1,825.4 million TRY in the fourth quarter of 2020, compared to the same period of 2019.

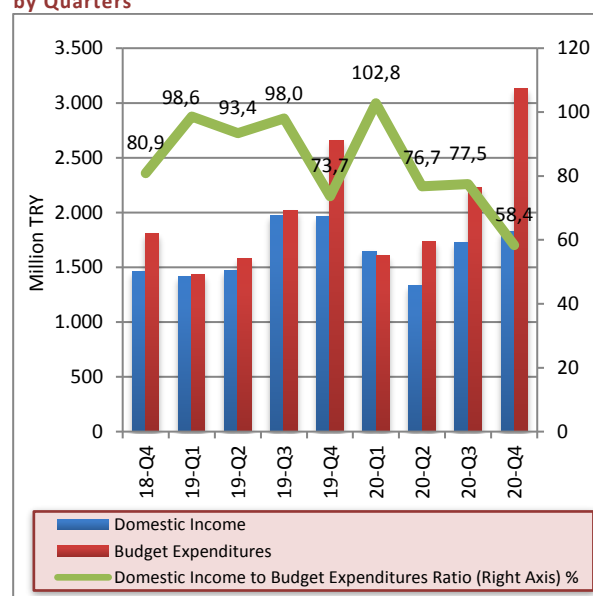
Table 4.5: Financing Balance (Million TRY)

	2019 October- December	2020 October- December
Budget Revenues	2,113.2	2,298.1
1. Domestic Income	1,960.9	1,825.4
Tax Revenues	1,465.8	1,454.8
Non-Tax Revenues	327,3	363,2
Other Revenues	167,8	7,4
2. Foreign Aids	152,3	472,7
Grants Extended by Turkey	152,3	472,7
Budget Expenditures	2,660.7	3,127.9
Personnel Expenditures	933,7	1,047.1
Current Transfers	1,067.3	1,270.3
Capital Expenditures	136,8	480,9
Other Expenditures	522,9	329,6
Financing Balance	-547,5	-829,8
Financing	0.0	497,7
Loans Extended by Turkey	0.0	497,7

Source: Ministry of Finance

According to the budget figures of the fourth quarter of 2020, the domestic income to budget expenditures ratio has decreased to 58.4 percent. The same ratio was 73.7 percent in the fourth quarter of 2019.

Chart 4.4: Domestic Income to Budget Expenditures Ratio by Quarters



Source: Ministry of Finance

The slowdown in economic activity due to the Covid-19 outbreak in 2020 affected public income-expenditure balances. Accordingly, in 2020, tax revenues and non-tax revenues decreased by 2 percent and 5.51 percent, respectively, compared to the previous year. In the calculations made by adjusting nominal values to real values of the annual changes of tax revenues and non-tax revenues in 2019, it is seen that the average real growth for the last 5 years was 5.37 percent in tax revenues and 2.69 percent in non-tax revenues. In 2020, total tax revenues and non-tax revenues decreased in real terms by 14.92 percent and 17.85 percent, respectively, compared to the previous year. Accordingly, total domestic income, which increased by an average of 5.40 percent in real terms in the last 5 years, decreased by 16.77 percent in real terms in 2020, compared to the previous year.

In the inflation-adjusted calculations, it is seen that the average real growth for the last 5 years was 0.02 percent. In 2020, budget expenditures decreased by 1.67 percent in real terms, compared to 2019.

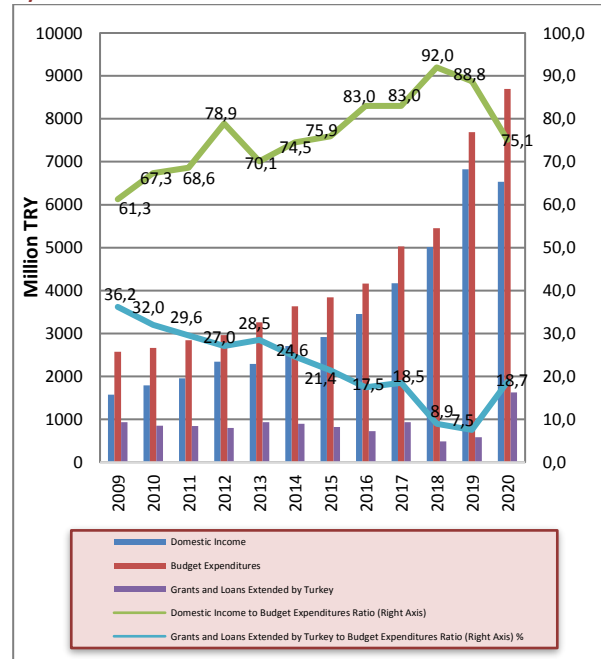
Table 4.6: Real Domestic Income - Expenditure Changes by Years (%)

	Tax Revenues	Non-Tax Revenues	Domestic Income	Budget Expenditures
2014	12.69	6.93	11.27	4.68
2015	1.66	-4.05	-0.14	-1.95
2016	6.01	12.21	7.49	-1.73
2017	6.46	-4.54	5.28	5.29
2018	-4.66	-18.69	-7.49	-16.49
2019	17.37	28.54	21.86	26.28
2020	-14.92	-17.85	-16.77	-1.67

Note: The adjusted calculation is based on the CPI rates for the relevant year.

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 75.1 percent in 2020 in the last 10 years. This rate was 92 percent and 88.8 percent in 2018 and 2019, respectively. 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 18.7 percent in 2020. In 2018 and 2019, it is seen that this rate was 8.9 percent and 7.5 percent. Although there has been a positive outlook in the domestic income to budget expenditures ratio in the last 10 years, this outlook has changed due to the effects of the Covid-19 pandemic on economic activity in 2020, and there has been a serious decline in the ratio of domestic income to budget expenditures.

Chart 4.5: Domestic Income to Budget Expenditures Ratio by Years



Source: Ministry of Finance

Various measures have been taken in many countries to minimize the effects of the Covid-19 epidemic 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 2020, a total of 334 million TRY was borrowed through the Government Domestic Borrowing Bond (DIBS) tenders and 111 million TRY repayments were made during the year. In the fourth quarter of 2020, a total of 135 million TRY was borrowed and 71 million TRY repayments were made.

Table 4.7: TRY Government Domestic Borrowing Bond (DIBS) Tenders Held by the TRNC Ministry of Finance through Central Bank of the TRNC

ISIN CODE		KKB 050521T19	KKB 100621T11	KKB 060421T19
Effective Date		28.10.2020	27.11.2020	31.12.2020
Redemption Date		05.05.2021	10.06.2021	06.04.2021
Term		189 days	195 days	96 days
Amount Tendered	Nom.	53,000,000	99,500,000	95,000,000
Agreed Amount	Nom.	31,000,000	46,500,000	57,500,000
Agreed Interest Rate (%)	Lowest	15.25	16.75	18.80
	Highest	17.00	19.50	20.50
	Ave.	16.46	18.54	20.02
	Ave. Annual Comp.	17.11	19.34	21.54

Source: Central Bank of TRNC

Nom.: Nominal

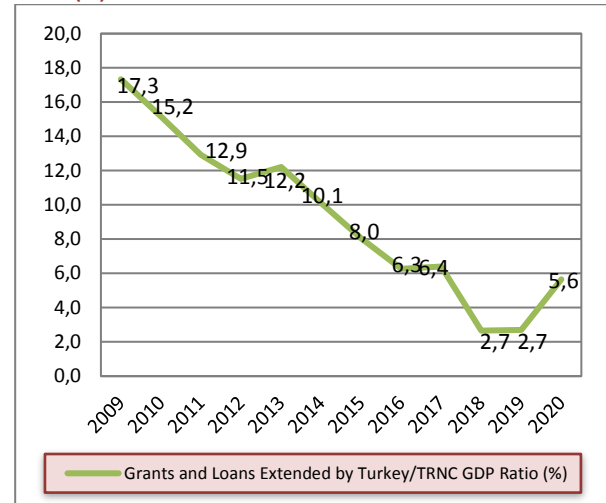
Ave.: Average

Comp.: Compound

One of the negative effects of the global pandemic crisis on our country's economy is the budget deficit. Due to the limited channels of internal and external borrowing in our country, the budget deficit in 2020 is covered by grants and loans granted within the scope of the protocol signed with the Republic of Turkey. With this resource, the ratio of grants and loans extended by Turkey to the total budget expenditures, which decreased to 7.5 percent in 2019, has increased to 18.7 percent in 2020. 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 5.6 percent in 2020.

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



Source: Ministry of Finance, TRNC Statistical Institute

Note: 2020 GDP forecast figures by SPO.

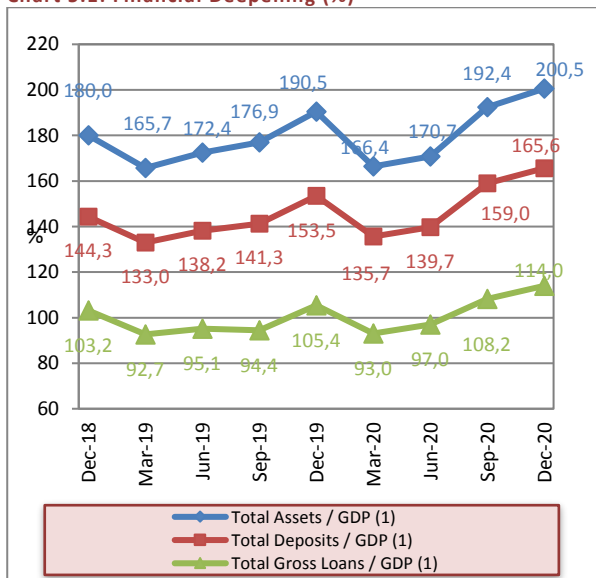
5 MONETARY AND FINANCIAL DEVELOPMENTS

5.1 OVERVIEW OF THE BANKING SECTOR

5.1.1 FINANCIAL DEEPENING

Financial deepening figures for the last quarter of 2020 increased compared to the previous quarter. Total gross loans to GDP ratio increased from 108.2 percent to 114 percent, total assets to GDP ratio from 192.4 percent to 200.5 percent and total deposits to GDP ratio from 159 percent to 165.6 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 29.17 percent in the fourth quarter of 2020, compared to the previous quarter. This rate was 32.58 percent in the same period of the previous year.

CASR (Capital Adequacy Standard Ratio), which was 15.69 percent at the end of September 2020, has increased by 0.22 points to 15.91 percent in the fourth quarter of 2020.

The share of NPL in gross loans decreased from 5.48 to 5.41 percent at the end of December 2020, compared to the previous quarter.

Gross loans to deposits ratio increased by 0.76 percentage points to 68.82 percent in the fourth quarter of 2020, compared to the previous quarter.

The share of gross loans in total assets, which was 55.36 percent in December 2019, increased to 56.83 percent in the fourth quarter of 2020. It increased by 0.6 points, compared to the previous quarter.

Gross loans increased by 5.32 percent in the last quarter of 2020, compared to the previous quarter. Gross loans increased by 11.67 percent in the same period of the previous year.

Deposits increased by 13.82 percent in the third quarter of 2020, and then by 4.16 percent in the fourth quarter of 2020.

Financial leverage ratio, which was 10.46 at the end of September 2020, reached 10.33 in the last quarter of 2020.

Table 5.1: Performance Ratios

	2019		2020		
	Dec.	Mar.	Jun.	Sept.	Dec.
Cash and Cash Equivalents / Total Assets (%)	32.58	29.66	27.39	27.92	29.17
CASR (%)	17.05	16.90	16.92	15.69	15.91
NPL / Gross Loans (%)	6.43	6.35	6.05	5.48	5.41
Gross Loans / Total Deposits (%)	68.70	68.55	69.47	68.06	68.82
Gross Loans / Total Assets (%)	55.36	55.89	56.83	56.23	56.83
Quarterly Growth Rate on Gross Loans (%)	11.67	4.07	4.31	11.51	5.32
Quarterly Growth Rate on Gross Loans (%)	8.64	4.29	2.93	13.82	4.16
Financial Leverage ¹	9.72	9.64	9.72	10.46	10.33

Source: Central Bank of TRNC
 Note: 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 54.21 percent, and the share of the top ten banks in total assets is 81.1 percent in the fourth 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 56.62 percent and the share of the top ten banks is 82.94 percent.

In terms of deposit size, the share of the five largest banks in total deposits is 55.84 percent and the share of the top ten banks is 82.59 percent.

In terms of the size of the debts to the banks item, the share of the first five banks in the sector is 69.49 percent and the share of the top ten banks is 94.95 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 54.15 percent, while the share of the top ten banks is 82.45 percent.

Table 5.2: Concentration in the Banking Sector (%)

Shares of the First Five Banks in the Sector	2019		2020		
	December	March	June	September	December
Assets	55.41	55.35	55.17	54.44	54.21
Gross Loans	57.53	56.65	55.87	55.59	56.62
Deposits	56.97	56.48	56.38	55.81	55.84
Debts to Banks	62.80	69.39	68.65	68.30	69.49
Shareholders' Equity	54.30	55.03	55.36	54.95	54.15
Shares of the First Ten Banks in the Sector					
Assets	80.20	80.19	80.29	80.45	81.10
Gross Loans	82.00	81.96	82.07	82.31	82.94
Deposits	81.23	81.32	81.60	81.84	82.59
Debts to Banks	89.58	93.41	94.15	94.53	94.95
Shareholders' Equity	81.10	81.91	81.65	82.21	82.45

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 December 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

	Dec.18	Mar.19	Jun.19	Sept.19	Dec.19	Mar.20	Jun.20	Sept.20	Dec.20
Public Banks	2	2	2	2	2	2	2	2	2
Private Banks	14	14	14	14	14	14	14	14	14
Branch Banks	5	5	5	5	5	5	5	5	5
Total	21	21	21	21	21	21	21	21	21

Source: Central Bank of TRNC

The number of bank branches in the sector is 222 in the fourth quarter of 2020. When the distribution of branch numbers based on bank groups is examined, it is seen

that 67.57 percent of the total number of branches belongs to private banks, 17.57 percent to branch banks and 14.86 percent to public banks.

Table 5.4: Number of Branches and Personnel

		Number of Branches							
	Dec.18	Mar.19	Jun.19	Sept.19	Dec.19	Mar.20	Jun.20	Sept.20	Dec.20
Public Banks	33	33	33	33	33	33	33	33	33
Private Banks	157	158	159	160	160	160	152	152	150
Branch Banks	39	39	39	39	39	39	39	39	39
Total	229	230	231	232	232	232	224	224	222
		Number of Personnel							
	Dec.18	Mar.19	Jun.19	Sept.19	Dec.19	Mar.20	Jun.20	Sept.20	Dec.20
Public Banks	546	537	534	528	522	512	508	514	511
Private Banks	2,075	2,077	2,078	2,096	2,122	2,120	2,090	2,081	2,071
Branch Banks	527	526	533	539	549	542	537	538	536
Total	3,148	3,140	3,145	3,163	3,193	3,174	3,135	3,133	3,118

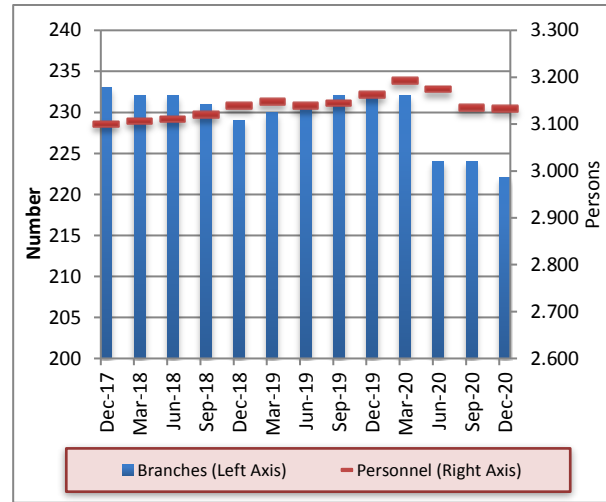
Source: Central Bank of TRNC

The number of personnel employed in the sector decreased by 15 persons and declined from 3,133 to 3,118 during September - December 2020 period. 511 of this personnel are working in public banks, 2,071 in private banks and 536 in branch banks. In this period, the number of personnel employed in private banks decreased from 2,081 to 2,071, the number of personnel in branch banks from 538 to 536, and the number of personnel in public banks from 514 to 511.

