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THIRD QUARTER

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Issue: 2018 - III

I: FOREWORD

In IMF's October 2018 World Economic Outlook report, it was pointed out that the global supply chain will be negatively affected by rising trade protectionism, and that the spread of new technological developments will be prevented and global productivity and prosperity may fall as a result. Thus, it is observed that the ongoing trade wars between the USA and China continued in the third quarter of 2018 as well. The US government has increased its tariff rates, which will be applied to the 200 billion US dollar exports of China as of 2019, from 10 percent to 25 percent. In the scope of the economic retaliations carried out by the People's Republic of China, it is announced that \$60 billion worth of US products will be taxed at rates ranging from 5 to 10 percent.

Brunson's case and the statements that the US will impose sanctions on Turkey due to this case has been the hallmark of the 2018 third quarter in Turkey's economy. In July, following the statements of US Vice President Mike Pence and President Donald Trump on the sanctions to be imposed if Brunson was not released, Turkish Lira started to depreciate against the US dollar and other major currencies. The high inflation data in August and the effects of the ongoing Brunson case crisis led to record high exchange rate levels. USD/TRY exchange rate increased up to 7.25 in the open market on August 13, 2018.

Turkish Lira has gained part of its value due to CBRT Monetary Policy Committee's decision to increase its policy rate to 24 percent on September 13, 2018, well above the market expectations and the normalization of US-Turkey relations due to Brunson's return to his country as a result of the hearing on October 12.

The annual inflation rate calculated by the TRNC Prime Ministry State Planning Organization based on the 2015 prices was 20.3 percent, 29.88 percent and 37.23 percent in July, August and September, respectively. The level reached in September was recorded as the highest annual increase after 2002. In the third quarter of 2018, the rate of change was 14.64 percent in July, 24.29 percent in August and 31.99 percent in September, compared to December of previous year. Sub-items with the highest price increase were transportation, furniture and home appliances, food and non-alcoholic beverages, respectively.

In the third quarter of 2018, the TRNC budget decreased by 44.8 million TRY and gave a surplus of 27.4 million TRY, compared to the previous quarter. In the mentioned quarter, budget revenues and budget expenditures were 1,410.6 and 1,383.2 million TRY, respectively. The decline in the budget surplus compared to the previous quarter was due to the fact that the expenditures increased by 54.4 million TRY despite the limited increase in revenues. Tax revenues item again has the largest share and amounted to 1,035.7 million TRY. Non-tax revenues item with the second largest share in budget revenues increased and amounted to 241.4 million TRY. While the biggest share in the budget expenditures was the current transfers, the second highest item was the personnel expenditures. These figures were 671.7 million TRY and 547.7 million TRY, respectively. The share of the sum of personnel expenditures and current transfers items in budget expenditures was 86 percent in the third quarter of the year.

While the balance sheet size of the banking sector to GDP ratio was 206.99 percent in June 2018, this rate increased to 240.77 percent as of September 2018. Looking at the concentration in the banking sector, the share of the five largest banks in the sector in terms of asset size was 54.96 percent. In terms of the size of gross loans, the share of the top five banks in the sector was 55.57 percent and the share of the top ten banks was 56.51 percent.

According to the financial deepening figures of third quarter 2018, the ratio of gross loans, total assets and total deposits to GDP was 136.1 percent, 240.8 percent and 194 percent, respectively. The three indicators have an upward trend. When the banking sector performance ratios are analysed, it is observed that the Capital Adequacy Standard Ratio (CASR) decreased by 0.08 percentage points to 18.19 percent, compared to the same period of the previous year. Total assets of the banking sector, which amounted to 30,051.9 million TRY at the end of June 2014, reached 34,956.5 million TRY in the third quarter of 2018. This rapid increase in the balance sheet was driven by increase in foreign currency items caused by the exchange rates. The largest share in the sector's total assets was gross loans with 56.51 percent. Gross loans are followed by liquid assets, other assets and securities portfolio with the shares of 27.64 percent, 8.38 percent, and 7.47 percent, respectively. The share of NPL in gross loans decreased and resulted as 4.97 percent. The share of deposits in the sector's total liabilities was 80.57 percent. Deposits are followed by shareholders' equity with 8.61 percent, debts to banks with 6.66 percent and other liabilities with a share of 4.16 percent. Lastly, gross loans to deposits ratio decreased to 70.14 percent.

I would like to thank all of our employees who have contributed to the preparation of this bulletin, in which current main indicators of the selected economies and TRNC economy are included and the overview of the TRNC banking sector is reflected in detail, as of the second quarter of 2018 and I hope that it will benefit those interested in the issue.

Regards,



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II: ABBREVIATIONS

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

III: DEFINITIONS

Gross Loans: Loans + Non-Performing Loans

Liquid Assets: Cash Assets + Receivables from the CB + Receivables from the Banks + Receivables from IMM Transactions

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1 INTERNATIONAL DEVELOPMENTS

1.1 OVERVIEW AND CURRENT DEVELOPMENTS

In the World Economic Outlook report published by the IMF in July 2018, it was stated that the risks that could adversely affect global growth had increased. In the October report of the IMF, global economic growth estimates were decreased by 0.2 point to 3.7 percent for 2018 and 2019, consistent with the July statement.

According to the report in question, it is seen that the economic growth is not distributed evenly and some large economies rise faster. Although the US has maintained its acceleration in growth due to financial incentives, 2019 forecasts were revised downwards. In this report, the main reasons for this revision are stated as mainly the tariffs imposed by the US on \$200 billion of Chinese export goods and rising trade protectionism with implementations to many other trading partners. The report also revised downward forecasts for the Eurozone and the UK.

In the report, the IMF emphasized that the rising trade protection and rising import duties would hamper the global supply chain and prevent the spread of new technologies worldwide, and consequently pointed out that it could affect global efficiency and welfare. It is mentioned that, in case of continued tax impose on import goods, these developments in trade will affect the low-income households more, as the affordability of commercial goods will decrease.

In emerging markets and economies, due to rising oil prices, the growth expectations of energy exporter countries were revised upward, while the economic growth forecasts of energy importer economies were revised downward. This emerging economies include Argentina, Turkey, Brazil and Iran and increased geopolitical tensions, tighter fiscal policies and country-specific reasons, as well as the rising oil import costs are effective on these downward revisions.

Despite the fact that the US economy is above full employment, it makes a policy rate increase which is slower than the market expectations and the projections of the Fed. Surprisingly higher than expected inflation rates in the US encourage investors to re-evaluate their risks. The report also comments

that the stringent financial conditions to be occurred in developed countries may lead destructive portfolio exits, harsh exchange rate movements and declining portfolio enters in emerging economies, and that fragilities may increase further.

The report emphasized the importance of finding solutions to increase the trade in goods and services with structural changes, by leaving aside the trade protectionism in order to maintain and sustain global economic growth. The existence of downside risks in global growth increases the need for policies that will provide a stronger and more comprehensive growth. The report also emphasizes that many countries need to create a buffer by introducing the necessary public finance measures in case the sudden and sharp tightening of financial conditions.

Table 1.1: GDP Forecasts and Results

Global GDP Growth Forecasts						
	2016	2017	2018 ¹	2018 ²	2019 ¹	2019 ²
IMF	3,2	3,8	3,8	3,7	3,9	3,7
World Bank	2,4	3,1 ^(F)	2,9	3,1	3,0	3,0
OECD	3,0	3,6	3,1	3,8	3,9	3,9

Source: OECD, World Bank, IMF

¹The initial forecasts of the organizations of that year.

²The latest forecasts of the organizations of that year.

^(F)Forecast

In October 2018 issue of the World Bank's Global Monthly report, it is highlighted that the number of countries implementing tight monetary policy in both developed and developing economies is increasing. The report emphasizes that most of the emerging economies have to raise policy rates in response to the depreciation of their currencies and the rise in energy prices. In the related report, it is also mentioned that inflation rates have increased in some countries, whose, GDP has grown over than the potential. It is stated that the continuation of tight monetary policies will deepen the slowdown in economic activity as it will lead to a decrease in domestic demand.

The World Bank bulletin emphasized that the global economic activity has been moving at a moderate pace in the third quarter of 2018. It is emphasized that, despite the slowing global economic activity caused by

weak global trade volume and tighter fiscal policies, the global inflation rate is rising.

October issue of World Bank's Global Monthly report states that global trade, which has been weak for several months, increased with the rise in the Eurozone and emerging Asia region export figures in July. However, the decline in global export orders for September indicates that this rise is temporary. It is also emphasized that these orders fall below the threshold, which is a sign of contraction.

Moreover, the report mentions the new trade agreement, which was announced on October 1, 2018. It was emphasized that the uncertainties regarding the US trade policy will decrease due to the new trade agreement between the USA, Mexico and Canada. The new agreement brings higher customs tariff obligations to the automotive sector, also makes it easier for the US to enter the Canada's dairy market. On the other hand, the provisions on labour market and intellectual property were tightened with the agreement in question.

The portfolio exits that started in the first quarter of 2018 in emerging markets and economies continued in the third quarter. Many emerging economies are under financial pressure due to the combination of factors such as the strengthening of the US dollar, rising borrowing costs, and the uneasiness created by the expectation that global growth will slow down. In early October, emerging markets experienced the highest losses in stocks and currencies after February 2018. Following a brief recovery in September, the government bonds yield spreads of emerging economies continued to rise.

International credit rating agency Moody's lowered Turkey's credit rating to "Ba2" from "Ba3" in August 2018 and identified the rating outlook as negative. According to the statement made by the institution, the rising external funding risk together with the tightening of the financial conditions and the weakening of the currency have caused an upward acceleration in the inflation rates and at the same time the expectation that the growth rates will weaken is effective in the decline.

In the same month, another international credit rating agency S&P lowered Turkey's credit rating from "BB-" to "B+" and affirmed the rating outlook as stable. S&P stated that the volatility of the Turkish lira is high and

balance of payments adversely affect the Turkey's economy.

In Turkey, a medium-term program covering the years 2019 - 2021, whose name has been changed to 'New Economic Program (NEP)' was announced on September 20, 2018. In the new economic program, Turkey's economy is projected to display a below-potential growth in the years 2018-2020. For the year 2021 the economy is expected to revive. With respect to inflation expectations, it is expected that single digit levels will be reached at the end of 2020. It is stated that the main purpose of the economy management with NEP is to restore price stability and financial stability and to pursue the budget discipline in a determined manner.

1.2 ECONOMIC AND FINANCIAL OUTLOOK IN SELECTED COUNTRIES

1.2.1 GROWTH

In the US economy, economic growth data for the second quarter of 2018 were revised as 4.2 percent by increasing 0.1 percentage points. According to FOMC meeting notes dated September 25 - 26, GDP data in the third quarter of 2018 indicate that the US economy continued to grow strongly as it did in the first half of the year. According to the data released in November 2018, the US economy grew by 3.5 percent annually in the third quarter of 2018, exceeding expectations.

In the third quarter, government expenditure increases contributed to US economic growth. Meanwhile, private investment and consumption expenditures lost momentum compared to the previous quarters, while the decrease in net export figures decreased the growth by 1.8 points and made the lowest contribution of the last 34 years.

Office for National Statistics (ONS) announced the second quarter growth rates of the UK economy on September 28, 2018. While the country's GDP calculated with the Chained Volume Index increased by 1.2 percent compared to the same quarter of the previous year, it grew by 0.4 percent compared to the previous quarter and realized above the previous estimate of 0.2 percent.

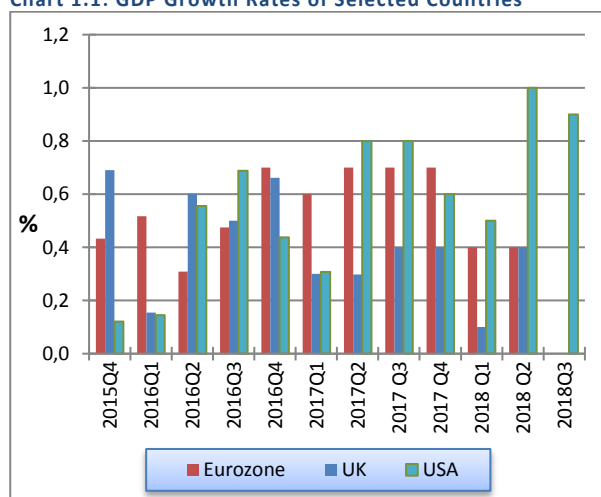
Eurozone growth rate in the second quarter of 2018 was 0.4 percent compared to the previous quarter and increased by 2.1 percent compared to the same period of the previous year. While the largest contribution to

the economy was from investment expenditures in the relevant period, the rising net export figures of the Eurozone limited the growth.

In the first quarter of 2018, Turkey's economy growth declined by 0.1 percentage points from 7.4 percent and has been revised as 7.3 percent. With this revision economic growth became 6.2 percent in the first half of the year. Based on the chained volume index, GDP grew by 5.2 percent compared to the same period of the previous year and continued parallel to the market expectations in the second quarter.

In the second quarter of 2018, the highest contribution to GDP in terms of expenditures was from consumption expenditures. Net exports item, which limited the growth due to the increase in energy prices and the rise in gold imports in the first quarter of the year, contributed to the GDP growth by one point in the second quarter. Looking at GDP data based on the production method, all main sectors except agriculture it have contributed to growth, especially the services sector with the most important share.

Chart 1.1: GDP Growth Rates of Selected Countries



Source: OECD

1.2.2 INFLATION

In the Fed's latest FOMC minutes of 2018, it was stated that the Consumer Price Index (CPI) in the US increased by 2.7 percent annually as of August. Core CPI resulted to be 2.2 percent. The US economy's annual CPI inflation fell to 2.28 percent in September 2018. According to the survey results, while long-term inflation expectations are in parallel, there is a feeling of confidence among the survey participants that the target of 2 percent will be achieved in the long term.

According to data published by EUROSTAT, in September 2018, CPI in the Eurozone increased by 0.5 percent compared to the previous month. The monthly inflation rate for October is estimated to be 0.2 percent. Also, the CPI rate for the relevant period is announced as 2.1 percent compared to the same month of the previous year.

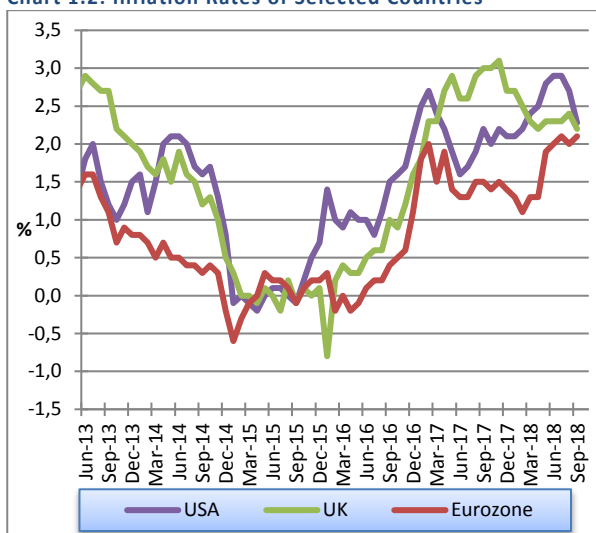
According to ONS data, the twelve-month CPI increased by 2.4 percent in the UK as of September 2018. Compared to the twelve-month inflation data announced in August, a decrease of 0.3 percentage point is observed.