During December 2019 - December 2020 period, the number of personnel working in the banking sector decreased by 75 persons to reach 3,118 from 3,193. In the mentioned period, when the change in the number of personnel is analysed based on bank groups, there was a decrease of 51 persons employed in private banks, 13 persons in branch banks, and 11 persons in public banks.

In the fourth quarter of 2020, it is observed that 16.39 percent of the personnel working in the sector belongs to public banks, 66.42 percent belongs to private banks and 17.19 percent belongs to branch banks.

Chart 5.2: Number of Personnel and Branches



Source: Central Bank of TRNC

As of the fourth quarter of 2020, the number of ATMs has been 515. When the distribution of ATMs by bank groups is analysed, branch banks rank first with 234 ATMs. Branch banks are followed by private banks with 224 ATMs and public banks with 57 ATMs. During December 2019 - December 2020 period, the number of ATMs increased from 507 to 515.

Table 5.5: Number of ATMs

	Dec.19	Mar.20	Jun.20	Sept.20	Dec.20
Public Banks	57	57	57	57	57
Private Banks	221	222	218	219	224
Branch Banks	229	231	232	233	234
Total	507	510	507	509	515

Source: Central Bank of TRNC

5.2 BANKING SECTOR CONSOLIDATED BALANCE SHEET

Total assets of the banking sector, which was 48,556.7 million TRY at the end of September 2020, increased by 4.21 percent in December 2020 and reached 50,601.3 million TRY. In the aforementioned period, cash and cash equivalents increased by 8.89 percent, securities portfolio by 1.38 percent and gross loans decreased by 5.32 percent, while other assets decreased by 15.77 percent.

Total assets of the sector increased by 24.18 percent in December 2019 - December 2020 period. In the same period, cash and cash equivalents increased by 11.18, gross loans by 27.49 percent, and securities portfolio by 66.93 percent. In the same period, deposits increased by 27.26 percent and shareholders' equity by 17.55 percent.

Deposits, which is the most important funding source of the sector increased by 4.16 percent and the shareholders' equity increased by 5.44 percent in September 2020 - December 2020 period.

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

	2019		2020			Percentage Change	
	December	March	June	September	December	09/2020 - 12/2020	12/2019 - 12/2020
Cash and Cash Equivalents	13,277.3	12,455.7	11,800.6	13,556.6	14,761.7	8.89	11.18
Securities Portfolio	2,124.5	2,503.8	3,078.5	3,498.0	3,546.4	1.38	66.93
Total Gross Loans	22,557.9	23,475.6	24,487.2	27,305.2	28,758.3	5.32	27.49
Other Assets	2,788.8	3,566.1	3,724.5	4,196.9	3,534.9	-15.77	26.75
Total Assets/Liabilities	40,748.5	42,001.2	43,090.8	48,556.7	50,601.3	4.21	24.18
Deposits	32,837.3	34,244.8	35,247.1	40,117.0	41,787.6	4.16	27.26
Debts to Banks	2,436.6	2,218.7	2,209.9	2,517.5	2,531.0	0.54	3.87
Other Liabilities	1,674.2	1,589.8	1,615.4	1,685.1	1,815.3	7.73	8.43
Shareholders' Equity	3,800.4	3,947.9	4,018.4	4,237.1	4,467.4	5.44	17.55

Source: Central Bank of TRNC

5.2.1 ASSETS AND LIABILITIES STRUCTURE

In the last quarter of 2020, the largest share in the sector's total assets is gross loans with 56.83 percent. Gross loans are followed by cash and cash equivalents with a share of 29.17 percent, securities portfolio with a share of 7.01 percent and other assets with 6.99 percent.

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

As of December 2020, 82.58 percent of the total liabilities are deposits, 8.83 percent is shareholders' equity, 5 percent is debts to banks and 3.59 percent is other liabilities.

When the items constituting the liability structure of the banking sector are evaluated in terms of their shares in December 2019 - December 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.

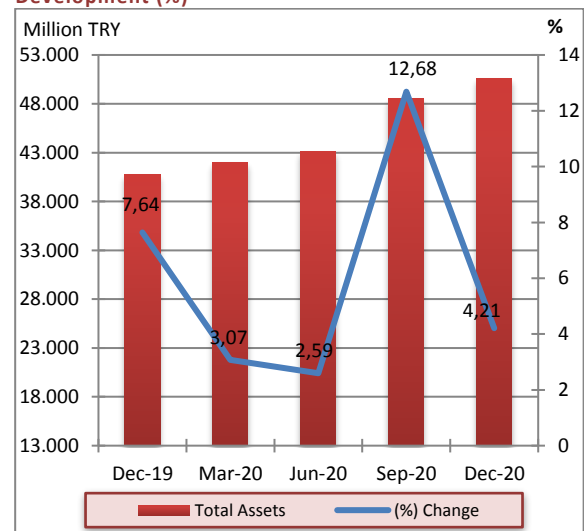
Table 5.7: Structural Percentage Distribution of Banking Sector Assets / Liabilities (%)

Assets	2019		2020		
	December	March	June	September	December
Cash and Cash Equivalents	32.58	29.66	27.39	27.92	29.17
Securities Portfolio	5.21	5.96	7.14	7.20	7.01
Total Gross Loans	55.36	55.89	56.83	56.23	56.83
Other Assets	6.85	8.49	8.64	8.65	6.99
Total	100.00	100.00	100.00	100.00	100.00
Liabilities					
Total Deposits	80.59	81.53	81.80	82.62	82.58
Debts to Banks	5.98	5.28	5.13	5.18	5.00
Other Liabilities	4.11	3.79	3.75	3.47	3.59
Shareholders' Equity	9.32	9.40	9.32	8.73	8.83
Total	100.00	100.00	100.00	100.00	100.00

Source: Central Bank of TRNC

Quarter-on-quarter increase of the banking sector's total assets has been 7.64 percent in December 2019. Banking sector's assets have increased by 3.07, 2.59, 12.68 and 4.21 percent in March, June, September and December 2020, respectively.

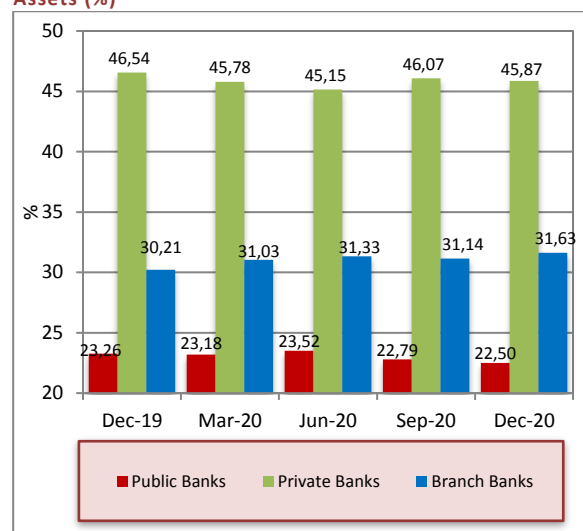
Chart 5.3: Assets of the Banking Sector and Quarterly Development (%)



Source: Central Bank of TRNC

In the last quarter of 2020, the sector's total assets decreased from 46.07 to 45.87 percent in the private banks group, from 22.79 to 22.5 percent in the public banks group, while it increased from 31.14 to 31.63 percent in the branch banks group. In December 2019 - December 2020 period, there has been downsizing in the group of public banks and private banks, and growth in branch banks.

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



Source: Central Bank of TRNC

In the last quarter of 2020, public banks' total assets increased by 2.91 percent, private banks' total assets by 3.75 percent and branch banks' total assets by 5.84 percent, compared to the previous quarter. Total assets

increased by 20.12 percent in public banks, by 22.38 percent in private banks and by 30.08 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	
	December	March	June	September	December	09/2020-12/2020	12/2019-12/2020
Public Banks	9,478.7	9,737.6	10,135.5	11,064.2	11,386.1	2.91	20.12
Private Banks	18,965.2	19,229.7	19,456.7	22,369.8	23,208.8	3.75	22.38
Branch Banks	12,304.6	13,033.9	13,498.6	15,122.7	16,006.4	5.84	30.08
Total	40,748.5	42,001.2	43,090.8	48,556.7	50,601.3	4.21	24.18

Source: Central Bank of TRNC

Analysing the TRY and FX distribution of gross loans as of December 2020, the share of TRY loans increased from 46.11 to 49.04 percent compared to the previous quarter, while the share of FX loans decreased from 53.89 to 50.96 percent. The share of TRY deposits

decreased from 35.08 to 34.74 percent as of December 2020, while the share of FX deposits increased from 64.92 percent to 65.26 percent, compared to the previous quarter.

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

	2019				2020					
	December		March		June		September		December	
	TRY	FX	TRY	FX	TRY	FX	TRY	FX	TRY	FX
Loans	47.25	52.75	46.58	53.42	46.60	53.40	46.11	53.89	49.04	50.96
Deposits	39.63	60.37	38.27	61.73	38.08	61.92	35.08	64.92	34.74	65.26

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 8.89 percent in the fourth quarter of 2020 and reached from 13,556.6 million TRY to 14,761.7 million TRY, compared to the previous quarter.

In this period, a decrease of 24.6 million TRY in the cash values item and 158.5 million TRY in the receivables from banks item, and an increase of 551.5 million TRY in the Central Bank item, and 836.7 million TRY in the

receivables from the IMM (Interbank Money Market) transactions item was recorded.

Cash and cash equivalents amounting to 13,277.3 million TRY at the end of December 2019 increased to 14,761.7 million TRY by the end of December 2020. In the period, cash assets increased by 115.8 million TRY, receivables from the Central Bank increased by 786.3 million TRY, receivables from IMM transactions increased by 1,093.5 million TRY and receivables from banks decreased by 511.2 million TRY.

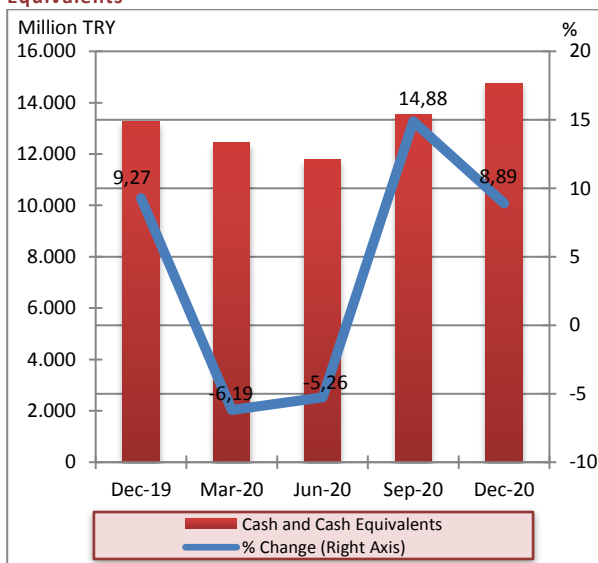
Table 5.10: Development of the Cash and Cash Equivalents (Million TRY)

	2019		2020			Percentage Change 09/2020 - 12/2020
	December	March	June	September	December	
Cash Assets	362,8	468,4	441,3	503,2	478,6	-4.89
Receivables from the Central Bank	4,420.4	4,275.9	4,011.2	4,655.2	5,206.7	11.85
Receivables from IMM Transactions	2,823.2	2,306.9	2,161.4	3,080.0	3,916.7	27.17
Receivables from Banks	5,670.9	5,404.5	5,186.7	5,318.2	5,159.7	-2.98
Total	13,277.3	12,455.7	11,800.6	13,556.6	14,761.7	8.89

Source: Central Bank of TRNC

Cash and cash equivalents increased by 9.27 percent in the fourth quarter of 2019. Cash and cash equivalents decreased by 6.19 percent and 5.26 percent in March and June 2020 and increased by 14.88 and 8.89 percent in September and December 2020, respectively, compared to the previous quarter.

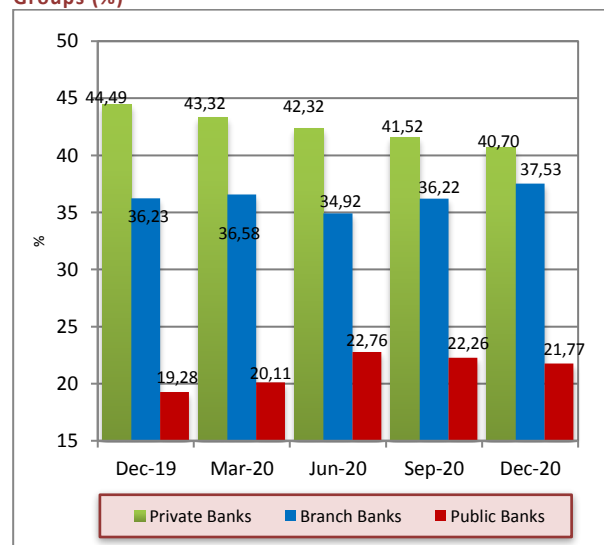
Chart 5.5: Quarterly Percentage Change of Cash and Cash Equivalents



Source: Central Bank of TRNC

In the last quarter of 2020, shares of private and public banks decreased, while the share of branch banks increased. In December 2019 - December 2020 period, there has been a growth in public banks and branch banks groups, while there has been downsizing in the private bank group.

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 18,868.7 million TRY as of December 2020, are in the first rank as in the previous periods. They are followed by consumer loans with a total of 6,329 million TRY.

During the period from December 2019 to December 2020, business loans increased from 13,782.8 million TRY to 18,868.7 million TRY, and consumer loans increased from 5,075.2 million TRY to 6,329 million TRY.

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

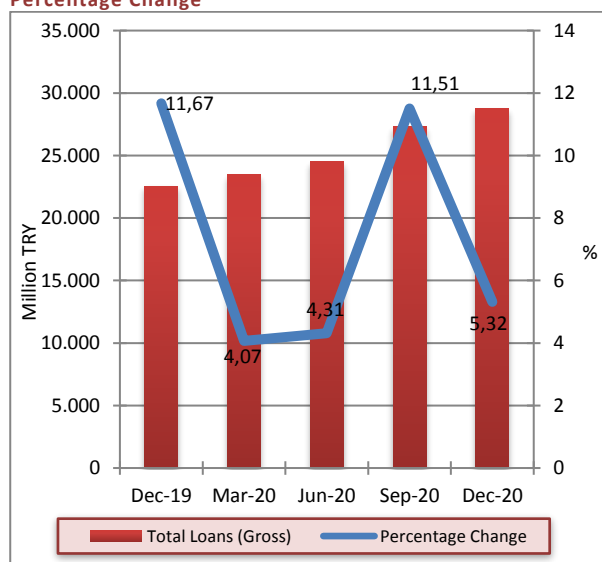
	2019		2020		
	December	March	June	September	December
Business Loans	13,782.8	14,145.7	14,815.7	16,623.8	18,868.7
Consumer Loans	5,075.2	5,353.8	5,629.1	6,288.5	6,329.0
Credit Cards	556,7	508,8	576,5	639,6	703,4
Discount Loans	268,3	293,9	183,2	217,1	263,3
Other Investment Loans	124,7	126,5	131,2	173,2	208,6
Import Loans	4,2	4,5	4,7	5,2	5,4
Loans of Funds Originated	21,5	23,1	23,6	26,0	24,8
Directed Loans	40,6	43,3	64,8	73,5	87,2
Export Loans	1,8	1,3	0,8	0,3	0,0
Loans Extended by Central Bank of the TRNC	0,0	0,0	0,0	5,3	5,0
Loans Extended Through Central Bank of the TRNC	0,0	0,0	0,0	0,0	0,0
Loans to Purchase Security for Customers	0,0	0,0	0,0	0,0	0,0
Export Guaranteed Investment Loans	0,0	0,0	0,0	0,0	73,4
Other Loans	1,232.0	1,483.7	1,577.1	1,757.7	633,6
Total Loans	21,107.8	21,984.6	23,006.7	25,810.2	27,202.4

Source: Central Bank of TRNC

Note: Non-performing loans are not included.

Gross loans increased by 11.67 percent in the last quarter of 2019, compared to the previous quarter. Total gross loans increased by 4.07, 4.31, 11.51 and 5.32 percent in the first, second, third and fourth quarters of 2020, respectively.

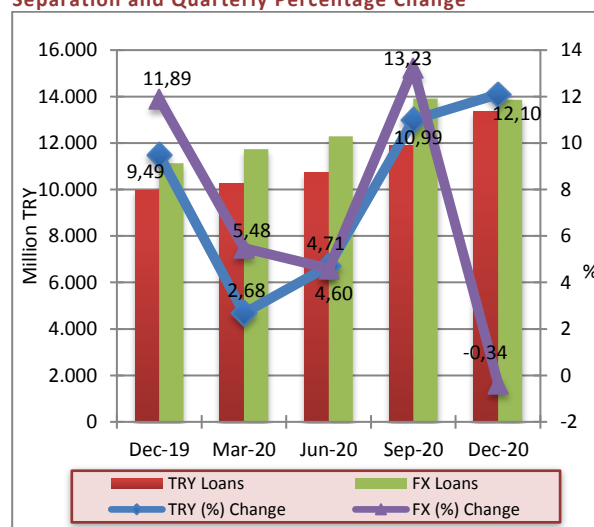
Chart 5.7: Development of Gross Loans and Quarterly Percentage Change



Source: Central Bank of TRNC

In the fourth quarter of 2020, 13,340.7 million TRY of the loans is in TRY currency and 13,861.7 million TRY is in foreign currency. In the period, there has been an increase of 12.1 percent in TRY loans and 3.4 per mille in FX loans, compared to the previous quarter.

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

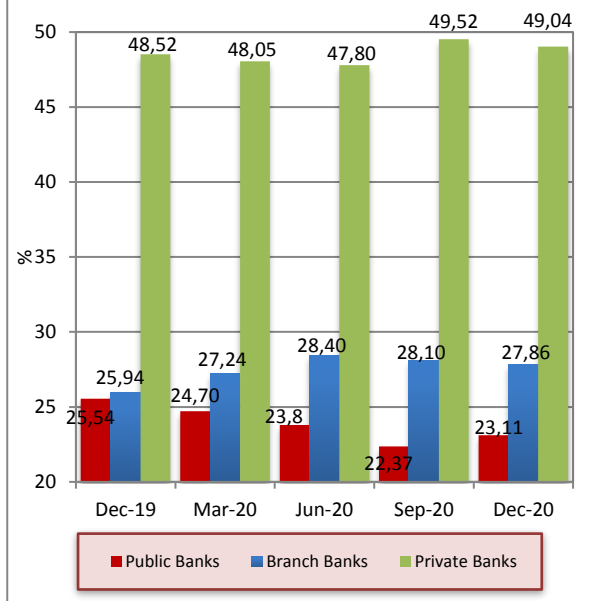


Source: Central Bank of TRNC

Note: Non-performing loans are not included.

When the shares of gross loans by bank groups are analysed, the share of public banks increased from 22.37 to 23.11 percent in the fourth quarter of 2020, while the share of branch banks decreased from 28.1 to 27.86 percent, and the share of private banks from 49.52 to 49.04 percent, compared to the previous quarter. During December 2019 - December 2020 period, the shares of private banks and branch banks in total loans increased, while the share of public banks decreased.

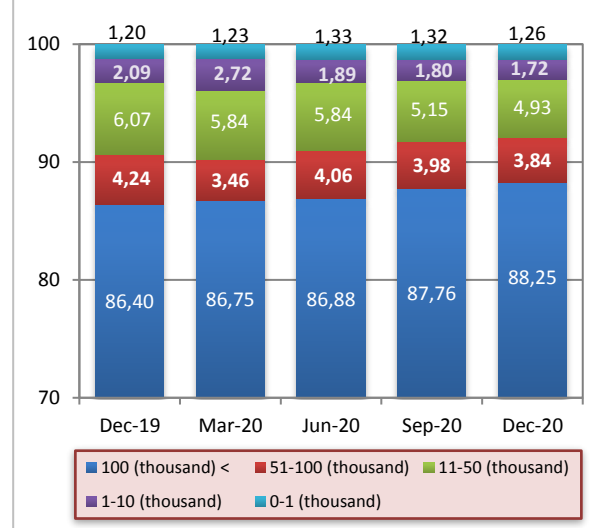
Chart 5.9: Share of Gross Loans Based on Bank Groups (%)



Source: Central Bank of TRNC

By the end of the last quarter of 2020, the share of loans over 100 thousand TRY in total loans has been 88.25 percent. In this period, 11-50 thousand TRY loans take second place in loan sizes with a share of 4.93 percent. Loans amounting to 51-100 thousand TRY and 1-10 thousand TRY constitute 3.84 and 1.72 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 1.26 percent.

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

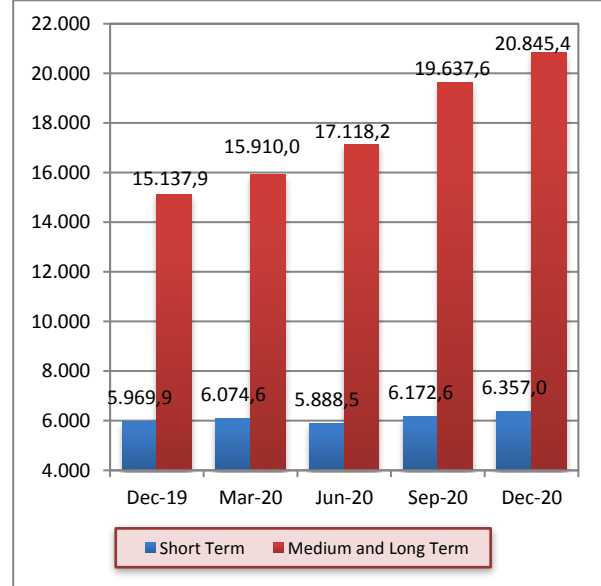


Source: Central Bank of TRNC

Note: Non-performing loans are not included.

In the fourth quarter of 2020, short-term loans increased from 6,172.6 million TRY to 6,357 million TRY, and medium and long-term loans increased from 19,637.6 million TRY to 20,845.4 million TRY. From December 2019 to December 2020, short-term loans increased by 6.48 percent and medium and long-term loans increased by 37.7 percent.

Chart 5.11: Term Structure in Loans (Million TRY)



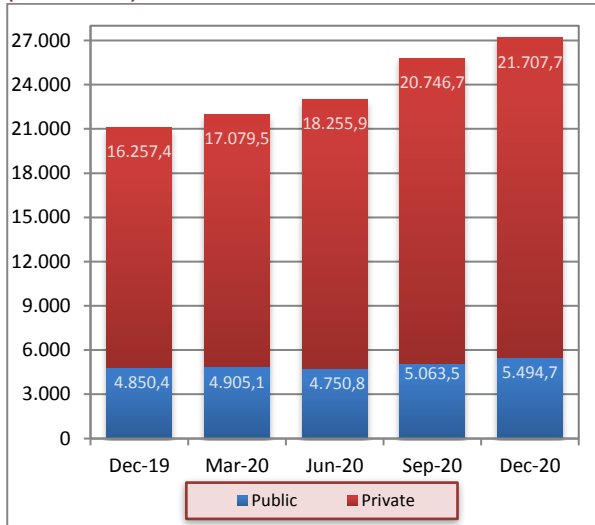
Source: Central Bank of TRNC

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

As of December 2020, 79.8 percent of the banking sector’s total loans have been extended to the private sector and 20.2 percent to the public sector. Compared to the previous quarter, loans used by the public sector increased from 5,063.5 million TRY to 5,494.7 million TRY and private sector loans increased from 20,746.7 million TRY to 21,707.7 million TRY.

In December 2019 - December 2020 period, the increase rate of the loans used by the public has been 13.28 percent and the loans used by the private sector have increased by 33.53 percent.

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

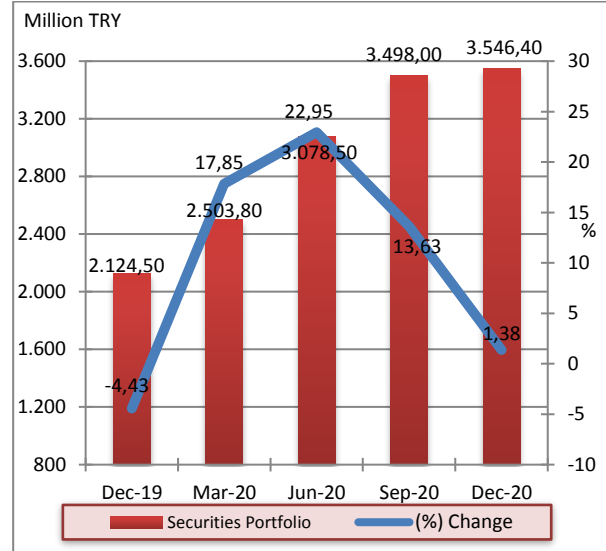


Source: Central Bank of TRNC

5.2.4 SECURITIES PORTFOLIO

The total securities portfolio decreased by 4.43 in December 2019. Securities portfolio increased by 17.85, 22.95, 13.63 and 1.38 percent in March, June and September and December 2020, respectively, compared to the previous quarter.

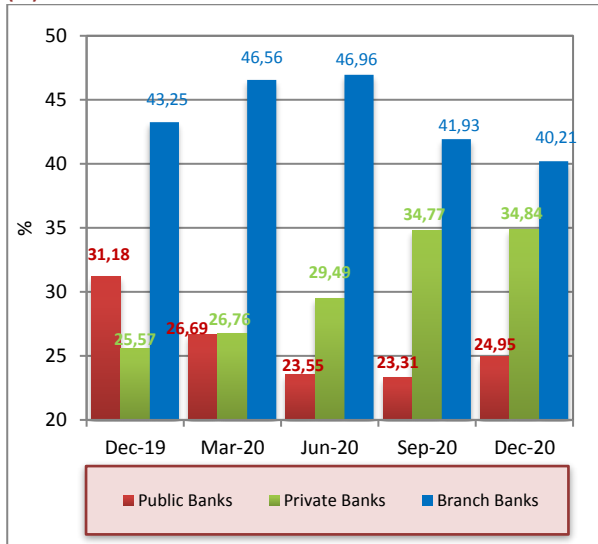
Chart 5.13: Securities Portfolio Totals and Quarterly Percentage Change



Source: Central Bank of TRNC

By the end of the fourth quarter of 2020, the share of public banks in total SP increased from 23.31 to 24.95 percent, the share of private banks from 34.77 to 34.84 percent, while the share of branch banks decreased from 41.93 to 40.21 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 4.16 percent in the fourth quarter of 2020, compared to the previous quarter. Deposits increased by 27.26 percent in one year and amounted to 41,787.6 million TRY at the end of December 2020.

As of the end of December 2020, it is observed that the largest share belongs to savings deposits with 29,453.4 million TRY as it was in the previous periods. This is followed by commercial deposits with 8,630.3 million TRY and official deposits with 3,184.6 million TRY. In December 2019 - December 2020 period, savings deposits increased by 26.32 percent, commercial deposits by 33.65 percent and official deposits by 21.34 percent.

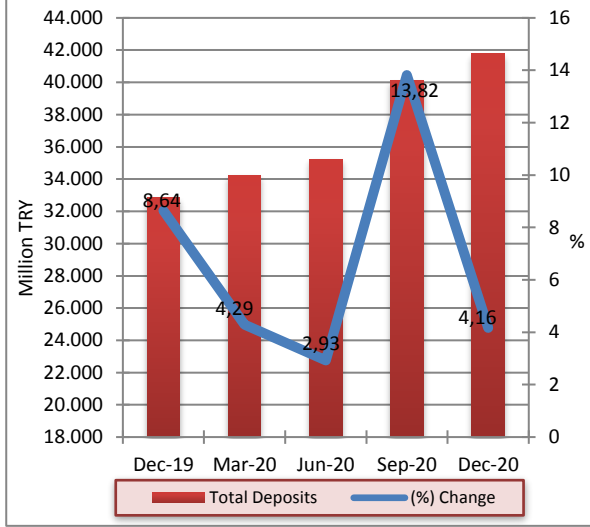
Table 5.12: Development of Deposits by Type (Million TRY)

	2019		2020			Percentage Change	
	December	March	June	September	December	09/2020 – 12/2020	12/2019 – 12/2020
Savings	23,316.4	24,349.3	25,385.3	28,910.3	29,453.4	1.88	26.32
Trading	6,457.5	6,658.5	6,933.8	7,913.7	8,630.3	9.06	33.65
Official	2,624.6	2,686.8	2,327.0	2,612.3	3,184.6	21.91	21.34
Other	438,8	550,2	601,0	680,7	519,3	-23.71	18.35
Total Deposits	32,837.3	34,244.8	35,247.1	40,117.0	41,787.6	4.16	27.26
Debts to Banks	2,436.6	2,218.7	2,209.9	2,517.5	2,531.0	0.54	3.87
Total Deposits Including Debts to Banks	35,273.9	36,463.5	37,457.0	42,634.5	44,318.6	3.95	25.64

Source: Central Bank of TRNC

In the fourth quarter of 2019, total deposits increased by 8.64 percent. Total deposits increased by 4.29, 2.93, 13.82 and 4.16 percent in the first, second, third and fourth quarters of 2020, respectively.

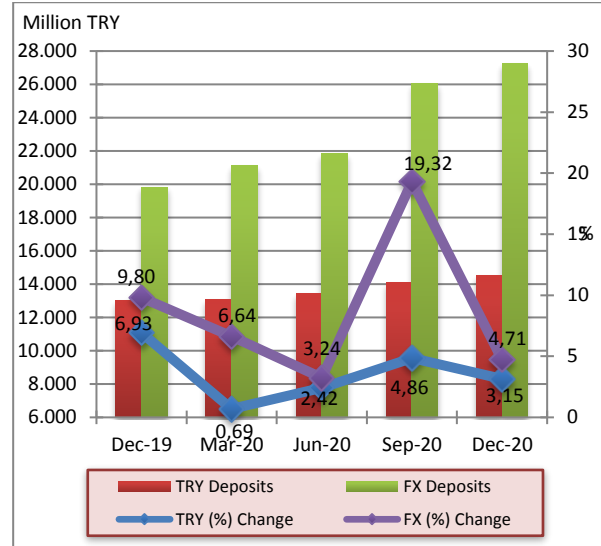
Chart 5.15: Deposits and Quarterly Percentage Change (%)



Source: Central Bank of TRNC

In the fourth quarter of 2020, it is observed that deposits amounted to 14,517.6 million TRY in Turkish Lira currency and 27,270 million TRY in foreign currency. In this period, TRY deposits increased by 3.15 percent and FX deposits increased by 4.71 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 December 2020, compared to the previous quarter, TRY deposits of public banks decreased by 7.9 per mille and FX deposits increased by 5.23 percent, private banks' TRY deposits increased by 2.32 percent and FX deposits increased by 4.34 percent. In the same period, branch banks' TRY deposits increased by 8.26 percent and FX deposits increased by 5.08 percent.

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

	September 2020			December 2020			Percentage Change		
	TRY	FX	Total	TRY	FX	Total	TRY	FX	Total
Public Banks	4,587.7	5,285.2	9,872.9	4,551.6	5,561.6	10,113.2	-0.79	5.23	2.43
Private Banks	5,124.4	14,068.0	19,192.4	5,243.4	14,678.9	19,922.3	2.32	4.34	3.80
Branch Banks	4,362.3	6,689.4	11,051.7	4,722.6	7,029.5	11,752.1	8.26	5.08	6.34
Total Deposits	14,074.4	26,042.6	40,117.0	14,517.6	27,270.0	41,787.6	3.15	4.71	4.16

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 49.61 percent in December 2020. 1-month deposits are followed by, demand deposits with a share of 18.57 percent, 3-month deposits with a share of 18.03 percent, 1-year deposits with a share of 10.25 percent and 6-month deposits with a share of 3.54 percent.

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

1.33 points in demand deposits, while 1-month deposits decreased by 0.04 points, 3-month deposits by 0.37 points, 6-month deposits by 0.52 points and 1-year deposits by 0.4 points.

During December 2019 - December 2020 period, demand deposits increased by 4.23 points, while 1-month, 3-month, 6-month and 1-year deposits decreased by 2.11, 1.65, 0.35 and 0.12 points, respectively.