In September 2018, Turkey's annual CPI increase and annual D-PPI increase was 24.52 percent and 46.15 percent, respectively. When the monthly price increases are examined, it is seen that they have been rising above the market expectations. The monthly CPI increase in September was 6.30 percent, while the D-PPI increase was 10.88 percent, which was the first double-digit data in the 2003-based series.

According to October inflation figures announced by TURKSTAT on November 5, 2018, monthly CPI and CPI inflation were realized as 2.67 percent and 0.91 percent, respectively, while the annual CPI was 25.24 percent and the annual D-PPI was 45.01 percent.

As a result of the depreciation of TRY, price increases caused by the exchange rate pass-through in the main goods item, which has a high import content, was effective in the increase in inflation rates. As stated in the third quarter 2018 Inflation Report published by the CBRT, price increases in product groups, in which exchange rate pass-through is lower than the core goods item, indicate the deterioration in pricing behaviour.

Chart 1.2: Inflation Rates of Selected Countries



Source: OECD

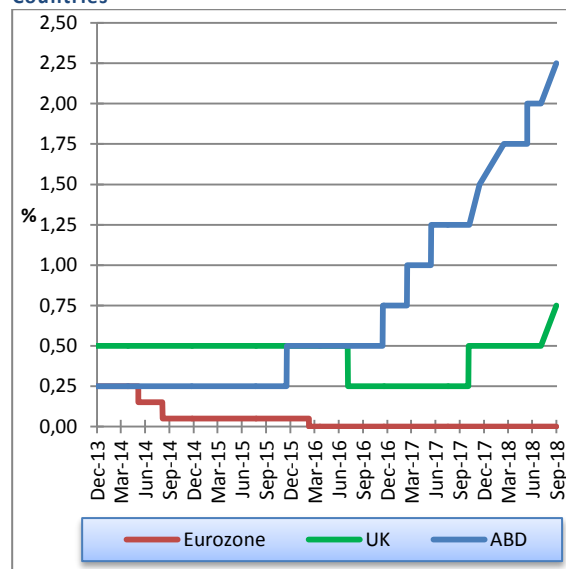
1.2.3 POLICY INTERESTS

In its monetary policy meeting, which ended on September 26, 2018, the Fed increased its policy rate by 25 basis points to 2.0 - 2.25 percent, in line with market expectations. The minutes of the meeting indicated that the US economy has improved significantly.

As stated in our second quarter bulletin, BoE increased its policy rate by 25 basis points from 0.5 percent to 0.75 percent in its July 2018 meeting. Due to the Brexit plan, no new interest rate increase is expected until next year. The bond purchase program has also remained unchanged and continues to be 435 billion GBP a month. BoE policy makers stated that limited and gradual rate increases will be needed in 2019.

At its monetary policy meeting held in September 2018, the ECB kept the policy rate constant at a rate of zero percent. It announced that it will reduce its monthly bond purchase program from 30 billion EUR to 15 billion EUR from October onwards, in line with its previously announced program. In his statements after the meeting, ECB President Mario Draghi stated that the need for support in the markets decreased due to the improvement in the core inflation rate. Draghi also stressed that the policy rate will be kept at zero percent by the second half of 2019.

Chart 1.3: CB Interest Rates of Selected Developed Countries



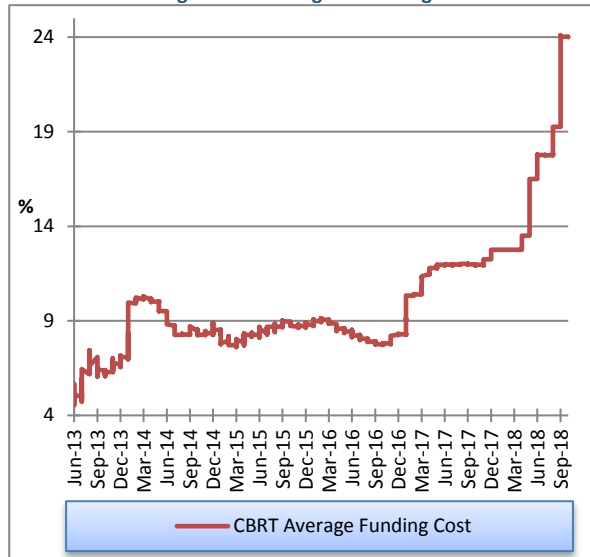
Source: FED, ECB, BoE

In its meeting on September 13, 2018, the Monetary Policy Committee (MPC) of the CBRT increased its policy rate by 625 basis points to 24 percent. The expectation in the markets was that the interest rate would be increased by a maximum of 400 basis points, and after this increase, which was well above the expectations, USD/TRY exchange rate decreased from around 6.41 to 6.01. The statement mentioned that despite the weakening domestic demand conditions due to the movements in the exchange rate, the deterioration in the pricing behaviour posed an upward risk in the inflation outlook and a strong monetary tightening was implemented in order to support the price stability.

Effective as of September 14, the Late Liquidity Window (LON) lending rate was increased by 625 basis points to 27.00 percent from 20.75 percent.

At its meeting on October 25, 2018, MPC decided to keep the policy rate at a level of 24 percent. It was stated in the MPC decisions that the inflation expectations, pricing behaviour, lags in the effect of monetary policy decisions and other factors affecting inflation will be monitored closely. It is also emphasized that additional monetary tightening can be made if needed.

Chart 1.4: Weighted Average Funding Cost of CBRT

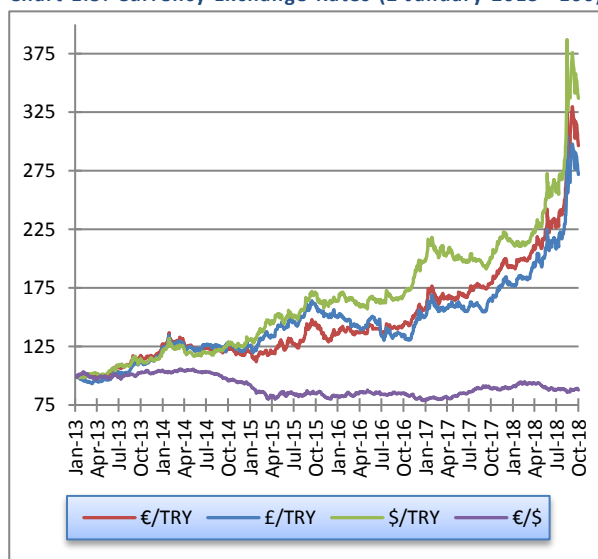


Source: CBRT

1.2.4 EXCHANGE RATES

As in the second quarter of 2018, the Turkish Lira continued to experience a significant depreciation against other currencies in the third quarter of 2018, compared to the same period of the previous year. In the third quarter of 2017, while the average exchange rates for GBP/TRY, EUR/TRY, and USD/TRY were 4.60, 4.12 and 3.52, respectively, the averages for the same period of 2018 were 7.27, 6.50 and 5.59, respectively. When two periods are compared, it is observed that TRY depreciated by 58.81 percent against the US dollar, by 58.04 percent against the sterling pound, and by 57.77 percent against the euro.

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



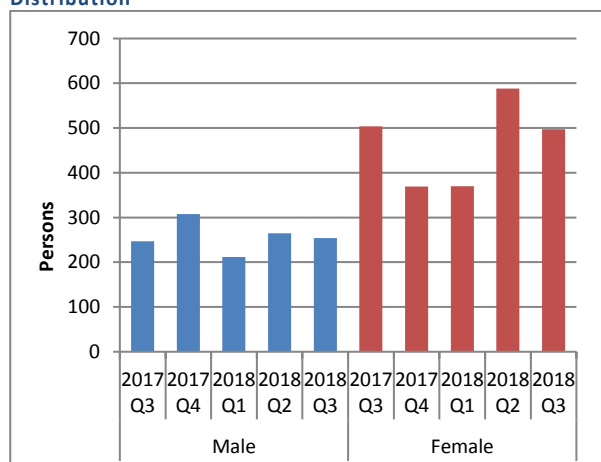
Source: Central Bank of the TRNC

2 EMPLOYMENT AND PRICES

2.1 EMPLOYMENT

According to the unemployment data prepared by the TRNC Labour Office, by the end of the second quarter of 2018, the number of registered unemployed people, which was 852, decreased to 750 as of the end of September 2018. When the unemployment rate for September of this year is analysed by gender composition, it is seen that about 34 percent of the active registered unemployed people are composed of men and 66 percent of them are women.

Chart 2.1: Registered Active Unemployment - Periodic Distribution



Source: Labour Office

While the number of jobseekers in the second quarter of 2018 was 591, the number of new job seeking applicants at the end of September 2018 was 837. By the end of the second quarter of 2018, when 790 unregistered and employed people were taken into consideration, the number of jobseekers was 750 at the end of September.

Table 2.1: Registered Active Unemployment - Overview (persons)

	2017 Q3	2017 Q4	2018 Q1	2018 Q2	2018 Q3
Jobseekers by the end of the previous period	890	760	686	591	852
Applicants applying for employment during the period	1.224	1.159	866	1.048	837
Persons employed during the period	546	606	326	241	177
Persons unregistered during the period	808	627	635	549	762
Jobseekers by the end of the period	760	686	591	852	750

Source: Labour Office

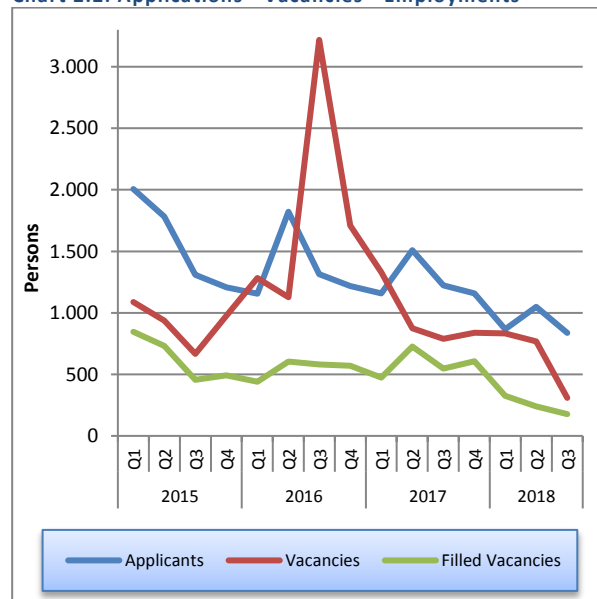
When the active vacancy listings are examined, it is seen that 1,387 vacancies were transferred to the third quarter of 2018 and 309 new vacancies were opened in July, August and September. As of the end of September 2018, 1,506 vacancies were transferred to the next period as a result of 177 filled and 13 cancelled vacancies.

Table 2.2: Overview of Active Vacancy Listings (persons)

	2017 Q3	2017 Q4	2018 Q1	2018 Q2	2018 Q3
Vacancies transferred from the previous period	693	904	784	890	1.387
Vacancies received during the period	790	839	834	768	309
Vacancies filled during the period	546	606	326	231	177
Vacancies cancelled during the period	33	353	402	40	13
Vacancies transferred to the next period	904	784	890	1.387	1.506

Source: Labour Office

Chart 2.2: Applications - Vacancies - Employments



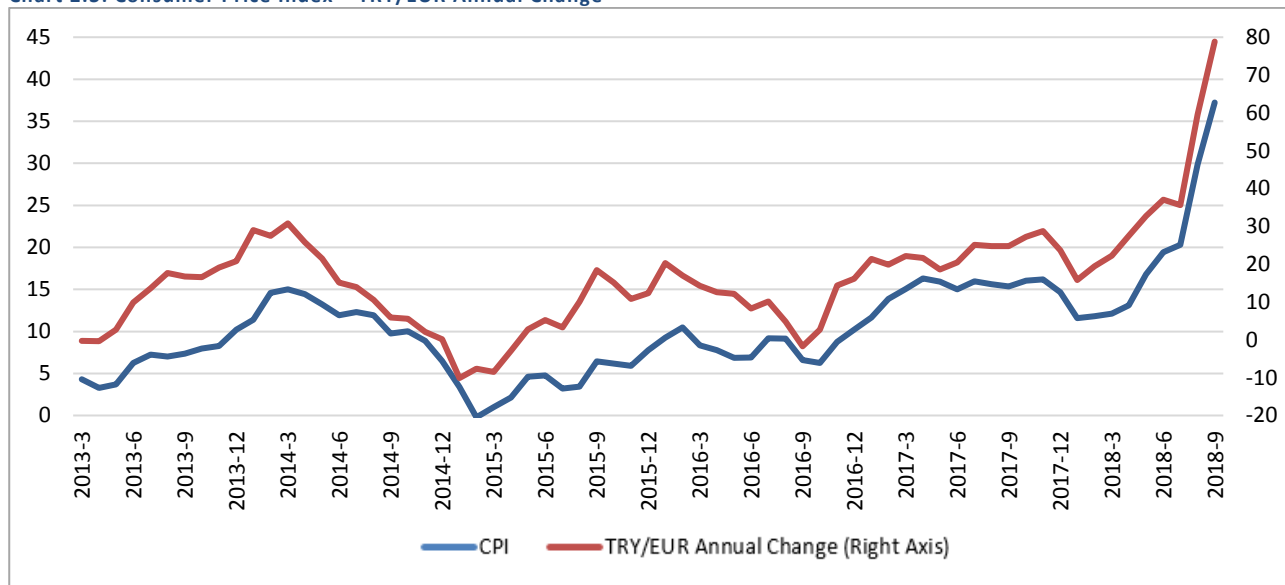
Source: Labour Office

2.2 INFLATION

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

Turkish Lira against foreign currencies to the general level of consumer prices is very high. The two exchange rates, which have continued in correlation since 2015, have started to increase as of January 2018 and continued until September.