Table 5.14: Maturity Distribution of Deposits (%)

	2019		2020			Change (Points)	
	December	March	June	September	December	09/2020-12/2020	12/2019-12/2020
Demand	14.34	15.00	16.86	17.24	18.57	1.33	4.23
1-Month	51.72	51.20	50.80	49.65	49.61	-0.04	-2.11
3-Month	19.68	18.97	18.16	18.40	18.03	-0.37	-1.65
6-Month	3.89	4.25	3.99	4.06	3.54	-0.52	-0.35
1-Year	10.37	10.58	10.19	10.65	10.25	-0.40	-0.12
Total	100.00	100.00	100.00	100.00	100.00		

Source: Central Bank of TRNC

When the distribution of deposits in the banking sector is analysed by their size, 0-5 thousand TRY increased from 341 million TRY to 349.9 million TRY, 5-10 thousand TRY deposits from 410.9 million TRY to 422.4 million TRY, 10-50 thousand TRY deposits from 2,712 to 2,787.5 million TRY, and deposits over 100 thousand TRY deposits increased from 33,262.5 million TRY to

34,860.1 million TRY, while 50-100 thousand TRY deposits decreased from 3,390.6 million TRY to 3,367.7 million TRY as of the end of December 2020, compared to the previous quarter. In the last quarter of 2020, the share of deposits over 100 thousand TRY has been 83.42 percent, and deposits of 50-100 thousand TRY had a share of 8.06 percent.

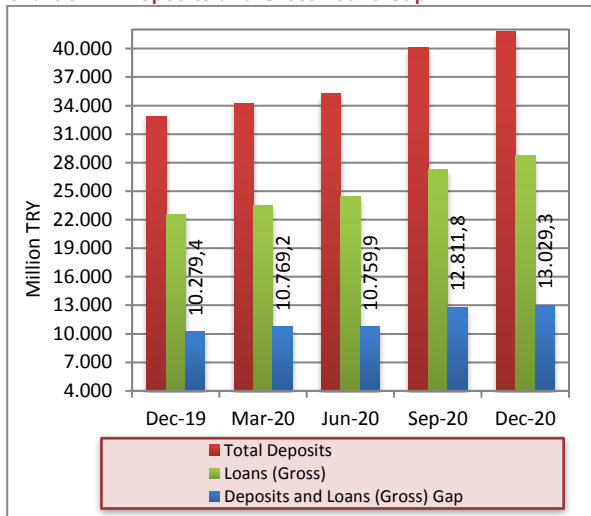
Table 5.15: Distribution of Deposits by Size (Million TRY)

	2019		2020		
	December	March	June	September	December
0-5 thousand TRY	335,0	333,8	345,4	341,0	349,9
5-10 thousand TRY	417,7	388,6	422,3	410,9	422,4
10-50 thousand TRY	2,663.7	2,563.9	2,739.1	2,712.0	2,787.5
50-100 thousand TRY	3,671.3	3,499.3	3,517.8	3,390.6	3,367.7
Over 100 thousand TRY	25,749.6	27,459.2	28,222.5	33,262.5	34,860.1
Total Deposits	32,837.3	34,244.8	35,247.1	40,117.0	41,787.6

Source: Central Bank of TRNC

Total deposits and gross loans gap, which was 12,811.8 million TRY at the end of September 2020, has increased by 217.5 million TRY and rose to 13,029.3 million TRY at the end of December 2020.

Chart 5.17: Deposits and Gross Loans Gap

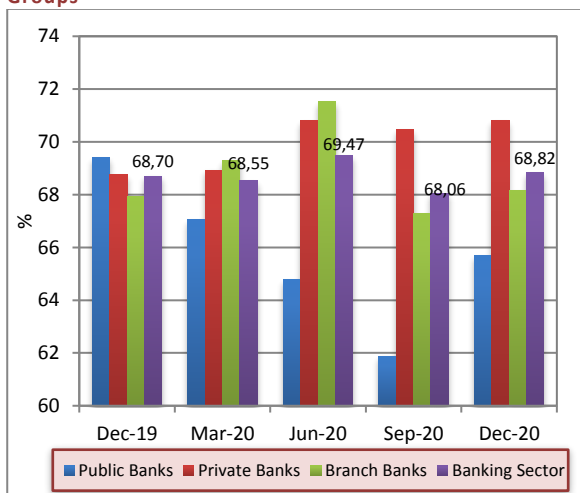


Source: Central Bank of TRNC

Loans to total deposits ratio, which is one of the indicators of the banking sector's depth and intermediary function, was 68.06 percent at the end of September 2020, afterwards, it has increased to 68.82 percent at the end of December 2020. Loans to total deposits ratio increased by 0.12 points in one-year period.

Examining loans to deposits ratio at the end of December 2020 on the basis of bank groups, private banks rank first with 70.79 percent. Private banks are followed by branch banks with a rate of 68.17 percent. Public banks have a conversion rate of 65.71 percent.

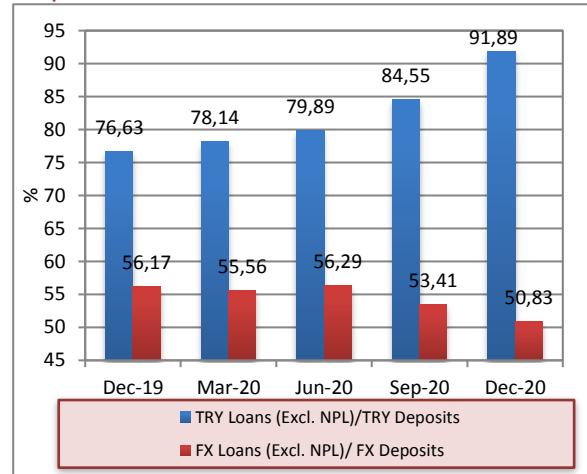
Chart 5.18: Deposits to Loans (Gross) Ratio Based on Bank Groups



Source: Central Bank of TRNC

TRY deposits to TRY loans ratio (excluding NPL) increased from 84.55 percent to 91.89 percent as of December 2020 compared to the previous quarter, while FX deposits to FX loans ratio (excluding NPL) decreased from 53.41 percent to 50.83 percent. TRY and FX deposits to loans ratios were 76.63 percent and 56.17 percent, respectively, in December 2019. In 2020, TRY deposits to TRY loans ratio increased, while there was a decrease in FX ratio.

Chart 5.19: TRY and FX Deposits to Loans Ratio (Excluding NPL)



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 5.44 percent, compared to the previous quarter and reached 4,467.4 million TRY at the end of the fourth quarter of 2020.

Shareholders' equity increased by 17.55 percent in December 2019 - December 2020 period. In the one-year period, the paid-in capital of the sector increased by 138.4 million TRY and reserve requirements increased by 440.1 million TRY.

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

	2019		2020		
	Dec.	March	June	Sept.	Dec.
Paid-in Capital	1,332.3	1,332.8	1,398.9	1,401.4	1,470.7
Reserve Requirements	929,0	1,088.4	1,207.3	1,366.6	1,369.1
Fixed Asset Revaluation Fund	3,0	3,0	3,0	3,6	10,4
Securities Value Increment Fund	168,4	173,8	181,0	215,0	220,1
Period Profit (Loss)	808,9	183,4	329,1	513,0	671,2
Accumulated Profit (Loss)	558,8	1.166,5	899,1	737,5	725,9
Total	3,800.4	3,947.9	4,018.4	4,237.1	4,467.4

Source: Central Bank of TRNC

5.3 MONEY SUPPLY

Money supply classified as narrow money, M1, increased by 3.62 percent at the end of December 2020 compared to September 2020 and rose from 9,724.8 million TRY to 10,077.1 million TRY. M1 increased by 36.44 percent in one-year period.

The money supply qualified as M2, which amounted to 40,684 million TRY at the end of September 2020, increased by 2.85 percent in the fourth quarter of 2020 and reached 41,842.8 million TRY. M2 increased by 26.17 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 3.45 percent in the fourth quarter of 2020 compared to the previous quarter and rose from 43,787.2 million TRY to 45,299.2 million TRY. The increase rate of M3 is 26.22 percent, compared to the same period of the previous year.

Table 5.17: Money Supply (Million TRY)

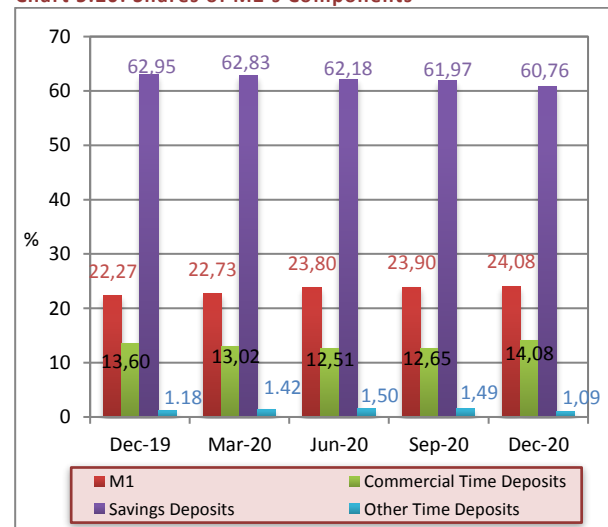
Years	Period	M1	Annual Percentage Change	M2	Annual Percentage Change	M3	Annual Percentage Change
2016	IV	3,544.1	24.74	16,946.4	19.21	17,996.6	19.10
2017	I	3,754.8	34.20	18,019.6	25.66	19,209.2	26.53
	II	3,906.7	31.23	18,670.5	27.70	20,066.2	28.69
	III	4,126.2	30.66	19,847.4	29.85	21,240.3	30.16
	IV	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	7,872.2	25.00	34,635.5	19.22	37,612.4	20.45
	II	8,529.4	29.59	35,839.0	19.20	38,294.3	18.23
	III	9,724.8	43.54	40,684.0	35.12	43,787.2	31.72
	IV	10,077.1	36.44	41,842.8	26.17	45,299.2	26.22

Source: Central Bank of TRNC

As in previous periods, the largest share in M2 is 60.76 percent with the savings deposits as of December 2020. This is followed by M1 with a share of 24.08 percent, commercial time deposits with 14.08 percent and other time deposits with a ratio of 1.09 percent.

Savings time deposit, which constitutes the largest share of the structure of M2, decreased by 2.19 points from 62.95 percent to 60.76 percent in December 2019 - December 2020 period. In the mentioned period, M1, one of the other subcomponents of M2, increased from 22.27 percent to 24.08 percent, commercial time deposits from 13.60 percent to 14.08 percent, while other time deposits decreased from 1.18 percent to 1.09 percent.

Chart 5.20: Shares of M2's Components



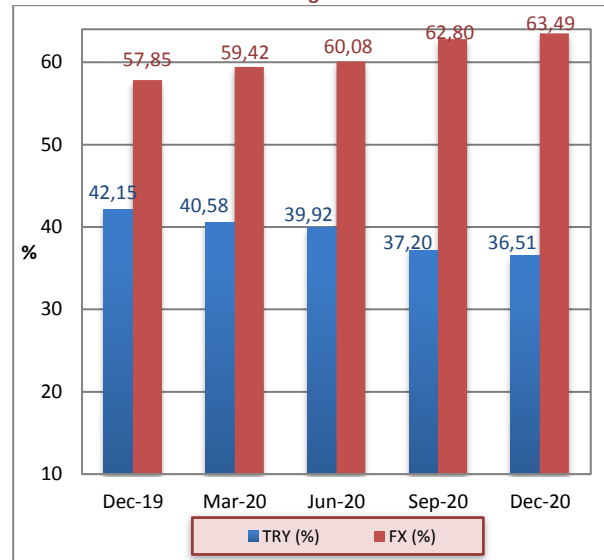
Source: Central Bank of TRNC

Analysing the TRY-FX percentage distribution of M3 as of December 2020, it is observed that the share of TRY deposits in M3 is 36.51 percent and the share of FX deposits is 63.49 percent. These shares were 42.15 percent in TRY and 57.85 percent in FX at the end of December 2019.

5.4 OVERVIEW OF INTERBANK MONEY MARKET

As of the last quarter of 2020, there have been 870 transactions in TRY, 707 transactions in USD, 303 transactions in EUR and 427 transactions in GBP currency, within the interbank money market operating under the Central Bank of the TRNC. In this period, transactions of 47,981 million TRY in Turkish Lira currency, 3,993 million USD, 5,356 million EUR and 8,130 million GBP in foreign currency were made.

Chart 5.21: 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 - 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
2020 - Q4	870	47,981,400	707	3,993,200	303	5,356,100	427	8,130,350

Source: Central Bank of TRNC

Looking at the volume distributions of overnight transactions made in the fourth quarter of 2020, it is observed that the shares are 99.86 percent in TRY, 99.98 percent in USD, 99.19 in EUR and 100 percent in

GBP. In the same period, the share of one-week transactions was 1 per mille in TRY, the share of one-month transactions was 4 per ten thousand in TRY and 8.1 per mille in EUR.

Table 5.19: Transaction Volume (x 1.000)

	TRY		\$		€		£	
	Volume	Share (%)	Volume	Share (%)	Volume	Share (%)	Volume	Share (%)
2019 Q4	59,581,150		2,333,775		9,307,000		6,981,350	
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					
2020 Q1	61,885,050		1,786,925		7,218,250		6,072,875	
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								
2020 Q2	42,667,500		1,440,375		5,633,725		3,850,000	
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		
2020 Q3	59,058,150		2,272,575		3,157,825		5,112,275	
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		
2020 Q4	47,981,400		3,993,200		5,356,100		8,130,350	
ON	47,912,900	99.86	3,992,225	99.98	5,312,800	99.19	8,130,350	100.00
1W	50,000	0.10			25			
2W								
3W								
1M	18,500	0.04	975,000	0.02	43,275	0.81		
3M								

Source: Central Bank of TRNC

Note: ON: Overnight

W: Week

M: Month

Average interest rates for overnight transactions made in the fourth quarter of 2020 have been 10.43 percent in TRY, 0.75 percent in USD, 0.3 percent in EUR, and 0.4 percent in GBP. Average interest rates for one-week

transactions have been 14.43 percent in TRY, the rates for one-week transactions have been 13.28 percent in TRY, and 2.11 percent in USD and 0.55 percent in EUR.

Table 5.20: Average Interest Rates (%)

		2019		2020		
		Q4	Q1	Q2	Q3	Q4
TRY	ON	9.25	7.01	5.75	6.14	10.43
	1W	8.88	9.75			14.43
	2W					
	1M	10.42		7.00	9.50	13.28
	3M					
\$	ON	1.22	0.72	0.50	0.54	0.75
	1W					
	2W	1.50				
	3W					
	1M				0.60	2.11
€	ON	0.16	0.07	0.07	0.13	0.30
	1W			1.25		1.25
	2W					
	3W					
	1M	0.45	0.39	0.29	0.36	0.55
£	ON	0.37	0.20	0.20	0.28	0.40
	1W					
	2W					
	3W					
	1M	0.67	0.44	0.32		

Source: Central Bank of TRNC

Note: ON: Overnight

W: Week

M: Monthly

5.5 CREDIT CARDS MAXIMUM INTEREST RATES

“Law on Bank Cards and Credit Cards” No. 58/2014, which was enacted and published in the Official Gazette dated November 20, 2014, delegated the duty and authority of determining the monthly maximum contractual and default interest rates to be applied in credit card transactions to 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
01/01/2021 (OG 238)	1.95	2.45	1.13	1.63

Source: Central Bank of TRNC

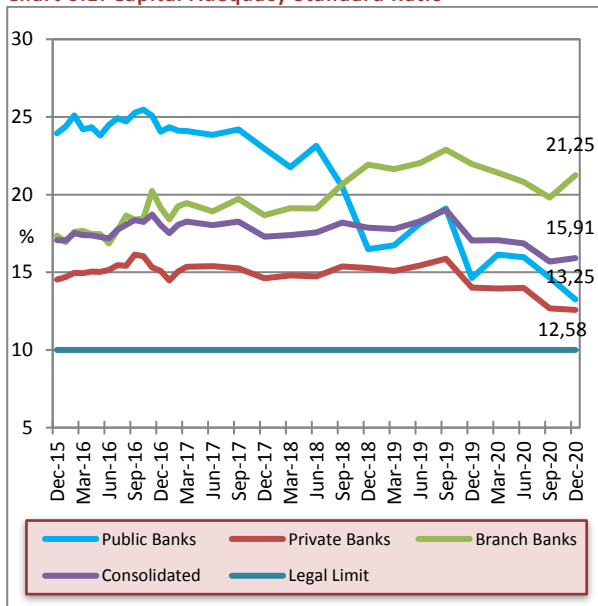
6 FINANCIAL STABILITY ANALYSIS

6.1 CAPITAL ADEQUACY

In the fourth quarter of 2020, the sector’s capital adequacy standard ratio increased by 0.22 points compared to the previous quarter and reached 15.91 percent, above the legal limit of 10 percent.