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

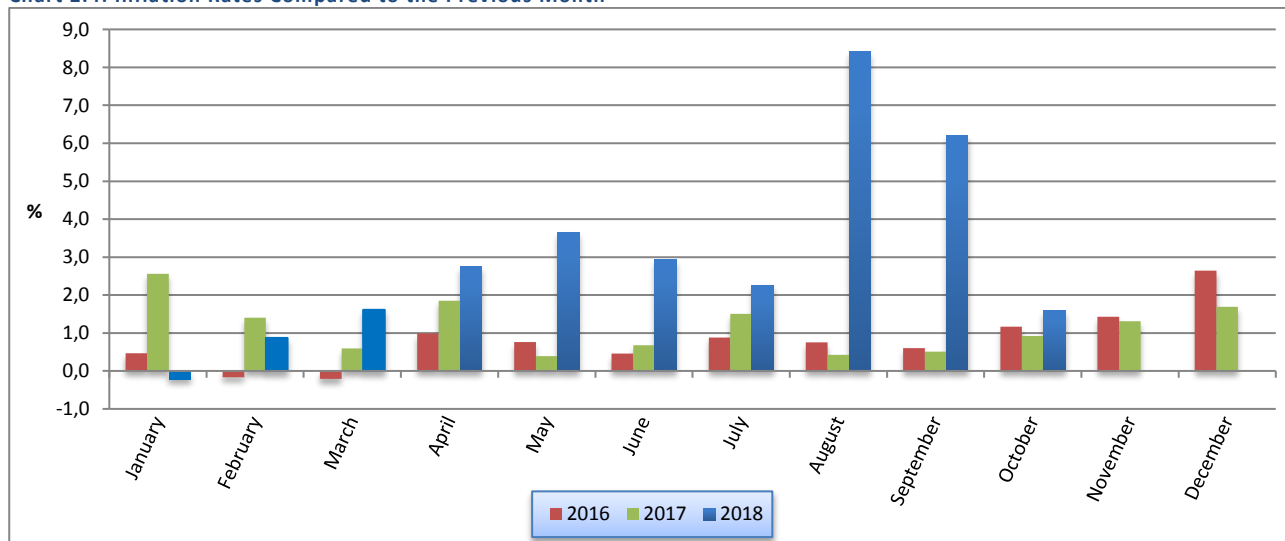


Source: SPO

When the inflation rates in the third quarter of 2018 with respect to the previous month are compared to the same periods of 2017, the rates of 1.5 percent, 0.42 percent and 0.51 percent in July, August and

September of 2017 reached 2.26 percent, 8.42 percent and 6.2 percent in the same months of 2018, respectively.

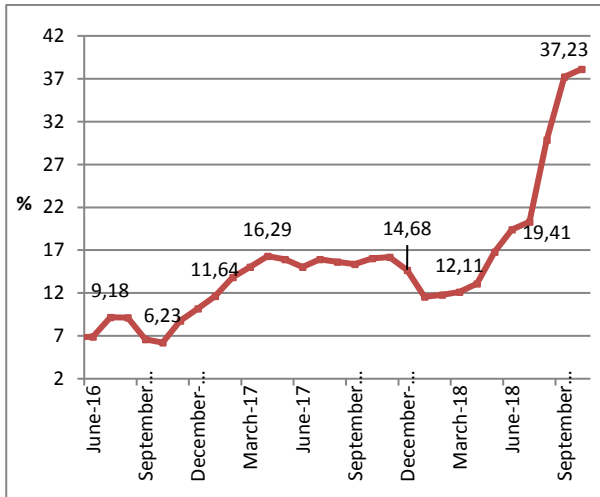
Chart 2.4: Inflation Rates Compared to the Previous Month



Source: SPO

The annual inflation rate, which was 15.95 percent in July, 15.63 percent in August and 15.37 percent in September 2017, reached 20.3 percent in July, 29.8 percent in August and 37.23 percent in September 2018. In October, annual inflation reached 38.13 percent.

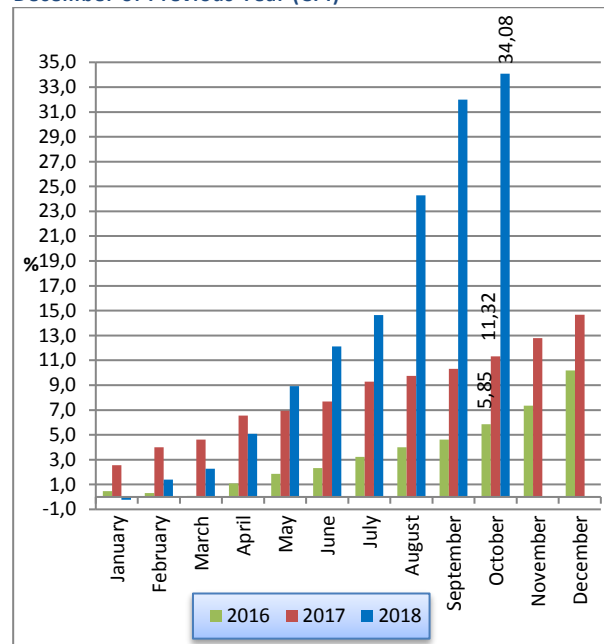
Chart 2.5: Inflation Rates Compared to the Same Month of Last Year



Source: SPO

In the third quarter of 2018, the rate of change was 14.64 percent in July, 24.29 percent in August and 34.08 percent in September, compared to December of previous year. In October, 10-month cumulative inflation was 34.08 percent.

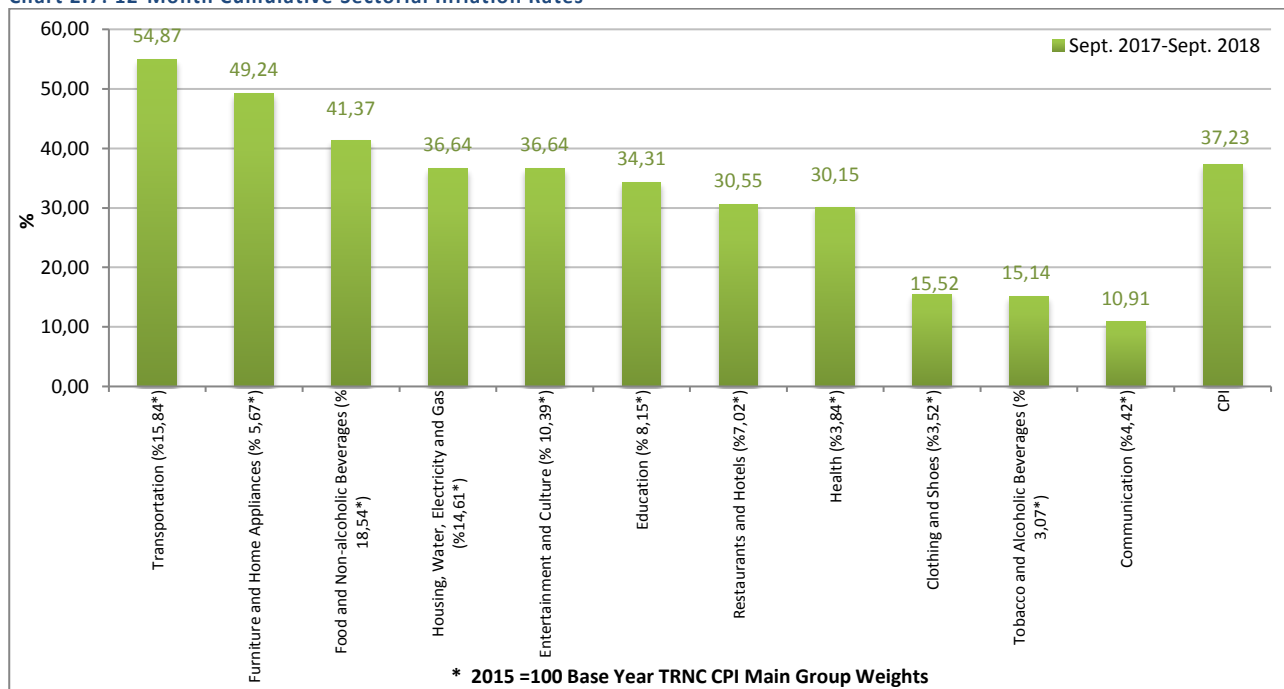
Chart 2.6: Cumulative Inflation Rates Compared to December of Previous Year (CPI)



Source: SPO

The sectors with the highest price increase at the end of September 2018 are transportation with 54.87 percent, furniture and home appliances with 49.24 percent and, food and non-alcoholic beverages item with 41.37 percent. By the end of September 2018, the lowest price increase occurred in communication item with 10.91 percent.

Chart 2.7: 12-Month Cumulative Sectorial Inflation Rates



Source: SPO

The change rates in the Consumer Price Index for the years 2016, 2017 and 2018 are presented in Table 2.3, monthly, annually and compared to the end of last year.

Table 2.3: Consumer Price Index (2015=100) Percentage Change (%)

	Months	Monthly	Compared to the End of Last Year	Compared to the Same Period of Last Year
2016	January	0,47	0,47	9,25
	February	-0,17	0,31	10,48
	March	-0,21	0,09	8,33
	April	0,99	1,09	7,78
	May	0,76	1,86	6,87
	June	0,46	2,33	6,89
	July	0,88	3,23	9,18
	August	0,75	4,00	9,13
	September	0,60	4,63	6,60
	October	1,17	5,85	6,23
	November	1,43	7,36	8,77
	December	2,64	10,19	10,19
2017	January	2,56	2,56	11,64
	February	1,40	4,00	13,85
	March	0,59	4,61	15,05
	April	1,85	6,54	16,29
	May	0,39	6,95	15,94
	June	0,68	7,68	15,02
	July	1,50	9,29	15,95
	August	0,42	9,75	15,63
	September	0,51	10,31	15,37
	October	0,92	11,32	16,05
	November	1,31	12,78	16,19
	December	1,69	14,68	14,68
2018	January	-0,22	-0,22	11,57
	February	1,61	1,39	11,80
	March	0,87	2,26	12,11
	April	2,75	5,07	13,10
	May	3,65	8,91	16,78
	June	2,94	12,11	19,41
	July	2,26	14,64	20,30
	August	8,42	24,29	29,88
	September	6,20	31,99	37,23
	October	1,58	34,08	38,13

Source: SPO

3 FOREIGN TRADE AND TOURISM

(Exports data of September and imports data of July-August-September prepared by the TRNC Department of Trade could not be obtained. Therefore, the existing data was not updated.)

3.1 DEVELOPMENTS ON EXPORTS AND IMPORTS

According to the exports and imports data announced by the Department of Trade, the total exports of the TRNC in the second quarter of 2017 are 10.9 million

USD and this figure amounted to 11.1 million USD in the same period of 2018. Total imports increased by 20 percent in the second quarter of 2018, compared to the same period of 2017.

Table 3.1: Exports and Imports

	Exports (US dollar)			Imports (US dollar)		
	2017	2018	Percentage Change	2017	2018	Percentage Change
January	7.567.748	10.005.513	32,2	110.035.173	148.516.248	34,9
February	11.372.143	14.786.580	30,0	126.115.804	132.568.154	5,1
March	13.489.437	12.183.339	-9,6	132.316.926	167.748.987	26,7
Quarter I	32.429.328	36.975.432	14,0	368.467.903	448.833.389	21,8
April	10.928.228	11.138.772	1,9	130.362.215	160.745.742	23,3
May	9.359.597	9.388.841	0,3	129.614.563	161.516.015	24,6
June	7.184.406	6.299.310	-12,3	125.894.645	141.065.049	12,0
Quarter II	10.928.228	11.138.772	1,9	385.871.423	463.326.806	20,0
July	8.483.460	7.289.901	-14,0			
August	6.738.864	5.461.529	-18,9			
Quarter III (July – August)	15.221.920	12.751.430	-16,22			
Year Total (January – June)	43.366.556	48.114.204	10,9	754.339.326	912.160.195	20,9

Source: Department of Trade

Note: 1) Exports to the Southern Cyprus are not included.

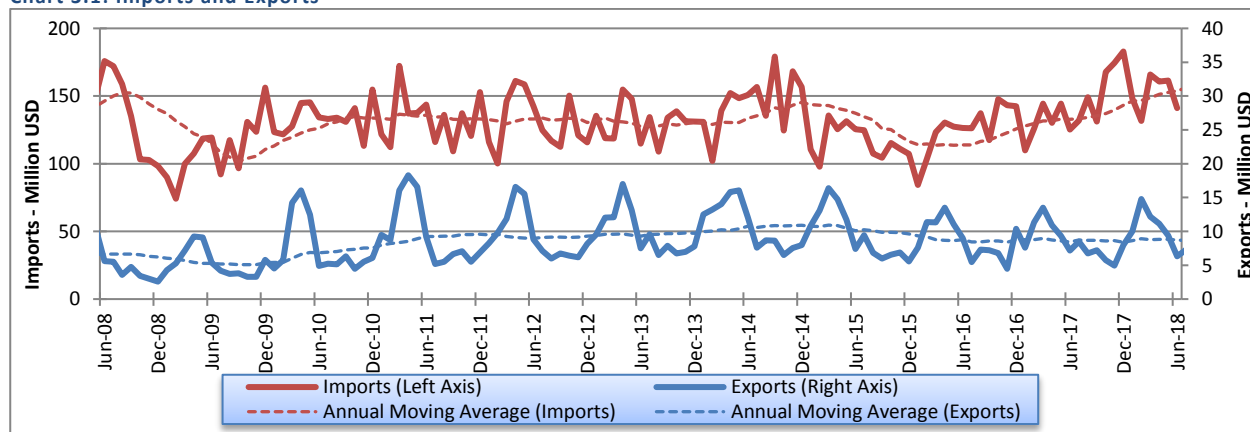
2) Hydrocarbon imports are not included.

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

When exports and imports of the TRNC for 10 years between the period June 2008 and June 2018 are analysed, it is observed that the 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 exports displayed a steady upward trend in the period between 2010 and 2014, and it has decreased in the period after May 2015.

Moreover, the difference between the peak and bottom periods of exports and the volatility of export volume is in a slow decline. In imports, the lowest level since February 2009 was recorded as 88 million USD in January 2016. Looking at the annual moving average of imports, it changed direction and tended to decrease in the period after January 2015, but it is observed that after September 2016, it tended to rise again, and this increase continued in 2018 as well.

Chart 3.1: Imports and Exports

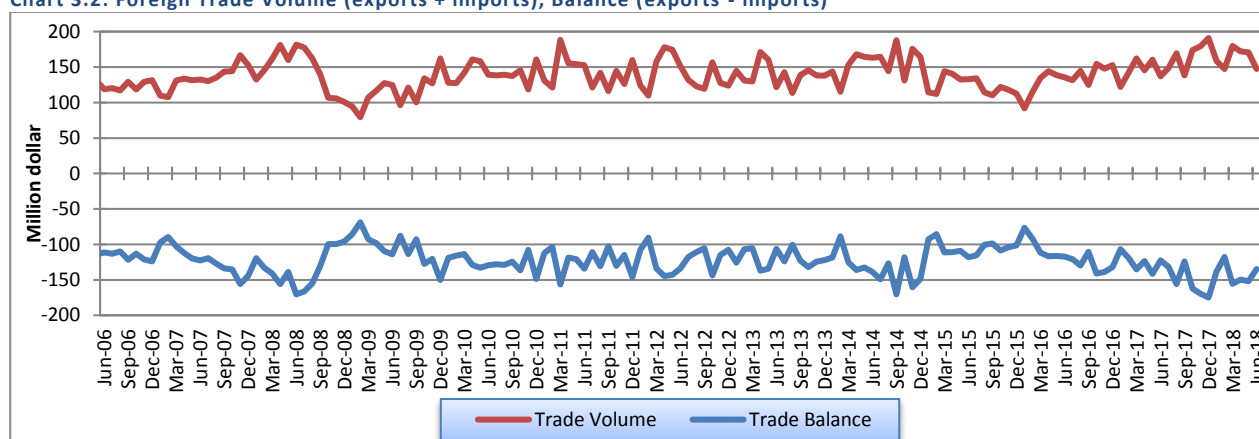


Source: Department of Trade

Due to the low imports to exports ratio, the increase in the foreign trade of the TRNC implies an increase in the foreign trade deficit and indicates the external dependency of the country's economy. Trade volume in the period between June 2017 and June 2018 increased from 137 million USD to 147.3 million USD while foreign trade deficit was 122.7 million USD and 134.7 million USD, respectively.