As of December 2020, CASR based on bank groups has been 13.25 percent in public banks, 12.58 percent in private banks and 21.25 percent in branch banks. As of September 2020, these ratios were 14.65, 12.67 and 19.81 percent, respectively. Compared to the same period of the previous year, CASR decreased by 1.38 points in public banks, by 1.44 points in private banks and by 0.73 points in branch banks in December 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 December 2020, assets with 0 percent risk weight increased by 7.4 percent, assets with 20 percent risk weight increased by 4.3 percent, assets with 50 percent risk weight increased by 4.2 percent, while assets with 100 percent risk weight decreased by 0.1 percent. In the period concerned, the total market risk and operational risk increased by 495.4 million TRY and reached 5,737.9 million TRY, compared to the previous period. The total market risk and operational risk of the sector increased by 1,209.8 million TRY in one-year period (December 2019 - December 2020).

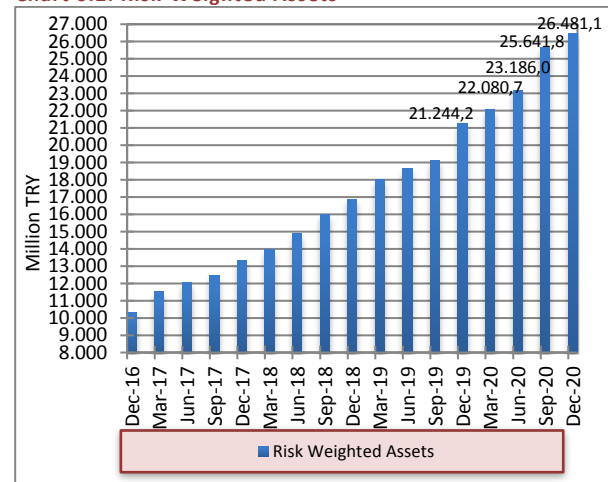
Table 6.1: Risk-Weighted Assets(Million TRY)

	Dec. 2019	Mar. 2020	Jun. 2020	Sept. 2020	Dec. 2020	Percentage Change (09/20-12/20)
0 %	14,865.8	15,205.2	15,357.5	18,330.9	19,681.3	7.4
20 %	8,565.5	8,365.9	8,327.3	8,202.0	8,555.1	4.3
50 %	9,076.9	11,068.3	11,725.3	13,527.5	14,097.1	4.2
100 %	10,464.6	10,085.5	10,670.7	11,995.1	11,983.7	-0.1
Market Risk + Op. Risk	4,528.1	4,787.9	4,987.3	5,242.5	5,737.9	9.5

Source: Central Bank of TRNC

In the fourth quarter of 2020, risk-weighted assets increased by 3.2 percent, compared to the previous quarter. The weighted sum of risk-weighted assets, which amounted to 25,641.8 million TRY as of September 2020, increased by 839.3 million TRY at the end of December 2020 and reached 26,481.1 million TRY. Risk-weighted assets of the sector increased by 24.7 percent in December 2019 - December 2020 period.

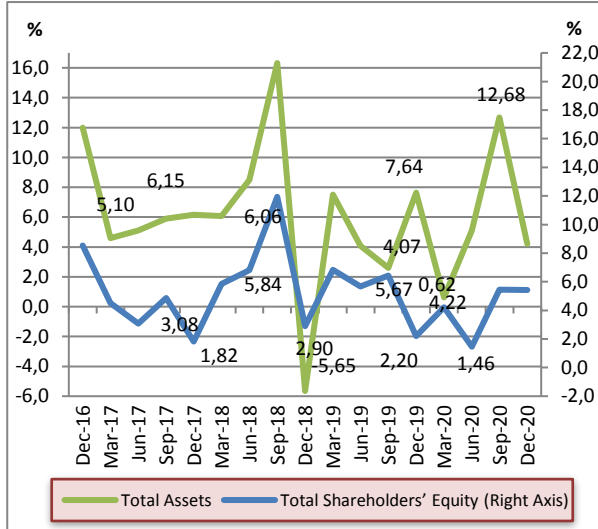
Chart 6.2: Risk-Weighted Assets



Source: Central Bank of TRNC

As of the end of December 2020, total assets increased by 4.21 percent and total shareholders' equity increased by 5.44 percent, compared to September 2020. Total assets and shareholders' equity increased by 24.18 percent and 17.55 percent, respectively, compared to the same period of the previous year.

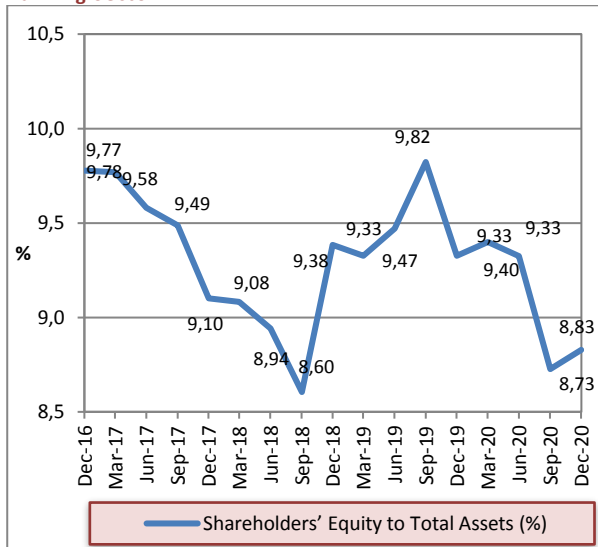
Chart 6.3: Increase Rates in Total Shareholders' Equity and Total Assets (Quarter-on-quarter)



Source: Central Bank of TRNC

The ratio of total shareholders' equity to total assets in the banking sector, which declined to 9.33 percent in 2019, has remained at a similar level in the first two quarters of 2020. The ratio, which declined to 8.73 percent in the third quarter of 2020, has become 8.83 percent at the end of 2020.

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

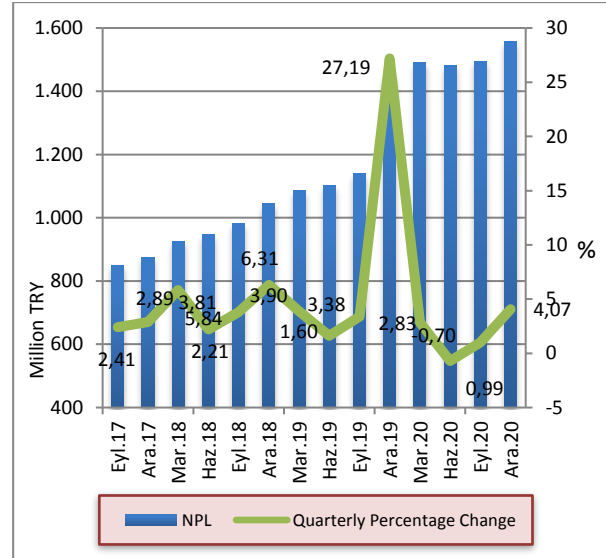


Source: Central Bank of TRNC

6.2 NON-PERFORMING LOANS

Sector's non-performing loans, which amounted to 1.495 million TRY as of the end of September 2020, increased by 4.07 percent and reached 1,555.9 million TRY as of the end of December 2020. Non-performing loans increased by 7.3 percent, compared to the same period of the previous year.

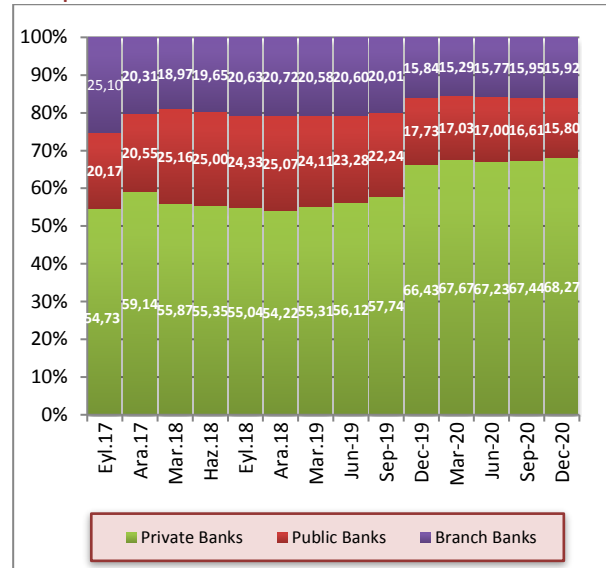
Chart 6.5: Development of Non-Performing Loans



Source: Central Bank of TRNC

As of the end of the fourth quarter of 2020, it is seen that the share of public banks and branch banks in total NPL decreased, while the share of private banks increased, compared to the previous quarter. Accordingly, in September 2020 - December 2020 period, the share of public banks in total NPL decreased from 16.6 to 15.8 percent, while the share of private banks increased from 67.44 to 68.27 percent and the share of branch banks decreased from 15.95 to 15.92 percent. In December 2019 - December 2020 period, the share of private banks in total NPL increased from 66.43 percent to 68.27 percent and the share of branch banks decreased from 15.84 percent to 15.92 percent, while the share of public banks in the total NPL decreased from 17.73 percent to 15.8 percent.

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



Source: Central Bank of TRNC

In the fourth quarter of 2020, total assets amounted to 50,601.26 million TRY, total gross loans amounted to 28,758.27 million TRY, non-performing loans amounted to 1,555.9 million TRY and provisions for non-performing loans amounted to 878.97 million TRY. Analysed by bank groups, as of December 2020, total assets in public banks are 11,386.11 million TRY, total gross loans are 6,645.2 million TRY, non-performing loans are 245.85 million TRY and provisions for non-performing loans are 222.86 million TRY.

In the private banks, total assets amount to 23,208.78 million TRY, total gross loans amount to 14,102.11 million TRY, non-performing loans amount to 1,062.29 million TRY and provisions for non-performing loans amounts to 458.26 million TRY. Branch banks have total assets of 16,006.37 million TRY, total gross loans of 8,010.96 million TRY, non-performing loans of 247.76 million TRY and provisions for non-performing loans of 197.85 million TRY.

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

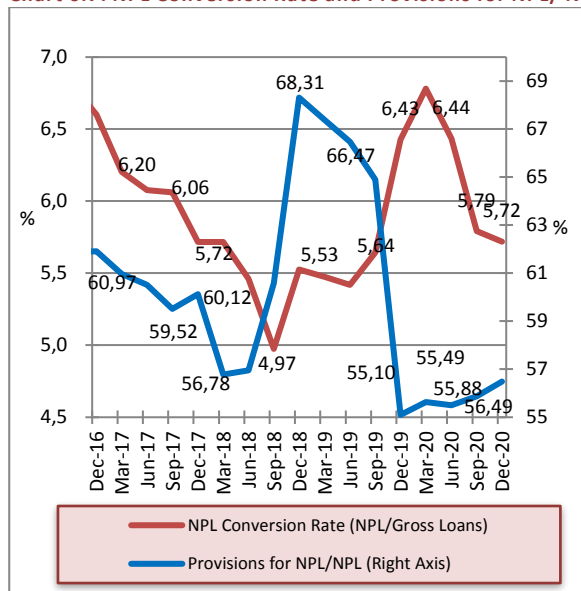
	Total Assets			Total Gross Loans			NPL			Provisions for NPL		
	Jun.20	Sept.20	Dec.20	Jun.20	Sept.20	Dec.20	Jun.20	Sept.20	Dec.20	Jun.20	Sept.20	Dec.20
Public Banks	10,135.54	11,064.18	11,386.11	5,827.23	6,108.99	6,645.20	251,69	248,29	245,85	217,83	216,16	222,86
Private Banks	19,456.64	22,369.83	23,208.78	11,705.6	13,522.77	14,102.11	995,31	1,008.29	1,062.29	418,84	427,26	458,26
Branch Banks	13,498.63	15,122.68	16,006.37	6,954.29	7,673.45	8,010.96	233,5	238,46	247,76	184,89	191,98	197,85
Total	43,090.81	48,556.69	50,601.26	24,487.18	27,305.21	28,758.27	1,480.50	1,495.04	1,555.90	821,56	835,40	878,97

Source: Central Bank of TRNC

NPL conversion rate, which was 6.6 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 6.78, 6.44, 5.79 and 5.72 percent in March, June, September and December 2020, respectively, decreased by 0.71 points in the one year (December 2019 - December 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 in September. In December, it increased by 0.6 points to 56.5. During December 2019 - December 2020, the ratio of provisions for NPL to total NPL has increased from 55.1 percent to 56.5 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 1.44 percent at the end of September 2020, increased to 1.47 percent in the fourth quarter of 2020, return on equity, which was 15.56 percent increased to 16.32 percent and net interest margin increased from 3.2 percent to 3.3 percent. From December 2019 to December 2020, the return on assets of the sector decreased from 2.19 percent to 1.47 percent, return on equity from 22.88 to 16.32 percent, and net interest margin decreased from 3.86 to 3.3 percent.

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

Description	2019		2020		
	Dec.	March	Jun.	Sept.	Dec.
Return on Assets ¹	2.19	1.98	1.59	1.44	1.47
Return on Equity ²	22.88	20.81	16.72	15.56	16.32
Net Interest Margin ³	3.86	3.45	3.25	3.2	3.3

Source: Central Bank of TRNC

¹ Return on Assets: Net Profit / Total Assets

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

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

Net Profit: 12-month cumulative total

Total Assets: 12-month average

Total Shareholders' Equity: 12-month average

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 Executive Board Decisions Published in the Official Gazette		Official Gazette	
	Date	Number	Date	Number
Credit Cards Monthly Maximum Contractual and Default Interest Rates Change	30.09.2020	1142	01.10.2020	188
Turkish Lira 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
Consumer Loans Law - Notification on the Consumer Loans	24.09.2020	1139	12.10.2020	197
Turkish Lira Deposit and Reserve Requirement Accounts Interest Rates and Turkish Lira Rediscount, Discount and Advance Interest Rate Change	19.11.2020	1158	20.11.2020	214
Notification on the Risks Undertaken (Amendment)	26.11.2020	1160	01.12.2020	220
Turkish Lira Deposit and Reserve Requirement Accounts Interest Rates and Turkish Lira Rediscount, Discount and Advance Interest Rate Change	24.12.2020	1168	25.12.2020	235
Credit Cards Monthly Maximum Contractual and Default Interest Rates Change			30.12.2020	238

Table A.2: Economic Decisions - Legislative Regulations

Title	Law/Draft Law/Bill		Official Gazette	
	Date	Number	Date	Number
Statutory Decrees				
Statutory Decree on Debt Restructuring	01.10.2020	E.T(K-I)1241-2020	06.10.2020	193
Statutory Decree on the Amendment of the Statutory Decree on Loan Interest Support Fund	21.12.2020	E.S.(K-I)15-2020	22.12.2020	231
Statutory Decree on the Amendment of the Statutory Decree on the Extension of the Application and Payment Period of Delayed Premium Debts of the Insured Under the Social Security Law	29.12.2020	E.S.(K-I)49-2020	31.12.2020	239
Statutory Decree on the Amendment of the Statutory Decree on the Extension of the Application and Payment Period of Delayed Premium Debts of the Insured Under the Turkish Cypriot Social Insurance Law	29.12.2020	E.S.(K-I)51-2020	31.12.2020	239
Statutory Decree on the Amendment of the Statutory Decree on Signing of the Lease Agreements in Turkish Lira that the State has Signed and/or will Sign as the Lessor	31.12.2020	E.S.(K-I)101-2020	31.12.2020	239
Regulations				
Regulation on the Procedures and Principles Regarding the Use of Bank Cards and Credit Cards (Amendment)	29.12.2020	E.S.(K-I)92-2020	31.12.2020	239

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
30 Sept. 2016	5,466,386,701	186,416,180	2,729,886	5,655,532,767	319,829,286	1,706,384,976	1,233,282,326	2,396,036,179	5,655,532,767
31 Dec. 2016	6,362,944,796	67,051,670	22,187,719	6,452,184,185	331,262,520	2,083,019,935	1,359,700,420	2,544,294,737	6,452,184,185
31 Mar. 2017	6,764,573,400	101,158,224	3,401,183	6,869,132,807	365,686,916	2,121,997,651	1,448,684,018	2,932,764,222	6,869,132,807
30 Jun. 2017	6,981,906,564	134,992,949	2,841,955	7,119,741,468	367,060,935	2,317,720,970	1,512,813,049	2,922,146,514	7,119,741,468
30 Sept. 2017	7,630,043,970	191,469,924	2,907,269	7,824,421,163	368,577,947	2,505,097,829	1,615,196,100	3,335,549,287	7,824,421,163
31 Dec. 2017	8,118,080,496	114,227,729	3,260,499	8,235,568,724	384,891,701	2,681,914,710	1,729,000,717	3,574,231,898	8,370,039,032
31 Mar. 2018	8,545,422,968	219,540,337	4,339,065	8,769,302,370	436,642,697	2,870,588,126	1,851,557,638	3,610,513,909	8,769,302,370
30 Jun. 2018	9,341,542,297	155,660,857	2,673,006	9,499,876,160	439,621,419	3,105,622,819	1,993,912,015	3,960,719,907	9,499,876,160
30 Sept. 2018	11,073,132,669	172,557,057	2,684,160	11,248,373,886	445,771,689	3,717,146,751	2,052,867,163	5,032,588,283	11,248,373,886
31 Dec. 2018	10,499,595,834	61,335,607	294,637,228	10,855,568,669	480,942,598	3,917,979,147	1,885,311,620	4,571,335,304	10,855,568,669
31 Mar. 2019	10,833,216,002	188,417,441	12,142,380	11,033,775,823	565,586,996	4,040,009,260	2,011,711,161	4,416,468,406	11,033,775,823
30 Jun. 2019	11,423,695,382	198,753,741	4,705,193	11,627,154,316	569,937,350	4,264,704,130	2,101,571,020	4,690,941,816	11,627,154,316
30 Sept. 2019	12,024,932,318	188,602,841	99,806,315	12,313,341,474	574,939,219	4,069,005,293	2,134,892,647	5,534,504,315	12,313,341,474
31 Dec. 2019	12,816,365,963	50,103,991	612,537,467	13,479,007,421	589,827,556	4,568,214,697	2,350,769,024	5,970,196,144	13,479,007,421
31 Mar. 2020	12,962,190,610	46,763,724	495,989,949	13,504,944,283	678,679,012	4,579,477,472	2,700,672,024	5,546,115,775	13,504,944,283
30 Jun. 2020	12,855,700,190	46,763,724	19,401,356	12,921,865,270	681,402,724	4,289,003,090	2,889,007,202	5,062,452,254	12,921,865,270
30 Sept. 2020	15,359,430,508	52,012,879	34,655,533	15,446,098,920	682,771,674	5,397,934,136	3,183,661,686	6,181,731,424	15,446,098,920
31 Dec. 2020	16,353,005,072	51,791,967	279,486,590	16,684,283,629	719,302,337	5,468,896,150	2,930,655,027	7,565,430,115	16,684,283,629

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
30 Sept. 2016	238,570,625	2,611,239	2,029,877,829	3,097,871,008	0	97,456,000	5,466,386,701
31 Dec. 2016	216,724,660	3,440,019	2,260,530,677	3,687,779,940	0	194,469,500	6,362,944,796
31 Mar. 2017	165,588,687	3,440,019	2,101,326,259	4,030,683,635	0	463,534,800	6,869,132,807
30 Jun. 2017	171,906,834	3,440,019	1,823,606,608	4,299,854,053	0	683,099,050	6,981,906,564
30 Sept. 2017	275,459,595	3,440,019	1,842,387,496	4,739,760,510	0	768,996,350	7,630,043,970
31 Dec. 2017	257,360,230	3,997,999	1,728,967,292	5,187,178,813	0	903,656,300	8,081,160,634
31 Mar. 2018	382,362,841	3,997,999	1,705,665,243	5,630,492,210	0	822,904,675	8,545,422,968
30 Jun. 2018	281,516,845	3,997,999	1,845,209,663	6,467,950,290	0	742,867,500	9,341,542,297
30 Sept. 2018	701,495,845	3,997,999	2,827,946,391	7,539,692,434	0	0	11,073,132,669
31 Dec. 2018	596,636,956	5,503,526	2,886,583,754	6,838,280,699	0	172,590,899	10,499,595,834
31 Mar. 2019	703,356,751	5,503,326	2,788,997,426	7,087,363,508	727,800	247,266,991	10,833,216,002
30 Jun. 2019	684,254,253	5,503,526	2,956,877,407	7,386,165,087	731,140	390,163,969	11,423,695,382
30 Sept. 2019	695,057,549	5,503,526	3,258,721,464	7,319,698,436	90,233,033	655,718,310	12,024,932,318
31 Dec. 2019	604,203,296	7,318,980	3,647,687,308	7,510,965,029	332,867,787	713,323,563	12,816,365,963
31 Mar. 2020	426,840,059	7,318,980	3,537,260,461	7,670,737,329	178,859,125	1,141,174,656	12,962,190,610
30 Jun. 2020	851,174,116	7,318,980	3,480,507,658	6,506,580,011	849,420	2,009,270,005	12,855,700,190
30 Sept. 2020	1,090,478,693	7,318,980	4,181,981,541	6,350,544,980	974,190	3,728,132,124	15,359,430,508
31 Dec. 2020	1,202,513,929	11,245,022	3,875,374,944	6,892,833,367	2,774,707	4,368,263,103	16,353,005,072

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. 2016							4,270,101	4,270,101
31 Dec. 2016							5,065,643	5,065,643
31 Mar. 2017								-
30 Jun. 2017							4,943,377	4,943,377
30 Sept. 2017							5,415,736	5,415,736
31 Dec. 2017							5,807,899	5,807,899
31 Mar. 2018							5,789,550	5,789,550
30 Jun. 2018							6,912,450	6,912,450
30 Sept. 2018							9,112,800	9,112,800
31 Dec. 2018							7,933,350	7,933,350
31 Mar. 2019							8,313,450	8,313,450
30 Jun. 2019							8,649,750	8,649,750
30 Sept. 2019							8,498,850	8,498,850
31 Dec. 2019								-
31 Mar. 2020								-
30 Jun. 2020								-
30 Sept. 2020							5,348,480	5,348,480
31 Dec. 2020							5,028,243	5,028,243

Source: Central Bank of TRNC

Note: Interest revenue rediscounts are included in the figures.

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

Date	Public Deposits		Banks				Other		Total
			A-Deposits		B-Reserve Requirements				
	TRY	FX	TRY	FX	TRY	FX	TRY	FX	
30 Sept. 2016	51,544,433	68,733,216	389,781,881	1,098,732,181	622,344,234	610,938,092	527,417	97,065,848	2,939,667,302
31 Dec. 2016	29,069,115	35,483,804	459,264,539	1,442,174,000	652,163,031	707,537,389	794,582	116,233,895	3,442,720,355
31 Mar. 2017	58,041,406	24,242,055	461,185,477	1,467,785,063	691,268,617	757,415,401	624,885	110,118,765	3,570,681,669
30 Jun. 2017	78,704,320	22,436,407	374,581,174	1,734,713,467	710,390,248	802,422,801	573,332	106,712,270	3,830,534,019
30 Sept. 2017	15,915,165	32,448,413	425,277,954	1,918,976,979	734,899,763	880,296,337	760,406	111,718,912	4,120,293,929
31 Dec. 2017	42,219,684	73,593,138	490,652,950	1,955,533,333	781,455,275	947,545,441	1,072,860	118,842,745	4,410,915,426
31 Mar. 2018	76,501,751	66,921,045	471,340,988	2,111,203,615	804,457,502	1,047,100,136	1,011,021	143,609,706	4,722,145,764
30 Jun. 2018	91,040,695	30,311,907	417,186,670	2,414,035,090	768,010,729	1,225,901,286	985,662	152,062,795	5,099,534,834
30 Sept. 2018	62,415,658	80,786,260	405,694,465	3,028,839,065	704,301,812	1,348,565,351	843,643	138,567,660	5,770,013,914
31 Dec. 2018	51,246,900	52,306,160	706,945,906	2,976,986,010	707,399,584	1,177,912,036	1,128,634	129,365,537	5,803,290,767
31 Mar. 2019	21,273,436	50,459,675	494,142,152	3,283,867,588	730,743,668	1,280,967,493	902,785	189,363,624	6,051,720,421
30 Jun. 2019	19,926,492	44,079,068	379,912,114	3,621,457,724	748,007,362	1,353,563,658	905,629	198,423,103	6,366,275,150
30 Sept. 2019	355,937,954	80,590,555	352,615,354	3,112,598,004	789,935,711	1,344,956,936	1,011,763	166,251,663	6,203,897,940
31 Dec. 2019	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	6,918,983,721
31 Mar. 2020	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	7,280,149,496
30 Jun. 2020	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	7,178,010,292
30 Sept. 2020	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	8,581,595,822
31 Dec. 2020	163,030,306	119,763,224	531,265,922	4,415,759,693	719,232,331	2,211,422,696	1,610,324	237,466,681	8,399,551,177

Source: Central Bank of TRNC

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

Years	Months	USD		EURO		GBP	
		Buying	Selling	Buying	Selling	Buying	Selling
2012		1.7826	1.7912	2.3517	2.3630	2.8708	2.8858
2013		2.1343	2.1381	2.9365	2.9418	3.5114	3.5297
2014		2.3189	2.3230	2.8207	2.8258	3.5961	3.6149
2015		2.9076	2.9128	3.1776	3.1833	4.3007	4.3231
2016		3.5192	3.5255	3.7099	3.7166	4.3189	4.3414
2017		3.7719	3.7787	4.5155	4.5237	5.0803	5.1068
2018		5.2609	5.2704	6.0280	6.0388	6.6528	6.6875
2019		5.9402	5.9509	6.6506	6.6625	7.7765	7.8171
2020	1	5.9716	5.9824	6.5782	6.5901	7.7598	7.8002
	2	6.2259	6.2371	6.8592	6.8716	8.0068	8.0485
	3	6.5160	6.5277	7.2150	7.2280	8.0579	8.1000
	4	6.9787	6.9913	7.5764	7.5901	8.6599	8.7051
	5	6.8138	6.8260	7.5770	7.5907	8.3838	8.4276
	6	6.8422	6.8545	7.7082	7.7221	8.4282	8.4721
	7	6.9372	6.94970	8.1481	8.1628	8.9760	9.0228
	8	7.3050	7.3182	8.6897	8.7054	9.6867	9.7372
	9	7.8080	7.8221	9.1281	9.1446	10.0309	10.0832
	10	8.3082	8.3232	9.6985	9.7160	10.7367	10.7926
	11	7.7975	7.8116	9.2988	9.3156	10.3924	10.4466
	12	7.3405	7.3537	9.0079	9.0241	9.9438	9.9957

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
	10	1.2945	1.1673
	11	1.3351	1.1925
	12	1.3570	1.2272

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
20.11.2020	11.50	0.60	0.25	0.30	19.11.2020	1158	20.11.2020	214
25.12.2020	13.75	0.60	0.25	0.30	24.12.2020	1168	25.12.2020	235

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
20.11.2020	6.00	0.25	0.10	0.15	19.11.2020	1158	20.11.2020	214
25.12.2020	8.00	0.25	0.10	0.15	24.12.2020	1168	25.12.2020	235

Source: Central Bank of TRNC

Table B.9: Rediscount Interest Rates (%)

Effective Date	Currency																
	TRY					\$				€				£			
	Trade	Ind. Tour. Agri. Edu.	Exp.	SB	Advances Against FX	Trade	Ind. Tourism Edu.	Exp.	Advances Against FX	Trade	Ind. Tourism Edu.	Exp.	Advances Against FX	Trade	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
20.11.20	17.75	15.00	15.00	14.00	14.00	4	4	4	4	4	4	4	4	4	4	4	4
25.12.20	20.00	17.25	17.25	16.25	16.50	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	103	393
	4	2	395
	5	-	395
	6	76	471
	7	295	766
	8	271	1,037
	9	179	1,216
	10	140	1,356
	11	158	1,514
	12	119	1,633

Source: Central Bank of TRNC

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

Date	Cash and Cash Equivalents	Securities Portfolio	Reserve Requirements	Gross Loans	Provisions for Non-Performing Loans	Other	Total Assets	Deposits	Other	Shareholders' Equity	Total Liabilities
31 Mar. 2017	5,589.2	1,596.6	1,445.4	13,231.5	-500,4	742,7	22,105.0	17,652.4	2,293.4	2,159.2	22,105.0
30 Jun. 2017	6,103.5	1,601.3	1,511.6	13,666.3	-502,4	851,8	23,232.1	18,494.1	2,512.2	2,225.8	23,232.1
30 Sept. 2017	6,840.0	1,632.6	1,606.9	14,028.2	-506,1	1,001.1	24,602.7	19,672.9	2,595.6	2,334.3	24,602.7
31 Dec. 2017	7,161.7	1,704.7	1,729.3	15,306.2	-526,0	739,3	26,115.3	21,098.1	2,640.4	2,376.8	26,115.3
31 Mar. 2018	7,303.9	1,980.8	1,835.4	16,195.6	-525,9	908,8	27,698.6	22,352.7	2,830.2	2,515.7	27,698.6
30 Jun. 2018	8,021.5	2,140.2	1,983.5	17,330.4	-539,1	1,115.4	30,051.9	24,131.2	3,233.5	2,687.2	30,051.9
30 Sept. 2018	9,661.8	2,611.7	2,019.9	19,752.4	-595,3	1,506	34,956.5	28,163.1	3,785.3	3,008.1	34,956.5
31 Dec. 2018	9,940.9	2,043.4	1,886.4	18,906.1	-713,5	916,9	32,980.2	26,441.8	3,443.3	3,095.1	32,980.2
31 Mar. 2019	10,792.8	2,255.0	2,017.1	19,823.9	-731,1	1,295.1	35,452.8	28,449.2	3,699.9	3,303.7	35,452.8
30 Jun. 2019	11,354.1	2,184.8	2,093.5	20,347.3	-733,0	1,647.8	36,894.5	29,572.1	3,828.3	3,494.1	36,894.5
30 Sept. 2019	12,151.4	2,223.0	2,120.9	20,200.3	-740,0	1,899.8	37,855.4	30,224.8	3,912.1	3,718.5	37,855.4
31 Dec. 2019	13,277.3	2,124.5	2,348.6	22,557.9	-799,0	1,239.2	40,748.5	32,837.3	4,110.8	3,800.4	40,748.5
31 Mar. 2020	12,455.7	2,503.8	2,755.9	23,475.6	-829,5	1,639.7	42,001.2	34,244.8	3,947.9	3,808.5	42,001.2
30 Jun. 2020	11,800.6	3,078.5	2,871.9	24,487.2	-821,6	1,674.2	43,090.8	35,247.1	4,018.5	3,825.2	43,090.8
30 Sept. 2020	13,556.6	3,498.0	3,215.1	27,305.2	-835,4	1,817.2	48,556.7	40,117.0	4,237.1	4,202.6	48,556.7
31 Dec. 2020	14,761.7	3,546.4	2,953.0	28,758.3	-879,0	1,460.9	50,601.3	41,787.6	4,467.4	4,346.3	50,601.3