While the exports to imports ratio has been 5 percent on average between 2006 and 2010, it has reached 7.3 percent in 2011-2014 period. In 2015 and 2017, this rate was 7.1 percent and the average of January - June 2018 period was 7.1 percent.

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



Source: Department of Trade

In 2017, the share of other European countries and other countries groups in total exports increased compared to the previous year, while the share of Turkey, EU countries and Middle East and Arab countries groups decreased.

Compared to 2017, in the January - August period of 2018, exports to Other EU Countries, Middle East and Arab Countries and Other Countries and a decrease in exports to Turkey and EU Countries was observed.

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

Years	Turkey	EU	Other EU Countries	Middle East and Arab Countries	Other Countries
2006	47,6	15,0	15,1	17,8	4,5
2007	58,4	15,8	8,8	11,6	5,4
2008	49,9	20,5	5,9	17,0	6,7
2009	54,2	18,5	1,7	19,5	6,1
2010	46,4	12,2	3,6	32,3	5,5
2011	53,3	8,3	1,3	32,0	5,1
2012	51,0	7,7	1,0	35,7	4,6
2013	52,2	7,6	2,3	31,9	6,0
2014	60,1	3,7	0,6	31,1	4,5
2015	56,1	5,2	3,2	30,2	5,3
2016	62,5	10,2	0,9	22,7	3,7
2017	60,4	7,9	1,6	21,1	9,0
2018 (Jan.-April)	57,9	4,9	3,2	23,6	9,5

Source: Department of Trade

The share of Turkey, which has the largest share in total imports of TRNC, is 58.9 percent by the end of 2017. On the other hand, the share of imports from the EU countries increased by 0.4 points and reached 21.3 percent at the end of 2017. There was a decrease in imports from Turkey and Far Eastern countries in 2017 and there was an increase in the share of imports from

other European countries and the Middle East and Arab countries. In January - June 2018, imports from Turkey, Far East countries, Other European Countries and Middle East and Arab Countries increased, while imports from EU countries and other countries decreased, compared to the same period of 2017.

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

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

Source: Department of Trade

3.2 TOURISM

In the third quarter of 2018, the number of passengers arriving to our country excluding the TRNC citizens increased by 2.1 percent compared to the same period of 2017, amounting to 493,425 passengers. Accordingly, the total number of passengers arriving to TRNC by air and sea in the first nine months was 1,339,697.

In the third quarter, the number of arriving Turkish Citizen Passengers increased by 3.6 percent, compared to the same period of the previous year and the number of passengers from third countries decreased by 2.4 percent.

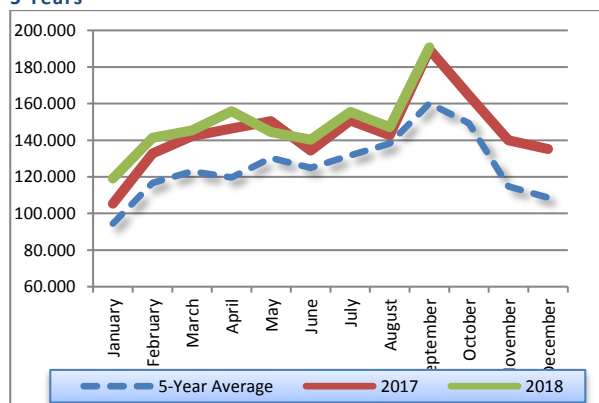
Table 3.4: Number of Passengers Arriving in the TRNC

Period	Turkish Citizen			Third Country Citizen			Total		
	2017	2018	Percentage Change	2017	2018	Percentage Change	2017	2018	Percentage Change
January	85.102	97.305	14,3	20.242	21.783	7,6	105.344	119.088	13,0
February	101.113	108.195	7,0	31.737	33.105	4,3	132.850	141.300	6,4
March	101.949	108.825	6,7	40.252	36.534	-9,2	142.201	145.359	2,2
Quarter I	288.164	314.325	9,0	92.231	91.422	-0,9	380.395	405.747	6,7
April	111.236	121.905	9,6	35.119	33.919	-3,4	146.355	155.824	6,5
May	121.019	113.104	-6,5	29.421	31.320	6,5	150.440	144.424	-4,0
June	102.804	110.425	7,4	31.575	29.852	-5,5	134.379	140.277	4,4
Quarter II	335.059	345.434	3,0	96.115	95.091	-1,1	431.174	440.525	2,2
July	113.045	119.565	5,8	37.736	35.983	-4,6	150.781	155.548	3,2
August	105.107	111.635	6,2	37.593	35.512	-5,5	142.700	147.147	3,1
September	145.894	146.028	0,1	43.733	44.702	2,2	189.627	190.730	0,6
Quarter III	364.046	377.228	3,6	119.062	116.197	-2,4	483.108	493.425	2,1
Jan. – Sept. Total	987.269	1.036.987	5,0	307.408	302.710	-1,5	1.294.677	1.339.697	3,5

Source: Tourism Planning Department

When the number of arriving passengers in the third quarter of 2018 is compared to the previous year and the average of the last five years, it is observed that the total number of arriving passengers in this period is above the figures of 2017 and the averages of the last 5 years.

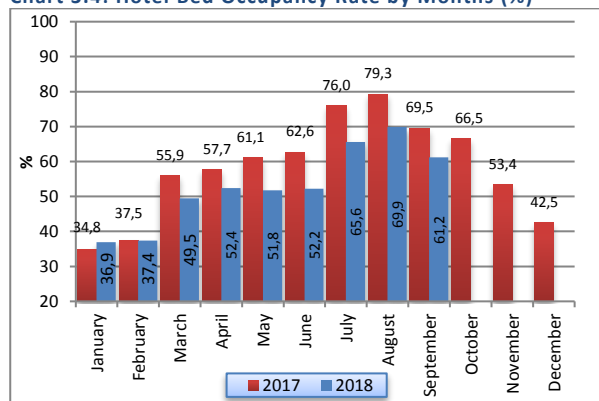
Chart 3.3: Comparison of the Number of Passengers Arriving in 2018 to the Year 2017 and Averages of the Last 5 Years



Source: Tourism Planning Department

When the occupancy rates of the touristic facilities in our country in the years 2017 and 2018 are examined, it is observed that the occupancy rate of July, August and September 2018 is 9.36 percent lower than the same period of the previous year.

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



Source: Tourism Planning Department

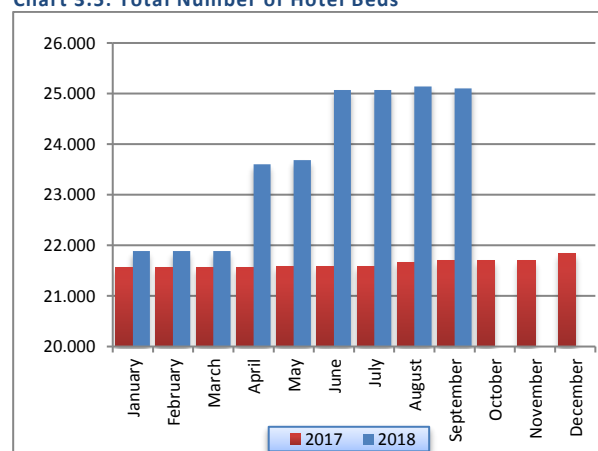
Table 3.5: Border Gate Entries to TRNC by Nationalities and Months

Nationality	TRNC		Southern Cyprus		Other Countries		Total	
	2017	2018	2017	2018	2017	2018	2017	2018
January	129.118	142.730	80.377	93.241	72.680	82.017	282.175	317.988
February	138.795	149.291	73.454	83.267	79.881	88.643	292.130	321.201
March	138.767	152.981	83.589	97.704	108.142	120.484	330.498	371.169
April	139.860	139.336	96.135	106.602	131.646	137.044	367.641	382.982
May	155.035	146.289	91.321	110.945	137.291	151.169	383.647	408.403
June	168.077	156.475	93.088	123.941	136.067	151.981	397.232	432.397
July	155.398	153.821	94.096	133.585	148.958	162.629	398.452	450.035
August	158.436	135.096	110.566	180.729	168.191	191.970	437.193	507.795
September	173.445	140.318	88.392	186.477	149.585	192.924	411.422	519.719
October	155.237	146.145	88.610	183.490	154.650	195.681	398.497	525.316
Total	1.512.168	1.462.482	899.628	1.299.981	1.287.091	1.474.542	3.698.887	4.237.005

Source: Tourism Planning Department

When the development of the total hotel bed capacity of the sector in the years 2017 and 2018 is compared, it is observed that the bed capacity of 21,699 in the third quarter of 2017 reached 25,101 by the third quarter of 2018.

Chart 3.5: Total Number of Hotel Beds



Source: Tourism Planning Department

When border gate entries into the TRNC between January 2016 and September 2018 are examined, it is observed that the entries started to increase as of the second quarter of 2018. In the last 12 months, it is observed that total entries excluding TRNC citizens increased steadily to 3 million persons in the third quarter of 2018. In the first 10 months of 2018, total entries excluding TRNC citizens increased by 26.9 percent compared to the same period of 2017 and reached 2,774,523.

4 BUDGETARY DEVELOPMENTS

4.1 THIRD QUARTER 2018 RESULTS

In the third quarter of fiscal year 2018, TRNC total budget revenues increased by 20.7 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 were 1,410.6 and 1,383.2 million TRY in the third quarter of 2018. In the third quarter of 2017, public finance, which had a deficit of 7.2 million TRY, had a surplus of 27.4 million TRY in the same period of 2018.

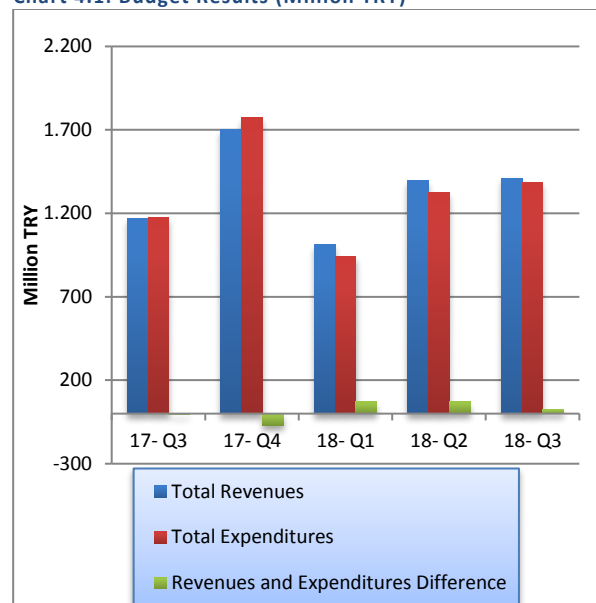
Table 4.1: Budget Balance (Million TRY)

	2017		2018		% Change
	Annual Results	June-Sept. Results	Annual Forecast	June-Sept. Results	
Budget Revenues	5.102,1	1.169,0	6.662,4	1.410,6	20,7
Budget Expenditures	5.023,6	1.176,2	6.745,4	1.383,2	17,6
Budget Balance	78,5	-7,2	-83,0	27,4	480,6

Source: Ministry of Finance

22.9 percent of the total budget revenues of 5,102.1 million TRY obtained in 2017 were collected in the third quarter. In the same period of 2018, 21.2 percent of the foreseen total budget revenues were collected. In 2018, 20.5 percent of 6,745.4 million TRY, estimated to be used in the execution of services and activities was used within the third quarter. This rate was 23.4 percent in the same period of the previous year.

Chart 4.1: Budget Results (Million TRY)



Source: Ministry of Finance

4.2 REVENUES

As of the third quarter of fiscal year 2018, budget revenues increased by 241.6 million TRY compared to the same period of the previous year and amounted to 1,410.6 million TRY. Tax revenues item with the largest share in budget revenues totalled 1,035.7 million TRY in the third quarter of 2018. Total tax revenues were 768.6 million TRY in the same period of 2017. Non-tax revenues item, which had the second highest share in budget revenues, increased by 6.5 percent compared to the same period of the previous year and reached 241.4 million TRY in the third quarter of 2018. Donations, grants and loans item amounted to 100.1 million TRY in the third quarter of 2018.

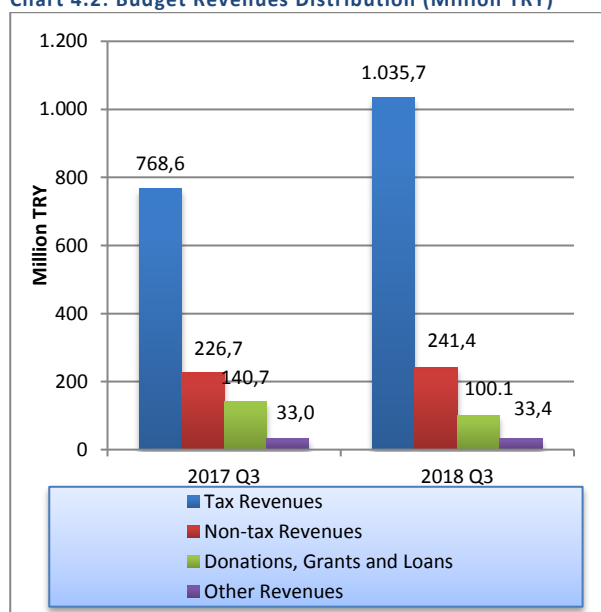
Table 4.2: Budget Revenues (Million TRY)

	2017	2018	% Change
	July-Sept.	July-Sept.	
Tax Revenues	768,6	1.035,7	34,8
Non-tax Revenues	226,7	241,4	6,5
Donations, Grants and Loans	140,7	100,1	-28,9
Other Revenues	33,0	33,4	1,2
Total	1.169,0	1.410,6	20,7

Source: Ministry of Finance

While the share of donations, grants and loans in total budget revenues had been 12 percent in the third quarter of 2017, it was 7.1 percent in the same period of 2018. In the same periods, while the share of tax revenues item had been 65.7 percent, it rose to 73.4 percent, and the share of non-tax revenues had been 19.4 percent and it declined to 17.1 percent. The share of other revenues item decreased from 2.8 percent to 2.4 percent.

Chart 4.2: Budget Revenues Distribution (Million TRY)



Source: Ministry of Finance

4.3 EXPENDITURES

As of the third quarter of 2018, total budget expenditures increased by 17.6 percent compared to the same period of the previous year and reached from 1,176.2 million TRY to 1,383.2 million TRY. In the mentioned periods, current transfers, goods and service purchase and personnel expenditures items increased by 23.8, 9.7 and 17.3 percent, respectively.

Current transfers expenditure item of the TRNC budget reached 671.7 million TRY in the third quarter of 2018. In this period, personnel expenditures item, which increased by 76,2 million TRY compared to the same period of previous year, reached to 517.7 million TRY. Capital expenditures and transfers item decreased by 8.8 percent during the same periods and amounted to 60.1 million TRY in the third quarter of 2018.