Source: Central Bank of TRNC

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

Date	Discount Loans	Export Loans	Import Loans	Export Guaranteed Investment Loans	Other Investment Loans	Business Loans	Directed Loans	Loans of Funds Originated	Consumer Loans	Credit Cards	Loans to Purchase Security for Customers	Loans Extended by Central Bank of the TRNC	Loans Extended Through Central Bank of the TRNC	Other Loans	Total
31 Mar. 2017	179.5	5.6	3.8	0.0	112.6	7,206.5	22.8	14.4	3,514.1	358.9	0.1	0.0	0.0	992.5	12,410.8
30 Jun. 2017	180.0	6.0	3.2	0.0	91.3	7,475.2	20.3	14.2	3,642.2	379.2	0.1	5.3	0.0	1,019.0	12,836.0
30 Sept. 2017	178.0	6.9	3.5	0.0	111.2	7,598.6	16.7	15.9	3,815.2	391.6	0.1	5.4	0.0	1,034.9	13,178.0
31 Dec. 2017	195.0	6.1	3.6	0.0	111.9	8,406.5	21.2	17.1	4,152.0	394.7	0.1	5.7	0.0	1,116.3	14,431.3
31 Mar. 2018	206.2	5.2	4.2	0.0	102.9	8,907.5	22.1	17.0	4,255.4	392.4	0.2	0.0	0.0	1,356.4	15,269.5
30 Jun. 2018	220.3	6.9	4.2	0.0	104.1	9,710.9	16.3	18.4	4,462.5	421.6	0.5	6.9	0.0	1,411.3	16,383.9
30 Sept. 2018	248.1	4.9	4.7	0.0	109.5	11,604.2	15.1	22.4	4,946.8	444.7	0.7	9.1	0.0	1,359.6	18,769.8
31 Dec. 2018	236.6	2.9	3.8	0.0	98.0	11,285.8	32.7	19.2	4,524.6	457.3	0.5	7.9	0.0	1,192.2	17,861.5
31 Mar. 2019	254.5	2.4	3.9	0.0	100.6	11,896.4	38.4	20.2	4,672.6	452.9	0.4	8.3	0.0	1,288.0	18,738.6
30 Jun. 2019	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	19,244.6
30 Sept. 2019	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	19,060.3
31 Dec. 2019	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	21,107.8
31 Mar. 2020	293.9	1.3	4.5	0.0	126.5	14,145.7	43.3	23.1	5,353.7	508.8	0.0	0.0	0.0	1,483.8	21,984.6
30 Jun. 2020	183.2	0.7	4.7	0.0	131.2	14,815.7	64.8	23.7	5,629.1	576.5	0.0	0.0	0.0	1,577.1	23,006.7
30 Sept. 2020	217.1	0.3	5.2	0.0	173.2	16,623.8	73.5	26.0	6,288.5	639.6	0.0	5.4	0.0	1,757.7	25,810.2
31 Ara 2020	263.3	0.0	5.4	73.4	208.6	18,868.7	87.2	24.8	6,329.0	703.4	0.0	5.0	0.0	633.6	27,202.4

Source: Central Bank of TRNC

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

Date	Discount Loans	Export Loans	Import Loans	Export Guaranteed Investment Loans	Other Investment Loans	Business Loans	Directed Loans	Loans of Funds Originated	Consumer Loans	Credit Cards	Loans to Purchase Security for Customers	Loans Extended by Central Bank of the TRNC	Loans Extended Through Central Bank of the TRNC	Other Loans	Total
31 Mar. 2017	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	7,201.1
30 Jun. 2017	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	7,364.0
30 Sept. 2017	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	7,401.6
31 Dec. 2017	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	7,886.4
31 Mar. 2018	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	8,023.4
30 Jun. 2018	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	8,243.1
30 Sept. 2018	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	8,144.4
31 Dec. 2018	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	8,643.1
31 Mar. 2019	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	8,817.2
30 Jun. 2019	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	8,991.5
30 Sept. 2019	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	9,108.4
31 Dec. 2019	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	9,972.8
31 Mar. 2020	182.0	1.3	0.1	0.0	42.6	5,537.4	43.3	4.5	3,156.0	506.1	0.0	0.0	0.0	766.5	10,239.8
30 Jun. 2020	96.6	0.8	0.1	0.0	40.9	5,738.4	64.8	4.3	3,326.6	574.8	0.0	0.0	0.0	874.6	10,721.9
30 Sept. 2020	121.9	0.3	0.1	0.0	36.9	6,332.7	73.5	4.0	3,702.6	637.1	0.0	0.0	0.0	991.5	11,900.6
31 Dec. 2020	156.8	0.0	0.0	0.0	32.2	8,155.9	87.2	4.0	3,808.2	701.4	0.0	0.0	0.0	394.9	13,340.6

Source: Central Bank of TRNC

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

Date	Discount Loans	Export Loans	Import Loans	Export Guaranteed Investment Loans	Other Investment Loans	Business Loans	Directed Loans	Loans of Funds Originated	Consumer Loans	Credit Cards	Loans to Purchase Security for Customers	Loans Extended by Central Bank of the TRNC	Loans Extended Through Central Bank of the TRNC	Other Loans	Total
31 Mar. 2017	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	5,209.7
30 Jun. 2017	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	5,472.0
30 Sept. 2017	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	5,776.4
31 Dec. 2017	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	6,544.8
31 Mar. 2018	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	7,246.1
30 Jun. 2018	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	8,140.8
30 Sept. 2018	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	10,625.4
31 Dec. 2018	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	9,218.3
31.Mar.2019	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	9,921.4
30 Jun. 2019	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	10,253.1
30 Sept. 2019	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	9,951.9
31 Dec. 2019	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	11,135.0
31 Mar. 2020	111.9	0.0	4.4	0.0	83.9	8,608.4	0.0	18.6	2,197.7	2.7	0.0	0.0	0.0	717.2	11,744.8
30 Jun. 2020	86.6	0.0	4.6	0.0	90.2	9,077.3	0.0	19.4	2,302.5	1.7	0.0	0.0	0.0	702.5	12,284.8
30 Sept. 2020	95.2	0.0	5.2	0.0	136.3	10,291.1	0.0	22.0	2,585.9	2.5	0.0	5.3	0.0	766.1	13,909.6
31 Dec. 2020	106.5	0.0	5.3	73.4	176.4	10,712.7	0.0	20.9	2,520.8	2.0	0.0	5.0	0.0	238.7	13,861.7

Source: Central Bank of TRNC

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

Date	Short-Term Loans	Quarter-on-quarter Percentage Change	Medium and Long-Term Loans	Quarter-on-quarter Percentage Change	Total	Quarter-on-quarter Percentage Change
31 Mar. 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	6,074.6	1.75	15,910.0	5.10	21,984.6	4.15
30 Jun. 2020	5,888.5	-3.06	17,118.2	7.59	23,006.7	4.65
30 Sept. 2020	6,172.6	4.82	19,637.6	14.72	25,810.2	12.19
31 Dec. 2020	6,357.0	2.99	20,845.4	6.15	27,202.4	5.39

Source: Central Bank of TRNC

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

Date	Public Loans	Quarter-on-quarter Percentage Change	Private Loans	Quarter-on-quarter Percentage Change	Total	Quarter-on-quarter Percentage Change
31 Mar. 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	10.74
31 Mar. 2020	4,905.1	1.13	17,079.5	5.06	21,984.6	4.15
30 Jun. 2020	4,750.8	-3.15	18,255.9	6.89	23,006.7	4.65
30 Sept. 2020	5,063.4	6.58	20,746.8	13.64	25,810.2	12.19
31 Dec. 2020	5,494.7	8.52	21,707.7	4.63	27,202.4	5.39

Source: Central Bank of TRNC

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

Date	> 100 Thousand TRY	51-100 Thousand TRY	11-50 Thousand TRY	1 - 10 Thousand TRY	< 1 Thousand TRY	Grand Total
31 Mar. 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	19,072.6	759.7	1,283.8	597.1	271.4	21,984.6
30 Jun. 2020	19,988.8	934.7	1,343.2	434.5	305.5	23,006.7
30 Sept. 2020	22,650.8	1,026.7	1,328.8	464.1	339.8	25,810.2
31 Dec. 2020	24,007.0	1,044.9	1,341.5	466.4	342.6	27,202.4

Source: Central Bank of TRNC

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

Date	Paid-in Capital	Reserve Requirements	Fixed Asset Rev. Fund	Securities Value Increment Fund	Period Profit (Loss)	Accumulated Profit (Loss)	Total
31 Mar. 2017	992.4	520.0	0.3	86.0	104.7	455.8	2,159.2
30 Jun. 2017	1,011.7	558.0	0.9	88.8	185.4	381.0	2,225.8
30 Sept. 2017	1,021.4	558.0	0.9	92.6	297.4	364.0	2,334.3
31 Dec. 2017	1,099.6	409.5	0.9	101.1	407.5	358.1	2,376.8
31 Mar. 2018	1,153.7	572.8	0.9	110.0	123.1	555.2	2,515.7
30 Jun. 2018	1,180.3	616.8	0.9	124.0	316.1	449.1	2,687.2
30 Sept. 2018	1,181.6	618.7	0.9	163.5	596.2	447.2	3,008.1
31 Dec. 2018	1,262.4	593.9	0.9	140.7	689.8	407.4	3,095.1
31 Mar. 2019	1,265.6	795.8	1.7	158.4	235.9	849.3	3,306.7
30 Jun. 2019	1,315.3	923.6	2.0	158.4	518.1	576.7	3,494.1
30 Sept. 2019	1,329.1	923.6	2.2	150.1	749.2	564.3	3,718.5
31 Dec. 2019	1,332.3	929.0	3.0	168.4	808.9	558.8	3,800.4
31 Mar. 2020	1,332.7	1,088.4	3.0	173.8	183.5	1,166.5	3,947.9
30 Jun. 2020	1,398.9	1,207.3	3.0	181.0	329.2	899.1	4,018.5
30 Sept. 2020	1,401.4	1,366.6	3.6	215.0	513.0	737.5	4,237.1
31 Dec. 2020	1,470.7	1,369.1	10.4	220.2	671.1	725.9	4,467.4

Source: Central Bank of TRNC

Table B.20: Capital Adequacy Ratio (%)

Date	Public Banks	Private Banks	Branch Banks	Banking Sector	Legal Limit
31 Mar. 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	800.2	449.8	153.9	278.2	183.4
30 Jun. 2020	1,534.2	822.1	280.1	557.7	329.2
30 Sept. 2020	2,364.0	1,227.2	445.7	826.3	513.0
31 Dec. 2020	3,303.4	1,715.8	636.8	1,154.5	671.2

Source: Central Bank of TRNC

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

Date	Interest Revenues	Interest Expenditures	Non-Interest Revenues	Non-Interest Expenditures	Net Profit / Loss
31 Mar. 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	800.2	449.8	153.9	278.2	183.4
30 Jun. 2020	1,534.2	822.1	280.1	557.7	329.2
30 Sept. 2020	2,364.0	1,227.2	445.7	826.3	513.0
31 Dec. 2020	3,303.4	1,715.8	636.8	1,154.5	671.2

Source: Central Bank of TRNC

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

Date	Demand	1-Month	3-Month	6-Month	1-Year	Total
31 Mar. 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	5,137.6	17,532.5	6,497.2	1,455.7	3,621.8	34,244.8
30 Jun. 2020	5,941.1	17,907.7	6,401.0	1,404.7	3,592.6	35,247.1
30 Sept. 2020	6,915.4	19,916.4	7,380.5	1,630.5	4,274.2	40,117.0
31 Dec. 2020	7,760.1	20,730.7	7,533.1	1,478.6	4,285.1	41,787.6

Source: Central Bank of TRNC

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

Date	Demand	1-Month	3-Month	6-Month	1-Year	Total
31 Mar. 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	1,851.9	7,453.7	2,959.1	406.0	433.9	13,104.6
30 Jun. 2020	2,234.8	7,703.7	2,804.3	381.3	297.5	13,421.6
30 Sept. 2020	2,330.6	7,876.7	3,235.2	260.3	371.6	14,074.4
31 Dec. 2020	2,855.1	8,032.8	3,111.7	188.3	329.7	14,517.6

Source: Central Bank of TRNC

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

Date	Demand	1-Month	3-Month	6-Month	1-Year	Total
31 Mar. 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	3,285.7	10,078.8	3,538.1	1,049.7	3,187.9	21,140.2
30 Jun. 2020	3,706.3	10,203.9	3,596.8	1,023.4	3,295.1	21,825.5
30 Sept. 2020	4,584.9	12,039.7	4,145.3	1,370.2	3,902.5	26,042.6
31 Dec. 2020	4,905.0	12,698.0	4,421.3	1,290.3	3,955.4	27,270.0

Source: Central Bank of TRNC

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

Date	Official	Trading	Savings	Other	Banks	Total
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	2,686.8	6,658.6	24,349.3	550.2	2,218.6	36,463.5
30 Jun. 2020	2,327.0	6,933.8	25,385.3	601.0	2,209.9	37,457.0
30 Sept. 2020	2,612.3	7,913.7	28,910.3	680.7	2,517.5	42,634.5
31 Dec. 2020	3,184.6	8,630.3	29,453.4	519.3	2,531.0	44,318.6

Source: Central Bank of TRNC

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

Date	Official	Trading	Savings	Other	Banks	Total
31 Mar. 2017	809.7	1,352.5	5,963.4	176.8	351.3	8,653.7
30 Jun. 2017	1,022.5	1,368.4	6,116.2	135.1	313.2	8,955.4
30 Sept. 2017	1,029.4	1,516.0	6,387.8	98.9	319.0	9,351.2
31 Dec. 2017	1,150.6	1,522.5	6,802.0	107.2	279.1	9,861.4
31 Mar. 2018	1,144.2	1,558.4	6,912.0	117.9	302.7	10,035.2
30 Jun. 2018	1,298.4	1,506.7	6,909.0	129.2	404.0	10,247.3
30 Sept. 2018	1,394.1	1,622.1	7,021.3	145.9	420.4	10,603.8
31 Dec. 2018	1,421.0	1,577.0	7,382.8	223.6	390.5	10,994.9
31 Mar. 2019	1,437.6	1,533.1	7,517.8	239.9	478.2	11,206.7
30 Jun. 2019	1,602.7	1,681.0	7,783.8	270.4	302.4	11,640.3
30 Sept. 2019	2,215.4	1,769.8	8,062.0	124.0	257.1	12,428.3
31 Dec. 2019	2,026.4	2,129.7	8,712.8	145.4	378.2	13,392.5
31 Mar. 2020	2,037.2	2,199.8	8,710.8	156.8	244.7	13,349.3
30 Jun. 2020	1,635.3	2,404.5	9,110.0	271.8	243.5	13,665.1
30 Sept. 2020	1,806.1	2,651.4	9,299.9	317.0	322.2	14,396.6
31 Dec. 2020	2,400.8	2,603.7	9,203.5	309.6	345.2	14,862.8

Source: Central Bank of TRNC

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

Date	Official	Trading	Savings	Other	Banks	Total
31 Mar. 2017	297.7	1,958.2	6,932.1	162.2	1,108.7	10,458.9
30 Jun. 2017	272.0	2,143.8	7,257.6	178.4	1,238.2	11,090.0
30 Sept. 2017	315.1	2,398.3	7,758.8	168.6	1,281.6	11,922.3
31 Dec. 2017	348.5	2,420.0	8,578.2	169.1	1,358.3	12,874.1
31 Mar. 2018	360.3	2,712.6	9,298.0	249.3	1,335.3	13,955.5
30 Jun. 2018	432.0	3,179.4	10,448.2	228.2	1,600.9	15,888.7
30 Sept. 2018	596.0	3,998.4	13,072.1	313.2	1,907.7	19,887.4
31 Dec. 2018	496.8	3,345.6	11,628.0	367.0	1,638.1	17,475.5
31 Mar. 2019	665.9	3,717.8	13,056.9	280.2	1,685.4	19,406.2
30 Jun. 2019	658.1	3,753.1	13,506.7	316.2	1,887.9	20,122.1
30 Sept. 2019	645.1	3,857.0	13,221.5	329.9	2,013.0	20,066.5
31 Dec. 2019	598.2	4,327.8	14,603.6	293.4	2,058.3	21,881.3
31 Mar. 2020	649.6	4,458.8	15,638.5	393.4	1,973.9	23,114.2
30 Jun. 2020	691.7	4,529.3	16,275.3	329.1	1,966.4	23,791.8
30 Sept. 2020	806.2	5,262.2	19,610.4	363.7	2,195.3	28,237.8
31 Dec. 2020	783.9	6,026.6	20,249.9	209.7	2,185.7	29,455.8