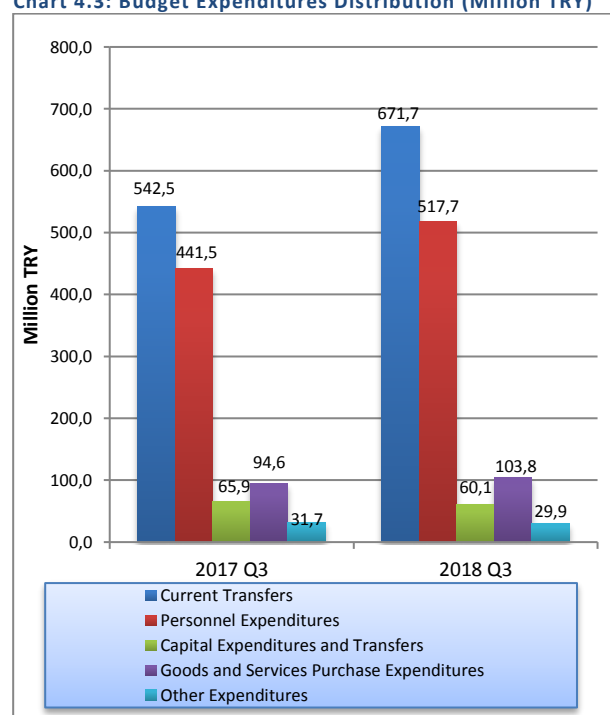
Table 4.3: Budget Expenditures (Million TRY)

	2017 July-Sept.	2018 July-Sept.	% Change
Current Transfers	542,5	671,7	23,8
Personnel Expenditures	441,5	517,7	17,3
Capital Expenditures and Transfers	65,9	60,1	-8,8
Goods and Services Purchase Expenditures	94,6	103,8	9,7
Other Expenditures	31,7	29,9	-5,7
Total	1.176,2	1.383,2	17,6

Source: Ministry of Finance

The share of personnel expenditures item in total expenditures was 37.5 percent in the third quarter of 2017, while it is 37.4 percent in the third quarter of 2018. In the third quarter of 2017, the share of the current transfers constituting 46.1 percent of the total budget expenditures, increased to 48.6 percent in the third quarter of 2018. The share of personnel expenditures and current transfers in budget expenditures was 83.7 percent in the third quarter of 2017 and it became 86 percent in the same period of 2018.

Chart 4.3: Budget Expenditures Distribution (Million TRY)



Source: Ministry of Finance

4.4 BUDGET IMPLEMENTATION RESULTS

At the end of the first nine months of 2018, 57.32 percent of the budget revenues expected for 2018 were collected and 54.09 percent of the expected total budget expenditures were spent. For the same period of 2017, these rates were 66.64 percent and 64.68 percent, respectively. In the first nine months of 2017 and 2018, tax revenues increased from 2,140.9 million TRY to 2,651.7 million TRY. While the total non-tax revenues amounted to 782.2 million TRY in the first nine months of 2017, it reached 812.2 million TRY in the first nine months of 2018. Donations, grants and loans item was 431.5 million TRY and 263.2 million TRY for the first nine-month period of 2017 and 2018, respectively.

When the first nine-month realizations of budget expenditures are analysed for 2017 and 2018, current transfer expenditures rose from 1,564.4 million TRY to 1,793.1 million TRY, personnel expenditures item from 1,191.3 million TRY to 1,401.4 million TRY. Capital expenditures and transfers item decreased from 169.2 million TRY to 125.4 million TRY and goods and services purchase expenditures item from 244.1 million TRY to 240.4 million TRY. Budget surplus of 2017 in the first nine-month period was 150.4 million TRY and 170.4 million TRY in the first nine-month period of 2018.

Table 4.4: Budget Implementation Results (Million TRY)

	2017 Results	2018 Forecast	2017 – 2018 Change (%)	2017 First Nine-Month Results	2018 First Nine-Month Results	2017 First Nine-Month Results (%)	2018 First Nine-Month Results (%)	
Revenues	Tax Revenues	3.047,1	3.321,8	9,02	2.140,90	2.651,70	70,26	79,83
	Non-Tax Revenues	1.048,1	1.070,4	2,13	782,20	812,20	74,63	75,88
	Donations, Grants and Loans	930,8	2.154,2	131,44	431,50	263,20	46,36	12,22
	Other Revenues	76,1	116,0	52,43	45,20	91,60	59,40	78,97
	Grand Total	5.102,1	6.662,4	30,58	3.399,80	3.818,70	66,64	57,32
Expenditures	Current Transfers	2.360,0	2.471,6	4,73	1.564,40	1.793,10	66,29	72,55
	Personnel Expenditures	1.768,8	1.953,1	10,42	1.191,30	1.401,40	67,35	71,75
	Capital Expenditures and Transfers	406,5	726,4	78,70	169,20	125,40	41,62	17,26
	Goods and Service Purchase Expenditures	371,1	454,3	22,42	244,10	240,40	65,78	52,92
	Other Expenditures	117,2	1.140,0	872,70	80,40	88,00	68,60	7,72
	Grand Total	5.023,6	6.745,4	34,27	3.249,40	3.648,30	64,68	54,09

Source: Ministry of Finance

4.5 FINANCING BALANCE

The financing balance, which is equal to the difference between the total revenues figure (obtained by subtracting the loans extended by Turkey and domestic borrowing items from the budget revenues) and budget expenditures, increased by 53.6 million TRY in the third quarter of 2018 compared to the same period of the previous year and reached 27.4 million TRY. Total loans extended by Turkey decreased by 49.5 percent compared to the same quarter of the previous year and declined from 19 million TRY to 9.6 million TRY.

In the third quarter of 2018, domestic income increased by 27.4 percent and reached 1,310.5 million TRY due to the increases in tax revenues and non-tax revenues by 267.1 and 14.7 million TRY, compared to the same period of the previous year.

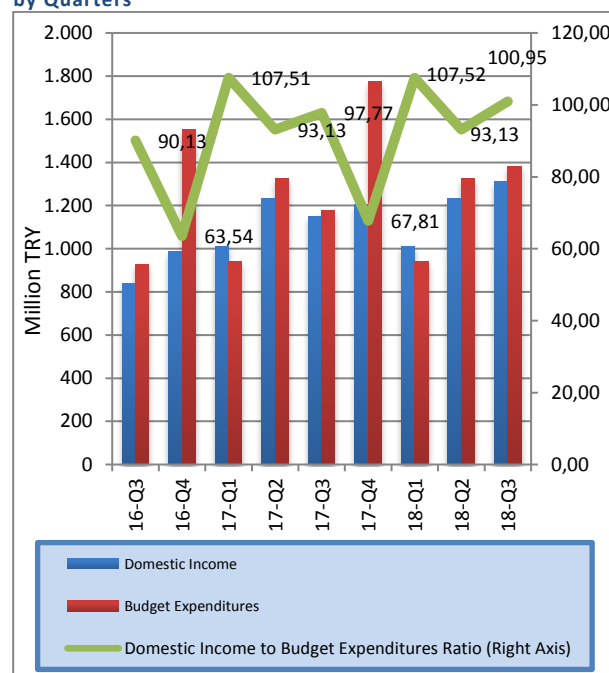
Table 4.5: Financing Balance (Million TRY)

	2017 July-Sept.	2018 July-Sept.
Budget Revenues	1.150,0	1.401,0
1. Domestic Income	1.028,3	1.310,5
Tax Revenues	768,6	1.035,7
Non-Tax Revenues	226,7	241,4
Other Revenues	33,0	33,4
2. Foreign Aids	121,7	90,5
Grants Extended by Turkey	121,7	90,5
Budget Expenditures	1.176,2	1.383,2
Personnel Expenditures	441,5	517,7
Current Transfers	542,5	671,7
Capital Expenditures	65,9	60,1
Other Expenditures	126,3	133,7
Financing Balance	-26,2	27,4
Financing	19,0	9,6
Loans Extended by Turkey	19,0	9,6
Domestic Borrowing	0,0	0,0

Source: Ministry of Finance

According to the budget figures of the third quarter of 2018, the domestic income to budget expenditures ratio has been 94.7 percent. The same ratio was 87.4 percent in the third quarter of 2017.

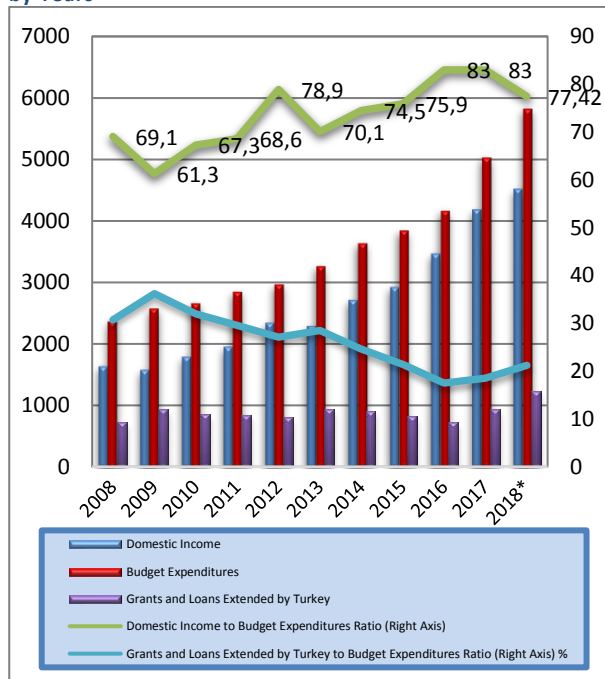
Chart 4.4: Domestic Income to Budget Expenditures Ratio by Quarters



Source: Ministry of Finance

It is observed that the domestic income (calculated by subtracting the grants and loans extended by Turkey from the budget revenues) to budget expenditures ratio has reached to 83 percent from 69 percent in the last 10 years and it is estimated that this ratio will reach 77.42 percent in 2018, in accordance with the budget projections. The share of the grants and loans extended by Turkey in the budget expenditures in the last 10-year period, which is the most important resource for financing the gap between the domestic income and the budget expenditures, is predicted to decrease from 30 percent to 20 percent. Though a positive outlook has emerged over the last 10 years in the sense of covering the budget expenditures with our domestic income, revenues are still unable to cover all of the budget expenditures and the budget deficit problem still continues to arise.

Chart 4.5: Domestic Income to Budget Expenditures Ratio by Years



Source: Ministry of Finance
*: Forecast

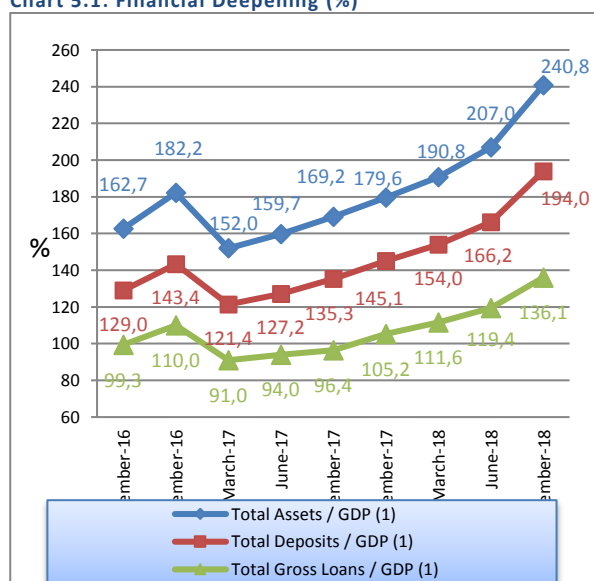
5 MONETARY AND FINANCIAL DEVELOPMENTS

5.1 OVERVIEW OF THE BANKING SECTOR

5.1.1 FINANCIAL DEEPENING

Financial deepening figures for the third quarter of 2018 has increased compared to the previous quarter. Total gross loans to GDP ratio has increased from 119.4 percent to 136.1 percent, total assets to GDP ratio from 207 percent to 240.8 percent and total deposits to GDP ratio from 166.2 percent to 194 percent.

Chart 5.1: Financial Deepening (%)



Source: Central Bank of the TRNC, SPO

Note: (1) SPO's GDP forecast figures are used for 2018.

5.1.2 PERFORMANCE RATIOS OF THE BANKING SECTOR

In the sector, the share of liquid assets in total assets increased to 27.64 percent in the third quarter of 2018. This rate was 27.8 percent in the same period of the previous year.

The CASR (Capital Adequacy Standard Ratio), which was 18.27 percent at the end of September 2017, decreased by 0.08 points to 18.19 percent in the third quarter of 2018.

The share of NPL in gross loans declined from 5.46 to 4.97 percent at the end of September 2018, compared to the previous quarter.

Gross loans to deposits ratio decreased by 1.68 percentage points to 70.14 percent in the third quarter of 2018, compared to the previous period.

The share of gross loans in total assets, which was 57.02 percent in September 2017, declined to 56.51 percent in the third quarter of 2018. It decreased by 1.16 points, compared to the previous quarter.

In the third quarter of 2018, gross loans increased by 13.98 percent compared to the previous quarter. Gross loans had an increase of 2.65 percent in the same period of the previous year.

Compared to the previous quarter, deposits increased by 7.96 percent at the end of June 2018, showing an increase of 16.71 percent in the third quarter of 2018.

The financial leverage ratio, which was 10.18 at the end of June 2018, reached to 10.62 in the third quarter of 2018.

Table 5.1: Performance Ratios

	2017		2018		
	Sept.	Dec.	Mar.	Jun.	Sept.
Liquid Assets / Total Assets (%)	27,80	27,42	26,37	26,69	27,64
CASR (%)	18,27	17,30	17,40	17,57	18,19
NPL / Gross Loans (%)	6,06	5,72	5,72	5,46	4,97
Gross Loans / Total Deposits (%)	71,31	72,55	72,45	71,82	70,14
Gross Loans / Total Assets (%)	57,02	58,61	58,47	57,67	56,51
Quarterly Growth Rate on Gross Loans (%)	2,65	9,11	5,81	7,01	13,98
Quarterly Growth Rate on Gross Loans (%)	6,37	7,24	5,95	7,96	16,71
Financial Leverage ¹	9,54	9,99	10,01	10,18	10,62

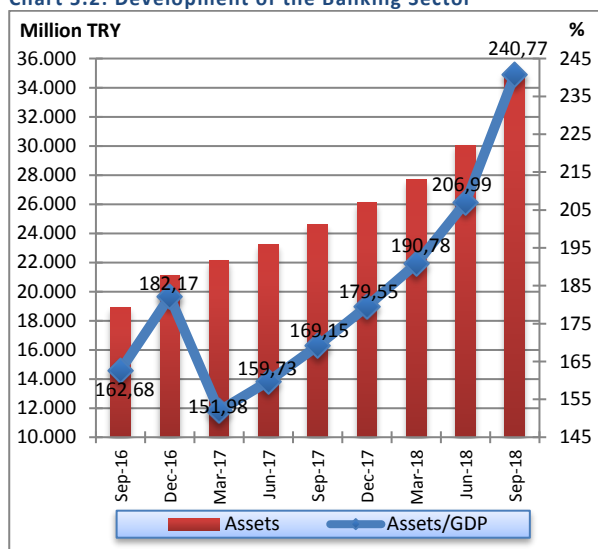
Source: Central Bank of the TRNC

Note: (1) Foreign Resources / Total Shareholders' Equity

5.1.1 DEVELOPMENT OF THE BANKING SECTOR

By the end of September 2018, the ratio of the banking sector balance sheet size to GDP rose to 240.77 percent.

Chart 5.2: Development of the Banking Sector



Source: Central Bank of the TRNC, SPO

Note: (1) SPO's GDP forecast figures are used for 2018.

5.1.1 CONCENTRATION IN THE BANKING SECTOR

Analysing the concentration in the banking sector, the share of the largest five banks in the sector in terms of asset size is 54.96 percent, and the share of the top ten banks in total assets is 78.34 percent in the third quarter of 2018.

In terms of the size of gross loans in the same period, the share of the first five banks in the sector is 55.57 percent and the share of the top ten banks is 80.4 percent.

In terms of deposit size, the share of the five largest banks in total deposits is 56.51 percent and the share of the top ten banks is 79.55 percent.

In terms of the size of shareholders' equity in the period, the share of the first five banks in total shareholders' equity is 52.35 percent, while the share of the top ten banks is 79.63 percent.

The share of the first five banks in the sector is 63.37 percent and the share of the top ten banks is 92.39 percent, in terms of the size of the debts to the banks item.

Table 5.2: Concentration in the Banking Sector (%)

Shares of the First Five Banks in the Sector	2017			2018	
	September	December	March	June	September
Assets	54,72	55,15	55,23	54,62	54,96
Gross Loans	56,34	57,01	56,22	55,44	55,57
Deposits	56,94	56,80	56,87	56,49	56,51
Debts to Banks	55,47	58,42	61,62	63,73	63,37
Shareholders' Equity	50,37	50,38	49,75	50,52	52,35
Shares of the First Ten Banks in the Sector					
Assets	77,78	78,47	78,56	78,02	78,34
Gross Loans	80,83	81,11	80,64	80,11	80,40
Deposits	79,91	80,07	79,91	79,40	79,55
Debts to Banks	87,22	90,64	92,81	91,47	92,39
Shareholders' Equity	77,22	78,36	78,27	78,58	79,63

Source: Central Bank of the TRNC

5.1.2 NUMBER OF BANKS BRANCHES AND PERSONNEL

The number of banks operating in the banking sector is 21 at the end of September 2018. Out of 21 banks in

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

Table 5.3: Development of the Number of Banks

	Sept.16	Dec.16	Mar.17	Jun.17	Sept.17	Dec.17	Mar.18	Jun.18	Sept.18
Public Banks	2	2	2	2	2	2	2	2	2
Private Banks	14	14	14	14	14	14	14	14	14
Branch Banks	6	6	6	6	6	5	5	5	5
Total	22	22	22	22	22	21	21	21	21

Source: Central Bank of the TRNC

The number of bank branches in the sector is 231 in the third quarter of 2018. When the distribution of branch numbers based bank groups is examined, it is seen that

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

Table 5.4: Development of the Number of Branches and Personnel

Development of the Number of Branches									
	Sept.16	Dec.16	Mar.17	Jun.17	Sept.17	Dec.17	Mar.18	Jun.18	Sept.18
Public Banks	36	36	36	36	34	33	32	33	33
Private Banks	152	151	152	153	156	161	161	160	159
Branch Banks	45	45	44	45	43	39	39	39	39
Total	233	232	232	234	233	233	232	232	231

Development of the Number of Personnel									
	Sept.16	Dec.16	Mar.17	Jun.17	Sept.17	Dec.17	Mar.18	Jun.18	Sept.18
Public Banks	554	548	564	559	565	558	554	550	547
Private Banks	1.875	1.934	1.924	1.927	1.965	2.024	2.038	2.042	2.062
Branch Banks	560	562	564	564	570	524	519	528	531
Total	2.989	3.044	3.052	3.050	3.100	3.106	3.111	3.120	3.140

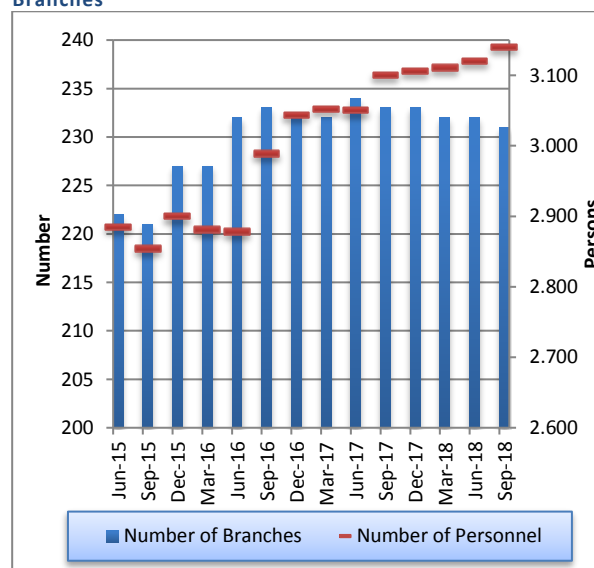
Source: Central Bank of the TRNC

The number of personnel employed in the sector increased by 20 persons and reached from 3,120 to 3,140 during June 2018 - September 2018 period. 547 of these personnel are working in public banks, 2,062 in private banks and 531 in branch banks. In this period, the number of personnel in private banks increased from 2,042 to 2,062, the number of personnel in public banks from 528 to 531, and the number of personnel in branch banks decreased from 550 to 547.

During September 2017 - September 2018 period, the number of personnel working in the banking sector increased by 40 persons to reach 3,140 from 3,100. In the mentioned period, when the change in the number of personnel is analysed based on bank groups, there was an increase of 97 persons in private banks, while there was a decrease of 18 persons in public banks and 39 persons in branch banks.

In the third quarter of 2018, it is observed that 17.42 percent of the personnel working in the sector belongs to the public banks, 65.67 percent belongs to the private banks and 16.91 percent belongs to the branch banks.

Chart 5.3: Development of the Number of Personnel and Branches



Source: Central Bank of the TRNC

5.2 BANKING SECTOR CONSOLIDATED BALANCE SHEET

Total assets of the banking sector, which was 30,051.9 million TRY at the end of June 2018, increased by 16.32 percent in the third quarter of 2018 and reached to 34,956.5 million TRY. In the aforementioned period, liquid assets increased by 20.45 percent, gross loans by 13.98 percent, securities portfolio by 22.03 percent and other assets by 14.49 percent. Total assets of the sector increased by 42.08 percent in September 2017 - September 2018 period. This increase was driven by rapid balance sheet growth due to foreign exchange rate increase in foreign currency items.

In the same period, liquid assets increased by 41.25 percent, gross loans by 40.8 percent, securities portfolio by 59.97 percent, while deposits increased by 43.16 percent and shareholders' equity by 28.87 percent.

Deposits, which is the most important funding source of the sector increased by 16.71 percent and the shareholders' equity increased by 11.94 percent in June 2018 - September 2018 period.

Table 5.5: Banking Sector Consolidated Balance Sheet (Million TRY)

	2017			2018		Percentage Change	
	September	December	March	June	September	06/2018 - 09/2018	09/2017 - 09/2018
Liquid Assets	6.840,0	7.161,8	7.303,9	8.021,5	9.661,8	20,45	41,25
Securities Portfolio	1.632,6	1.704,6	1.980,8	2.140,2	2.611,7	22,03	59,97
Total Gross Loans	14.028,2	15.306,2	16.195,6	17.330,4	19.752,4	13,98	40,80
Other Assets	2.101,9	1.942,7	2.218,3	2.559,8	2.930,6	14,49	39,43
Total Assets-Liabilities	24.602,7	26.115,3	27.698,6	30.051,9	34.956,5	16,32	42,08
Deposits	19.672,9	21.098,1	22.352,7	24.131,2	28.163,1	16,71	43,16
Debts to Banks	1.600,6	1.637,5	1.638,0	2.004,8	2.328,1	16,13	45,45
Other Liabilities	994,9	1.002,9	1.192,2	1.228,7	1.457,2	18,60	46,47
Shareholders' Equity	2.334,3	2.376,8	2.515,7	2.687,2	3.008,1	11,94	28,87

Source: Central Bank of the TRNC

5.2.1 DEVELOPMENTS IN THE STRUCTURE OF ASSETS AND LIABILITIES

In the third quarter of 2018, the largest share in the sector's total assets is gross loans with 56.51 percent. Gross loans are followed by liquid assets with a share of 27.64 percent, other assets with a share of 8.38 percent and securities portfolio with 7.47 percent.

When the banking sector is evaluated in terms of the share of the items constituting the asset structure of September 2017 - September 2018 period, an increase in securities portfolio, liquid assets and gross loans and a decrease in other assets is observed.

As of September 2018, 80.57 percent of the total liabilities is deposits, 8.61 percent is shareholders' equity, 6.66 percent is debts to banks and 4.16 percent is other liabilities.

When the items constituting the liability structure of the banking sector are evaluated in terms of their shares in September 2017 - September 2018 period, it is seen that there is an increase in the deposits, debts to banks and other liabilities items and a decrease in shareholders' equity item.

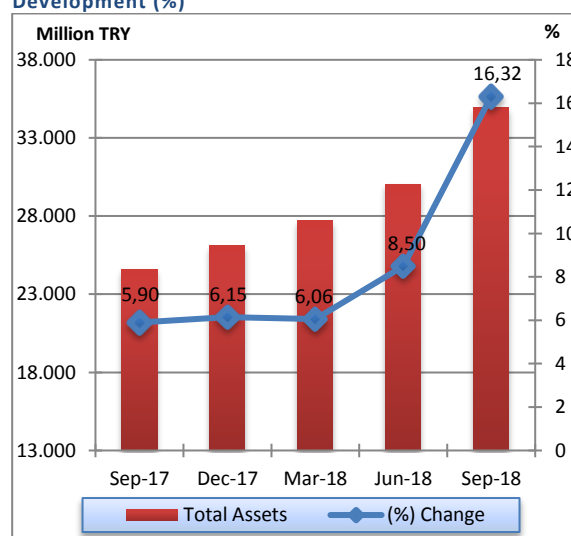
Table 5.6: Structural Percentage Distribution of Banking Sector Assets / Liabilities (%)

Assets	2017			2018	
	September	December	March	June	September
Liquid Assets	27,80	27,42	26,37	26,69	27,64
Securities Portfolio	6,64	6,53	7,15	7,12	7,47
Total Gross Loans	57,02	58,61	58,47	57,67	56,51
Other Assets	8,54	7,44	8,01	8,52	8,38
Total	100,00	100,00	100,00	100,00	100,00
Liabilities					
Total Deposits	79,96	80,79	80,70	80,30	80,57
Debts to Banks	6,51	6,27	5,91	6,67	6,66
Other Liabilities	4,04	3,84	4,31	4,09	4,16
Shareholders' Equity	9,49	9,10	9,08	8,94	8,61
Total	100,00	100,00	100,00	100,00	100,00

Source: Central Bank of the TRNC

The banking sector's total assets, which grew during all periods from September 2017 to September 2018, increased by 5.9 and 6.15 percent in the third and last quarter of 2017. Total assets increased by 6.06, 8.5 and 16.32 percent, respectively, in the first, second and third quarters of 2018.

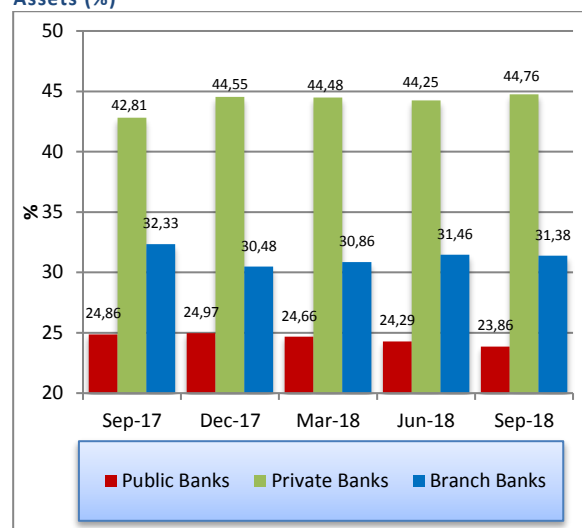
Chart 5.4: Assets of the Banking Sector and Quarterly Development (%)



Source: Central Bank of the TRNC

In the third quarter of 2018, sector's total assets increased from 44.25 to 44.76 percent in the private banks group and decreased from 24.29 percent to 23.86 percent in the public banks group, and in the branch banks group it decreased from 31.46 percent to 31.38 percent. In September 2017 - September 2018 period, there was a downsizing in the group of public and branch banks and a growth in private banks group.

Chart 5.5: Shares of Bank Groups in the Sector's Total Assets (%)



Source: Central Bank of the TRNC

In the third quarter of 2018, compared to the previous quarter, public banks' total assets increased by 14.26 percent, private banks' total assets increased by 17.67 percent and branch banks' total assets increased by

16.02 percent. Compared to the same period of the previous year, total assets increased by 36.36 percent in public banks, 48.55 percent in private banks and 37.92 percent in branch banks.

Table 5.7: Development of Total Assets on the Basis of Bank Groups (Million TRY)

	2017			2018		Percentage Change	
	September	December	March	June	September	06/2018-09/2018	09/2017-09/2018
Public Banks	6.116,1	6.523,2	6.834,2	7.299,1	8.339,9	14,26	36,36
Private Banks	10.532,4	11.633,4	12.316,3	13.297,4	15.646,4	17,67	48,55
Branch Banks	7.954,2	7.958,7	8.548,1	9.455,4	10.970,2	16,02	37,92
Total	24.602,7	26.115,3	27.698,6	30.051,9	34.956,5	16,32	42,08

Source: Central Bank of the TRNC

Analysing the TRY and FX distribution of gross loans as of September 2018, the share of TRY loans decreased from 51.55 percent to 44.9 percent compared to the previous quarter, while the share of FX loans increased from 48.45 percent to 55.1 percent. The share of TRY deposits decreased from 40.79 percent to 36.16 percent as of September 2018, while the share of FX deposits increased from 59.21 percent to 63.84 percent,

compared to the previous quarter. The share of TRY deposits and loans decreased, while the share of FX deposits and loans increased. The reason for this is the recent depreciation of the Turkish Lira against other currencies. Between the end of June and the end of September, TRY depreciated by about 30 percent against the sterling pound, the euro and the US dollar.

Table 5.8: TRY and FX Distribution of Gross Loans and Deposits (%)

	2017				2018					
	September		December		March		June		September	
	TRY	FX	TRY	FX	TRY	FX	TRY	FX	TRY	FX
Loans (Gross)	57,50	42,50	55,98	44,02	53,72	46,28	51,55	48,45	44,90	55,10
Deposits	45,91	54,09	45,42	54,58	43,54	56,46	40,79	59,21	36,16	63,84

Source: Central Bank of the TRNC

5.2.1 LIQUID ASSETS

Total of cash assets, receivables from the banks, receivables from the Central Bank and receivables from the interbank money market transactions, which constitute the liquid assets of the banking sector, increased by 20.45 percent in the third quarter of 2018 and reached from 8.021,5 million TRY to 9,661.8 million TRY, compared to the previous quarter.