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
2016	I	2,797.9	19.64	14,340.3	14.99	15,181.6	14.59
	II	2,976.9	17.54	14,620.3	10.66	15,593.1	10.93
	III	3,158.0	11.59	15,285.2	7.04	16,319.0	8.02
	IV	3,544.1	24.74	16,946.4	19.21	17,996.6	19.10
2017	I	3,754.8	34.20	18,019.6	25.66	19,209.2	26.53
	II	3,906.7	31.23	18,670.5	27.70	20,066.2	28.69
	III	4,126.2	30.66	19,847.4	29.85	21,240.3	30.16
	IV	4,403.3	24.24	21,181.5	24.99	22,789.8	26.63
2018	I	4,826.2	28.53	22,844.7	26.78	24,492.6	27.50
	II	5,342.4	36.75	24,489.5	31.17	26,341.2	31.27
	III	6,244.7	51.34	28,565.7	43.93	30,698.9	44.53
	IV	5,726.7	30.05	26,846.9	26.75	28,868.4	26.67
2019	I	6,297.8	30.49	29,051.7	27.17	31,226.9	27.50
	II	6,581.7	23.20	30,066.1	22.77	32,390.9	22.97
	III	6,775.1	8.49	30,109.1	5.40	33,243.7	8.29
	IV	7,386.0	28.97	33,164.4	23.53	35,890.4	24.32
2020	I	7,872.2	25.00	34,635.5	19.22	37,612.4	20.45
	II	8,529.4	29.59	35,839.0	19.20	38,294.3	18.23
	III	9,724.8	43.54	40,684.0	35.12	43,787.2	31.72
	IV	10,077.1	36.44	41,842.8	26.17	45,299.2	26.22

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
GNP (Current Prices, Million TRY)	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 ^(T)
GNP (Million USD)	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 ^(T)
GNP per capita (Current Prices, TRY)	27,077.2	29,216.8	33,127.8	37,413	42,022	51,799	64,178	71,851.4***	
GNP per capita (USD)	15,037.9	15,301.6	15,109	13,721	13,902	14,187	13,277	12,649	13,212 ^(T)
Inflation Rate (%)	3.6	10.2	6.5	7.8	10.2	14.7	29.9	11.6	15.0
Exports (Million USD) (1)	116.3	120.7	134.0	118.1	105.5	105.6	100.9	82.5	94,4*
Imports (Million USD)	1,703.9	1,699.4	1,538.8	1,500.6	1,557.2	1,778.4	1,816.4	1,587.9	1,032.9**
Foreign Trade Balance (Million USD)	-1,587.6	-1,578.7	-1,404.8	-1,382.5	-1,415.2	-1,672.8	-1,715.5	-1,505.4	-950,3*
Exports / Imports (%)	7.2	7.1	7.5	7.9	6.9	5.9	5.6	5.6	8,0*
Number of Arriving Tourists	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*
a) Turkey	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) Other	261,681	309,445	345,430	372,449	358,841	410,082	400,205	391,514	69,295*
Net Tourism Income (Million USD)	571,9	613.4	691.6	697.7	714.4	864.9	912.4	954.5	1,017.2 ^(T)
Employment	96,539	97,867	103,149	112,811	118,387	120,999	132,411	138,438	143,560 ^(T)
Number of Unemployed	9,174	8,929	9,320	9,043	8,075	7,452	9,872	9,317	9,218 ^(F)
Unemployment Rate (%)	8.7	8.4	8.3	7.4	6.4	5.8	6.9	6.3	6.0 ^(F)
Non-institutional Population (2)	268,700	277,031	289,252	299,514	307,255	314,169	347,340	357,216	293,835
Population (Projection) (3)	297,608	306,368	320,884	331,432	339,478	351,965	372,486	n.a	n.a
Annual Population Growth (%)	3.1	3.3	3.8	3.9	2.9	3.1 ^(F)	n.a	n.a	n.a

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

^(F) Forecast ^(T) Target

* January – November data.

** January – November 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 ^(T)
1. Agriculture	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
2. Industry	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
3. Construction	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
4. Trade - Tourism	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
5. Transportation - Communication	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
6. Financial Institutions	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
7. Housing Income	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
8. Self-Employment and Services	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
9. Public Services	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
10. Import Taxes	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
11. GDP	5,376.3	5,614.1	6,509.0	6,955.1	7,606.9	8,858.6	10,222.5	11,601.2	14,544.8	18,324.1	21,395.4	25,237.3
12. Net Factor Income from Abroad	38.9	35.4	50.2	-39.3	-27.5	-18.2	-11.7	4.2	6.9	10.6	13.7	16.6
GNP	5,415.3	5,649.5	6,559.2	6,915.8	7,579.4	8,840.4	10,210.7	11,605.5	14,551.8	18,334.8	21,409.1	25,253.9

Source: SPO, TRNC Statistical Institute

^(T) Target

Table B.32: Percentage Distribution of Gross Domestic Product

Sectors	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 ^(F)
1. Agriculture	5.6	5.9	5.6	5.6	5.3	5.5	6.0	5.6	4.5	6.2	5.5	6.0
2. Industry	9.6	9.8	8.6	8.4	8.4	8.8	9.2	9.2	9.7	8.4	7.8	8.6
2.1. Quarrying	0.7	0.6	0.7	0.6	0.6	0.5	0.7	0.7	0.9	1.0	0.9	-
2.2. Manufacturing Industry	3.2	2.3	2.5	2.8	2.9	3.1	3.7	3.7	3.3	3.0	2.8	-
2.3. Electricity-Water	5.8	6.9	5.3	5.1	4.8	5.1	4.8	4.8	5.5	4.4	4.1	-
3. Construction	6.5	5.6	6.3	4.8	4.9	4.2	4.7	4.4	5.8	5.9	5.8	5.1
4. Trade - Tourism	14.3	16.0	18.7	19.9	20.1	20.6	19.7	19.7	20.1	20.8	22.2	23.2
4.1. Wholesale and Retail Trade	9.0	10.7	11.1	11.4	11.2	12.3	10.7	11.0	11.1	11.2	10.5	17.4
4.2. Hotel and Restaurant Management	5.2	5.4	7.6	8.5	8.9	8.3	9.0	8.7	9.0	9.6	11.7	5.8
5. Transportation - Communication	11.1	9.4	8.5	9.3	9.4	8.9	8.8	8.3	8.0	7.3	7.3	7.4
6. Financial Institutions	7.2	7.2	7.2	7.3	7.6	7.2	7.0	7.6	6.9	8.1	8.0	7.5
7. Housing Ownership	3.8	3.9	4.2	4.4	4.7	4.5	4.4	4.6	4.5	4.9	5.2	5.2
8. Self-Employment and Services	11.3	11.6	11.2	11.5	11.7	11.6	13.9	14.5	15.7	15.8	13.2	15.0
9. Public Services	22.3	21.0	19.9	18.6	17.7	18.1	16.8	15.9	15.1	13.4	16.1	13.1
10. Import Taxes	8.3	9.6	9.8	10.2	10.2	10.6	9.5	10.2	9.7	9.2	9.0	8.9
GDP	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: SPO, TRNC Statistical Institute

^(F) Forecast

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019 ^(F)	2020 ^(T)
1. Total Resources	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
2. Total Investments	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
3. Total Consumption	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
4. Public Disposable Income	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
5. Private Disposable Income	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
6. Private Savings Ratio (%)	33.9	26.0	28.0	20.8	25.0	23.3	29.8	29.4	29.0	28.1	26.7	29.5
7. Total Domestic Savings	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

^(F) Forecast

^(T) Target

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

Sectors	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 ^(T)
1. Agriculture	8.2	10.0	10.8	3.7	-1.6	4.8	14.5	-7.3	4.9	2.6	2.7	-0.9
2. Industry	-9.1	-0.2	3.4	-0.7	1.7	8.5	19.5	7.3	4.4	-12.4	-14.7	3.5
3. Construction	-18.5	3.8	3.3	-16.0	-0.3	-4.5	6.5	5.7	10.6	7.6	7.6	2.7
4. Trade-Tourism	-8.7	18.3	6.0	6.1	1.4	8.5	-0.8	4.8	9.0	0.4	0.4	3.4
5. Transportation-Communication	-2.8	-20.0	-4.3	5.7	2.0	3.2	5.7	1.8	6.9	3.5	3.5	2.3
6. Financial Institutions	1.7	0.3	1.4	8.1	7.5	0.8	1.6	2.0	3.1	2.7	1.2	2.5
7. Housing Ownership	3.8	4.0	3.9	3.7	3.2	2.6	3.0	3.5	3.8	4.6	5.0	0.8
8. Self-Employment and Services	3.4	-5.3	4.3	1.5	2.3	8.8	9.5	3.6	7.7	5.3	1.3	2.9
9. Public Services	-5.0	0.4	2.8	1.9	1.4	-0.1	0.1	-0.2	-0.8	1.3	3.7	0.2
10. Import Taxes	-7.1	18.6	3.9	8.9	-2.1	7.9	-9.6	9.0	0.5	2.4	3.6	4.7
11. GDP	-5.5	3.7	3.9	1.8	1.1	4.8	4.0	3.6	5.4	1.3	0.2	2.5
12. Net Factor Income from Abroad	-28.2	-9.8	27.1	-174.5	35.3	40.5	41.9	133.0	-38.4	23.3	10.9	-0.7
GNP	-5.7	3.6	4.0	0.5	1.3	4.9	4.1	3.8	5.5	1.3	0.2	2.5

Source: SPO, TRNC Statistical Institute

^(F) Forecast

^(T) Target

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
1. Current Accounts Balance	-65,4	-275,8	-173,1	-125,1	-44,7	-11,7	271,6	287,6	294,4	215,9	221,3
2. Balance of Capital Movements	495,0	438,5	326,5	346,2	259,7	186,9	168,9	71,4	131,4	73,1	154,9
3. Reserve Movements (- Increase, + Decrease)	-172,1	-94,4	-47,3	-340,8	-219,9	-176,7	-75,8	-79,4	-826,6	+69,1	-290,3
4. Net Errors and Omissions	-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
January	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
February	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
March	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
April	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
May	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
June	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
July	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
August	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
September	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
October	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	11.86
November	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	14.55
December	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	15.03

Source: SPO, TRNC Statistical Institute

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	15.03	14.60
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

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

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	0.50	3.94	1.18
2. Alcoholic Beverages and Tobacco	-0.12	0.29	5.14	0.44	0.29	0.42	0.67	0.47	0.33	0.65	1.08	-0.33
3. Clothing and Shoes	0.01	-16.89	0.00	5.55	21.49	2.86	-0.71	-7.47	-1.64	-3.08	11.30	1.38
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	1.61	2.83	0.48
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	2.58	4.69	0.71
6. Health	0.75	4.12	0.52	0.98	0.24	0.40	1.07	7.30	1.10	1.07	0.87	0.66
7. Transportation	1.27	0.31	1.13	1.94	-2.25	1.97	5.59	4.57	2.03	1.72	1.85	-0.12
8. Communication	0.71	0.76	0.01	0.01	1.65	0.85	0.68	0.41	0.93	0.03	1.16	-0.01
9. Entertainment and Culture	0.65	3.11	0.27	0.35	0.58	0.53	0.11	0.46	0.54	0.59	0.85	1.03
10. Education	0.64	0.18	1.65	1.91	0.72	0.03	0.39	2.56	4.85	1.02	0.79	-0.46
11. Restaurants and Hotels	0.89	0.48	0.00	0.00	0.19	6.95	3.71	0.86	-4.58	1.72	0.45	-0.57
12. Miscellaneous Goods and Services	3.61	1.44	0.26	0.56	2.52	1.10	1.20	2.62	1.32	0.70	0.44	0.18
General	1.70	0.62	0.47	-0.23	0.75	1.01	1.98	2.28	1.68	1.04	2.41	0.41

Source: SPO, TRNC Statistical Institute

Table B.39: Minimum Wage Developments

Years	Minimum Wage (TRY)	Exercise Date
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)

Years	Turkey	European Union Countries	Other EU Countries	Middle Eastern Countries	Other Countries	Total Exports
2006	30,875,362	9,708,799	9,805,754	11,543,938	2,933,694	64,867,547
2007	48,907,443	13,225,555	7,369,006	9,702,231	4,480,578	83,684,813
2008	41,770,636	17,147,124	4,953,414	14,220,270	5,572,694	83,664,138
2009	38,482,808	13,156,210	1,206,347	13,833,521	4,384,880	71,063,766
2010	44,741,216	11,816,654	3,475,821	31,104,188	5,282,030	96,419,909
2011	61,333,755	9,515,772	1,514,866	36,886,525	10,645,168	119,896,086
2012	58,878,076	8,678,585	1,014,857	39,821,898	9,873,712	116,267,128
2013	62,969,817	9,145,514	2,733,484	38,472,891	7,359,533	120,681,239
2014	78,446,382	8,304,840	835,323	40,583,800	5,814,745	133,985,090
2015	66,228,637	6,195,715	3,811,828	35,611,170	5,885,294	117,732,644
2016	65,926,162	10,664,066	893,816	23,981,854	4,022,010	105,487,908
2017	63,818,406	8,362,779	1,681,343	22,247,673	9,505,787	105,615,988
2018	52,127,770	10,376,400	2,536,815	26,110,465	9,700,495	100,851,945
2019	43,130,122	2,129,943	2,236,897	30,490,266	4,448,151	82,465,379
2020 (January - November)	46,724,690	1,994,989	10,433,773	28,667,772	6,537,679	94,358,903

Source: Department of Trade

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

Years	Turkey	European Union Countries	Far Eastern Countries	Other EU Countries	Middle Eastern Countries	Other Countries	Total Imports
2006	946,978,969	247,072,030	82,977,243	16,460,425	65,267,005	17,464,606	1,376,220,278
2007	1,044,965,855	248,220,981	111,304,222	40,423,905	66,253,726	28,022,604	1,539,191,293
2008	1,172,502,792	236,344,802	109,156,742	78,503,072	56,482,297	27,673,475	1,680,657,180
2009	923,438,219	205,604,209	87,720,997	30,311,431	52,507,371	26,582,965	1,326,165,192
2010	1,137,378,970	251,285,189	90,266,660	29,873,873	69,000,395	26,375,578	1,604,180,665
2011	1,165,712,306	286,204,302	82,493,886	42,982,735	87,880,256	34,654,478	1,699,927,963
2012	1,234,214,030	247,749,409	81,109,808	28,245,460	81,484,144	31,111,112	1,703,913,963
2013	1,155,334,547	257,018,820	113,400,316	59,110,065	86,239,017	28,323,666	1,699,426,431
2014	995,563,199	238,330,438	125,280,677	70,915,525	75,481,630	33,204,743	1,538,776,212
2015	967,563,226	271,360,515	115,042,857	45,084,868	70,781,057	30,744,861	1,500,577,384
2016	940,845,300	326,806,415	133,943,157	51,872,616	69,557,193	34,165,573	1,557,190,254
2017	1,043,002,512	387,506,424	150,130,828	61,166,015	87,668,520	48,929,706	1,778,404,005
2018	1,068,509,898	356,271,158	149,333,076	90,732,549	100,527,838	50,989,832	1,816,364,351
2019	927,163,386	287,971,697	152,984,913	85,855,064	95,200,820	38,744,575	1,587,920,455
2020 (January - November)	628,100,659	157,268,991	130,565,861	32,375,032	53,204,903	31,417,416	1,032,932,862

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	1,646,213
2015	1,693,694	60,733	19,196	342	1,773,965
2016	1,785,746	57,513	19,004	295	1,862,558
2017	1,794,483	71,619	21,668	283	1,888,053
2018	1,968,345	84,974	26,260	382	2,079,961
2019	1,973,844	70,097	24,575	476	2,068,992
2020	426,545	35,766	5,312	24	467,647

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	59,505	205,057	15,596	207,930	7,467	594,486	82,568
November	175,482	53,330	202,907	10,412	159,842	6,842	538,231	70,584
December	186,317	32,104	212,944	5,469	133,767	3,967	533,028	41,540
Total	2,106,520	698,670	2,435,381	504,390	2,096,263	311,946	6,638,164	1,515,006

Source: Tourism Planning Department

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

Countries	2013	2014	2015	2016	2017	2018	2019	2020
Turkey	464,397	529,908	588,045	621,819	710,889	776,428	773,936	155,329
TRNC	40,125	49,598	52,335	53,224	55,613	49,344	50,560	46,263
Other	209,379	224,881	235,661	249,079	348,471	317,434	336,184	43,022
Grand Total	713,901	804,387	876,041	924,122	1,114,973	1,143,206	1,160,680	244,614

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

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

Deposits and Loans

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

Bank

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

Banking Sector

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

Monetary Data of the Banking Sector

The monetary aggregates of the sector are compiled from temporary balances that banks presented to the Central Bank of the TRNC. These balances are prepared

on the last day of each calendar month and show the balance sheet status of the banks as of that day. However, since the Central Bank may request amendments to certain items of these balance sheets as a result of some examinations, these balance sheets are considered 'Temporary'.

Other Points Related to the Bulletin

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

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