In this period, an increase of 117.2 million TRY in the cash values item, 537.8 million TRY in the receivables from the Central Bank item, 352.3 million TRY in the

receivables from the IMM (Interbank Money Market) transactions item, and 633 million TRY in the receivables from the banks item was recorded.

Liquid assets amounting to 6,840 million TRY at the end of September 2017 increased to 9,661.8 million TRY at the end of September 2018. In the period, cash assets increased by 128.6 million TRY, receivables from the Central Bank increased by 1,063.3 million TRY, receivables from IMM transactions increased by 787.3 million TRY and receivables from banks increased by 842,6 million TRY.

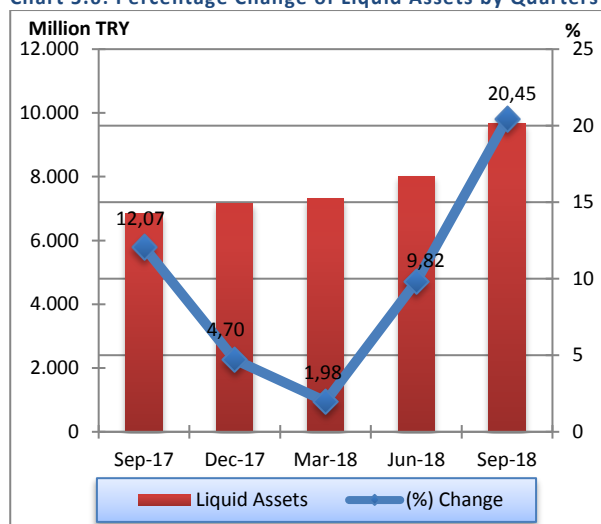
Table 5.9: Development of Liquid Assets (Million TRY)

	2017		March	2018		Percentage Change 06/2018 - 09/2018
	September	December		June	September	
Cash Assets	227,9	216,4	217,4	239,3	356,5	48,98
Receivables from the Central Bank	2.433,8	2.562,1	2.687,4	2.959,3	3.497,1	18,17
Receivables from Interbank Money Market Transactions	1.251,5	1.499,1	1.495,6	1.686,5	2.038,8	20,89
Receivables from Banks	2.926,8	2.884,2	2.903,5	3.136,4	3.769,4	20,18
Total	6.840,0	7.161,8	7.303,9	8.021,5	9.661,8	20,45

Source: Central Bank of the TRNC

Liquid assets increased by 12.07 percent in the third quarter, and 4.7 percent in the fourth quarter of 2017. And in 2018, liquid assets increased by 1.98 percent in the first quarter, by 9.82 percent in the second quarter and by 20.45 percent in the third quarter.

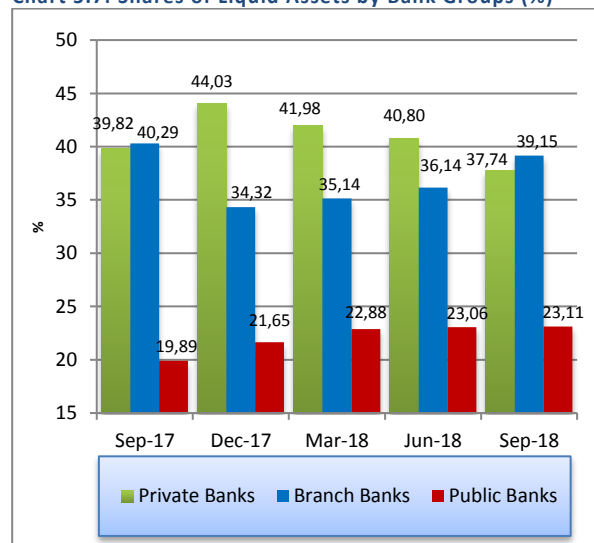
Chart 5.6: Percentage Change of Liquid Assets by Quarters



Source: Central Bank of the TRNC

In the third quarter of 2018, liquid assets of private banks decreased while the liquid assets of public banks and branch banks increased, compared to the previous quarter. In September 2017 - September 2018 period, there was a growth in public banks group, while there was a downsizing in the group of private banks and branch banks.

Chart 5.7: Shares of Liquid Assets by Bank Groups (%)



Source: Central Bank of the TRNC

5.2.2 LOANS

Business loans, which amounted to 11,604.1 million TRY as of September 2018, are in the first rank as in the previous periods. They are followed by consumer loans with 4,946.8 million TRY.

During the period from September 2017 to September 2018, business loans increased from 7,598.6 million TRY to 11,604.1 million TRY while consumer loans increased to 4,946.8 million TRY from 3,815.2 million TRY.

Table 5.10: Distribution of Loans by Type (Million TRY)

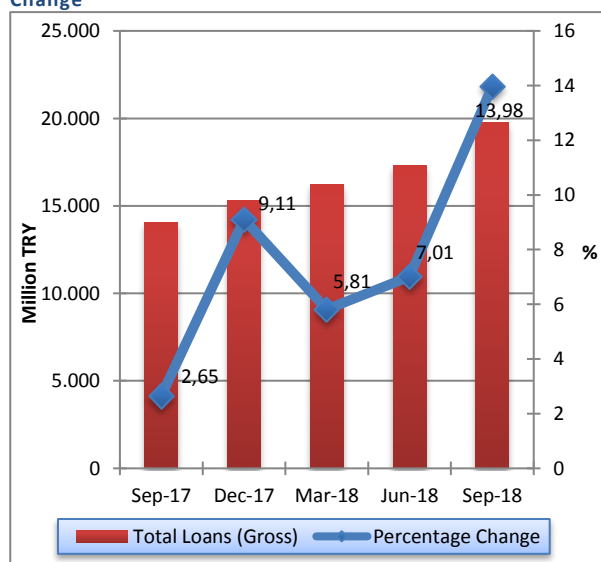
	2017			2018	
	September	December	March	June	September
Business Loans	7.598,6	8.406,5	8.907,5	9.710,9	11.604,1
Consumer Loans	3.815,2	4.152,9	4.255,4	4.462,5	4.946,8
Credit Cards	391,6	394,7	392,4	421,6	444,7
Discount Loans	178,0	195,0	206,2	220,3	248,1
Other Investment Loans	111,2	112,0	102,9	104,1	109,5
Import Loans	3,5	3,7	4,2	4,2	4,7
Loans of Funds Originated	15,9	17,1	17,0	18,4	22,4
Directed Loans	16,7	21,2	22,1	16,3	15,1
Export Loans	6,9	6,1	5,2	6,9	4,9
Loans Extended by Central Bank of the TRNC	5,4	5,7	0,0	6,9	9,1
Loans Extended Through Central Bank of the TRNC	0,0	0,0	0,0	0,0	0,0
Loans to Purchase Security for Customers	0,1	0,1	0,2	0,5	0,7
Export Guaranteed Investment Loans	0,0	0,0	0,0	0,0	0,0
Other Loans	1.034,9	1.116,3	1.356,4	1.411,3	1.359,7
Total Loans	13.178,0	14.431,3	15.269,5	16.383,9	18.769,8

Source: Central Bank of the TRNC

Note: Non-performing loans are not included.

Gross loans of the sector increased by 2.65 and 9.11 percent at the end of September and December, respectively. Gross loans increased by 5.81 percent as of March, by 7.01 as of June and by 13.98 as of September 2018.

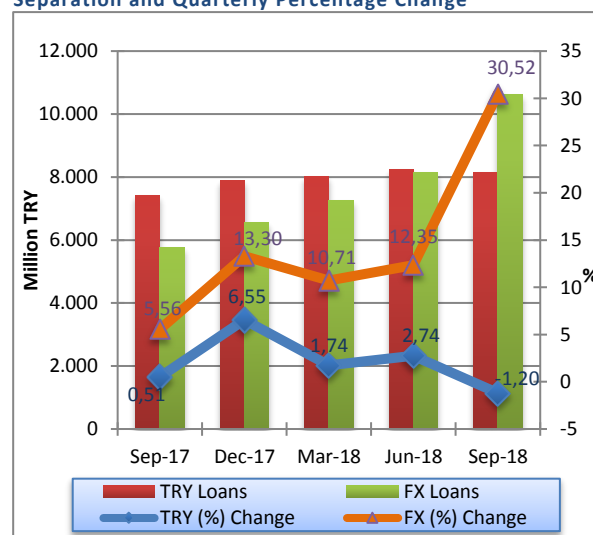
Chart 5.8: Development of Gross Loans and Percentage Change



Source: Central Bank of the TRNC

In the third quarter of 2018, 8,144.4 million TRY of the loans are in TRY currency and 10,625.4 million TRY are in foreign currency. In the period, there was a decrease of 1.2 percent in TRY loans and an increase of 30.52 percent in FX loans, compared to the previous quarter.

Chart 5.9: Banking Sector Loans (Net) TRY and FX Separation and Quarterly Percentage Change



Source: Central Bank of the TRNC

Note: Non-performing loans are not included.

In the third quarter of 2018, public banks' gross loans decreased by 3.1 per mille in TRY currency and increased by 29.23 percent in FX currency, compared to the previous quarter. Gross loans of private banks decreased by 2.5 per mille in TRY currency and increased by 32.26 percent in FX currency. Gross loans

of branch banks decreased by 1.64 percent in TRY and increased by 22.6 percent in FX currency, in the mentioned period. The reason for the increase in foreign currency loans is the recent rise in exchange rates.

Table 5.11: Development of Gross Loans on the Basis of Bank Groups (Million TRY)

	June 2018			September 2018			Percentage Change 06/2018 - 09/2018		
	TRY	FX	Total	TRY	FX	Total	TRY	FX	Total
Public Banks	2.944,7	1.309,0	4.253,7	2.935,6	1.691,6	4.627,2	-0,31	29,23	8,78
Private Banks	3.101,2	5.194,5	8.295,7	3.093,5	6.870,0	9.963,5	-0,25	32,26	20,10
Branch Banks	2.887,1	1.893,9	4.781,0	2.839,8	2.321,9	5.161,7	-1,64	22,60	7,96
Total Loans (Gross)	8.933,0	8.397,4	17.330,4	8.868,9	10.883,5	19.752,4	-0,72	29,61	13,98

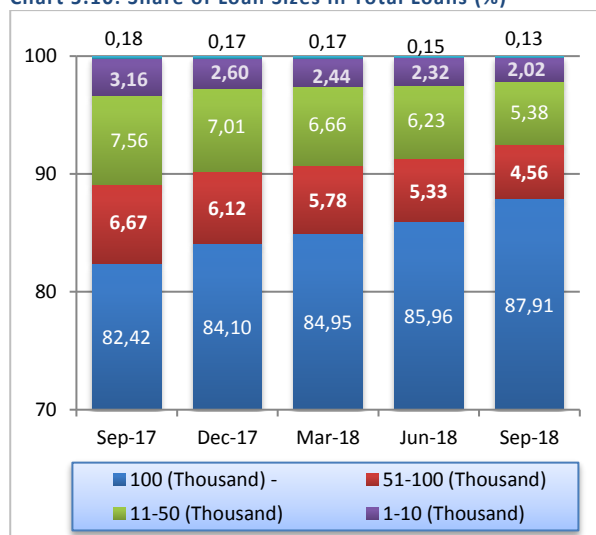
Source: Central Bank of the TRNC

At the end of the third quarter of 2018, the share of loans over 100 thousand TRY in total loans was 87.91 percent.

In this period, 11-50 thousand TRY loans take the second place in loan sizes with a share of 5.38 percent. The loans amounting to 51-100 thousand TRY and 1-10 thousand TRY constitute 4.56 and 2.02 percent of the total loans, respectively. The lowest loan use in the sector was in loans up to 1 thousand TRY with a share of 1.3 per mille.

In the period September 2017 - September 2018, the loans more than 100 thousand TRY increased and the loans of 51-100 thousand TRY, 11-50 thousand TRY, 1-10 thousand TRY and 0-1 thousand TRY decreased in terms of the share of the loan sizes in the total loans.

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

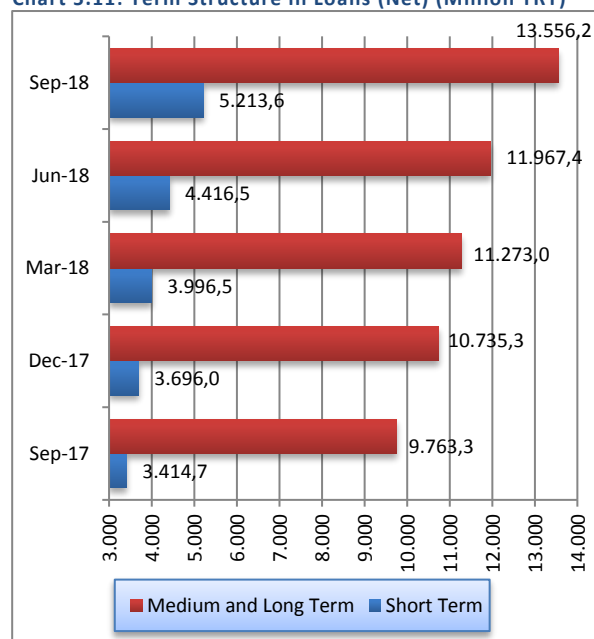


Source: Central Bank of the TRNC

Note: Non-performing loans are not included.

In the third quarter of 2018, short-term loans increased from 4,416.5 million TRY to 5,213.6 million TRY, and medium and long-term loans increased from 11,967.4 million TRY to 13,556.2 million TRY. In the period of September 2017 - September 2018, short-term loans increased by 52.68 percent and medium and long-term loans increased by 38.85 percent.

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

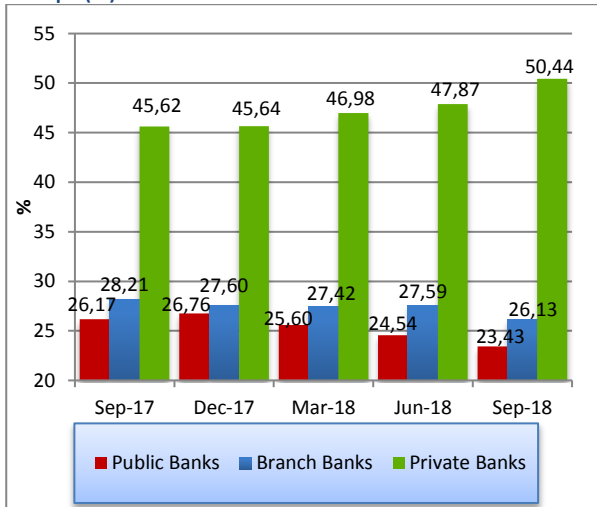


Source: Central Bank of the TRNC

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

When the change in gross loans is examined, the share of private banks in the third quarter of 2018 has increased from 47.87 percent to 50.44 percent, compared to the previous quarter. The share of the loans extended by public banks group in the total loans decreased to 24.54 percent from 23.43 percent and the share of loans extended by branch banks decreased from 27.59 to 26.13 percent. During September 2017 - September 2018 period, the share of the loans extended by branch banks and public banks in total loans decreased while the share of private banks increased.

Chart 5.12: Share of Gross Loans on the Basis of Bank Groups (%)

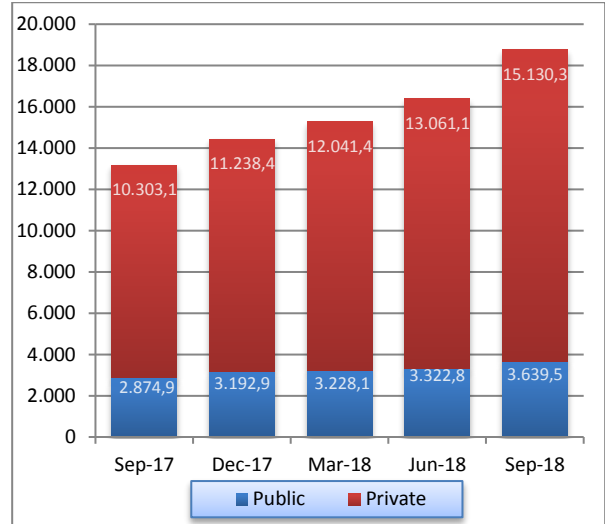


Source: Central Bank of the TRNC

As of September 2018, 80.61 percent of the banking sector’s total loans were extended to the private sector and 19.39 percent to the public sector. Compared to the previous quarter, the loans used by the public sector increased from 3,322.8 million TRY and private sector loans increased from 13,061.1 million TRY to 15,130.3 million TRY.

In September 2017 - September 2018 period, the increase rate of the loans used by the public was 26.6 percent and the increase rate of the loans used by the private sector was 46.85 percent.

Chart 5.13: Public and Private Sector Distribution of Loans (Million TRY)

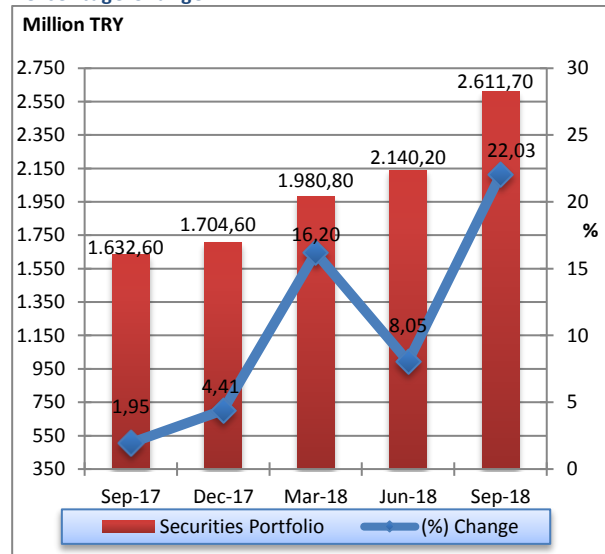


Source: Central Bank of the TRNC

5.2.3 SECURITIES PORTFOLIO

Securities portfolio increased by 22.03 percent as of September 2018, compared to the previous quarter. As of September, December 2017 and March, June 2018, SP increased by 1.95 percent, 4.41 percent, 16.2 percent and 8.05 percent, respectively.

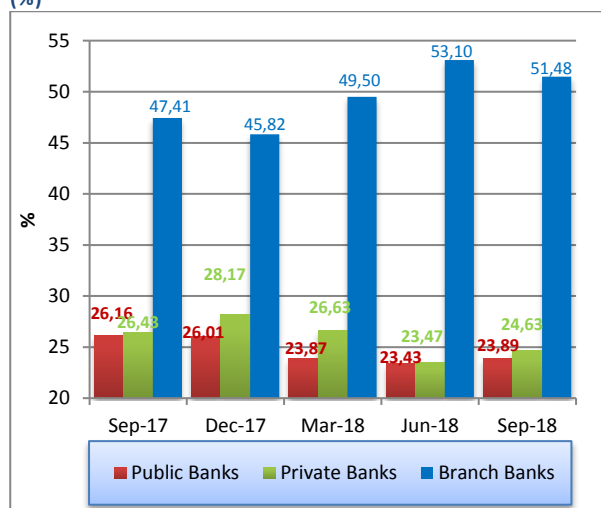
Chart 5.14: Securities Portfolio Totals and Quarterly Percentage Change



Source: Central Bank of the TRNC

In the third quarter of 2018, the share of public banks in total SP increased from 23.43 percent to 23.89 percent and the share of private banks from 23.47 percent to 24.63 percent, while the share of branch banks decreased from 53.1 percent to 51.48 percent, compared to the previous quarter. In September 2017 - September 2018 period, there was a decrease in branch banks and private banks group, while there was an increase in the branch banks group.

Chart 5.15: Shares of Securities Portfolio by Bank Groups (%)



Source: Central Bank of the TRNC

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

	2017			2018	
	September	December	March	June	September
Savings	14.146,6	15.380,3	16.210,0	17.357,3	20.093,4
Commercial	3.914,2	3.942,5	4.270,9	4.686,0	5.620,5
Official	1.344,5	1.499,0	1.504,5	1.730,4	1.990,1
Other	267,5	276,3	367,3	357,5	459,1
Total Deposits	19.672,9	21.098,1	22.352,7	24.131,2	28.163,1
Debts to Banks	1.600,6	1.637,5	1.638,0	2.004,8	2.328,1
Total Deposits Including Debts to Banks	21.273,5	22.735,6	23.990,7	26.136,0	30.491,2

Source: Central Bank of the TRNC

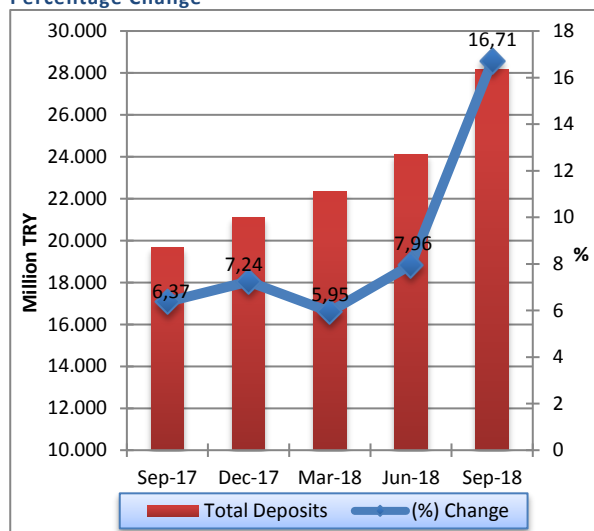
5.2.4 DEPOSITS

Deposits, which is the most important funding source of the sector increased by 16.71 percent, compared to the previous quarter. Deposits increased by 43.16 percent in one-year period and amounted to 28,163.1 million TRY at the end of September 2018.

As of the end of September 2018, it is observed that the largest share belongs to savings deposits with 20,093.4 million TRY as it was in the previous periods. This is followed by commercial deposits with 5,620.5 million TRY and official deposits with 1,990.1 million TRY. In September 2017 - September 2018 period, savings deposits increased by 42.04 percent, commercial deposits by 43.59 percent and official deposits by 48.02 percent.

In 2017, total deposits increased by 6.37 percent in the third quarter and by 7.24 percent in the last quarter. Total deposits increased by 5.95 percent in the first quarter, by 7.96 percent in the second quarter and by 16.71 percent in the third quarter of 2018.

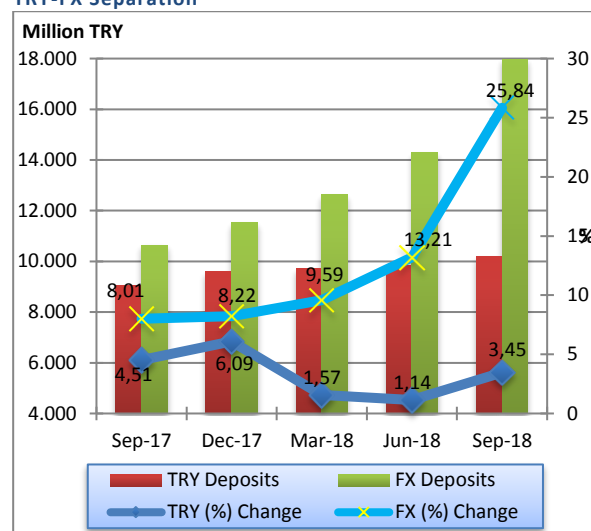
Chart 5.16: Development of Deposits and Quarterly Percentage Change



Source: Central Bank of the TRNC

In the third quarter of 2018, it is observed that deposits amounted to 10,183.4 million TRY in Turkish Lira currency and 17,979.7 million TRY in foreign currency. In the period, TRY deposits increased by 3.45 percent and FX deposits increased by 25.84 percent, compared to the previous quarter.

Chart 5.17: Quarterly Percentage Change of Deposits and TRY-FX Separation



Source: Central Bank of the TRNC

At the end of September 2018, compared to the previous quarter, TRY deposits of public banks increased by 2.3 percent and FX deposits increased by 25.54 percent, private banks' TRY deposits increased by 2.8 percent and FX deposits increased by 26.17 percent. In the same period, branch banks' TRY deposits increased by 5.41 percent and FX deposits increased by 25.42 percent. The depreciation of TRY in the third quarter of 2018 is the most significant reason for the rise in FX deposits.

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

	June 2018			September 2018			Percentage Change 06/2018-09/2018		
	TRY	FX	Total	TRY	FX	Total	TRY	FX	Total
Public Banks	3.282,8	3.003,0	6.285,8	3.358,3	3.769,9	7.128,2	2,30	25,54	13,40
Private Banks	3.459,4	7.522,3	10.981,7	3.556,2	9.491,0	13.047,2	2,80	26,17	18,81
Branch Banks	3.101,2	3.762,5	6.863,7	3.268,9	4.718,8	7.987,7	5,41	25,42	16,38
Total Deposits	9.843,4	14.287,8	24.131,2	10.183,4	17.979,7	28.163,1	3,45	25,84	16,71

Source: Central Bank of the TRNC

As in previous periods, maturity concentration of the sector deposits belongs to 1-month deposits with a ratio of 48.35 percent. 1-month deposits are followed by, 3-month deposits with a share of 21.33 percent, demand deposits with a share of 14.92 percent, 1-year deposits with a share of 11.26 percent and 6-month deposits with a share of 4.14 percent.

When the maturity distribution of deposits is compared to the previous quarter, there was a decrease of 1.3

point in 1-month month deposits, while demand, 3-month, 6-month and 1-year deposits increased by 0.08, 0.16 and 0.79 point, respectively.

During September 2017 - September 2018 period, 1-month and 6-month deposits decreased by 2.83 and 0.25 points respectively, while demand deposits, 3-month deposits and 1-year deposits increased by 0.09, 0.79 and 2.2 points, respectively.

Table 5.14: Maturity Distribution of Deposits (%)

	2017			2018		Change (Points)	
	September	December	March	June	September	06/2018-09/2018	09/2017-09/2018
Demand	14,83	14,78	13,86	14,84	14,92	0,08	0,09
1-Month	51,18	51,23	52,97	49,65	48,35	-1,30	-2,83
3-Month	20,54	20,19	18,96	21,06	21,33	0,27	0,79
6-Month	4,39	4,36	4,08	3,98	4,14	0,16	-0,25
1-Year	9,06	9,44	10,13	10,47	11,26	0,79	2,20
Total	100,00	100,00	100,00	100,00	100,00		

Source: Central Bank of the TRNC

When the distribution of deposits in the banking sector is analysed by the size of deposits, as of the end of September 2018, deposits between 0-5 thousand TRY increased from 312.2 million TRY to 314.5 million TRY, deposits between 5-10 thousand TRY from 351,1 million TRY to 358.9 million TRY, and deposits over 100 thousand TRY deposits increased from 16,994 million TRY to 21,427.3 million TRY, while deposits between

10-50 thousand TRY decreased from 2,445,8 million TRY to 2,396.3 million TRY, and deposits between 50-100 thousand TRY decreased from 4.028.1 million TRY to 3.666.1 million TRY. In the third quarter of 2018, the share of deposits over 100 thousand TRY was 76.08 percent, and deposits of 50-100 thousand TRY had a share of 13.02 percent.

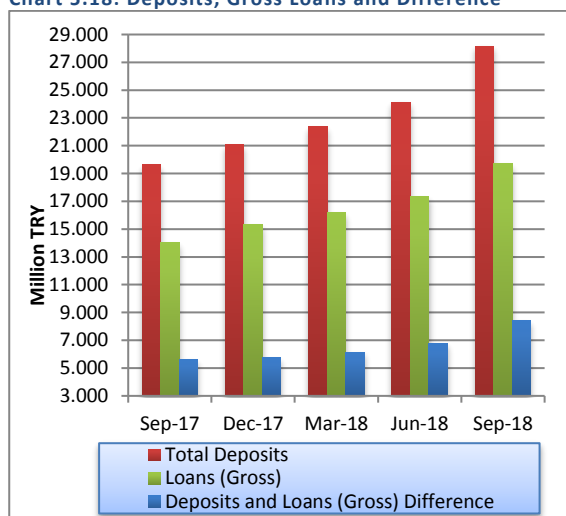
Table 5.15: Distribution of Deposits by Size (Million TRY)

	2017			2018	
	September	December	March	June	September
0-5 Thousand TRY	315,3	329,4	318,2	312,2	314,5
5-10 Thousand TRY	315,0	338,9	332,2	351,1	358,9
10-50 Thousand TRY	2.469,4	2.476,8	2.439,5	2.445,8	2.396,3
50-100 Thousand TRY	3.597,9	3.837,2	3.993,0	4.028,1	3.666,1
Over 100 Thousand TRY	12.975,3	14.115,8	15.269,8	16.994,0	21.427,3
Total Deposits	19.672,9	21.098,1	22.352,7	24.131,2	28.163,1

Source: Central Bank of the TRNC

The difference between total deposits and gross loans, which was 6,800.8 million TRY at the end of June 2018, increased by 1,609.9 million TRY and reached to 8,410.7 million TRY in September 2018.

Chart 5.18: Deposits, Gross Loans and Difference

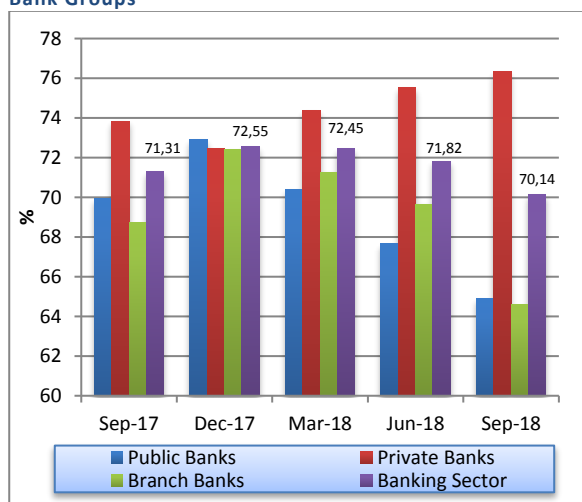


Source: Central Bank of the TRNC

Loans to total deposits ratio, which is one of the indicators of the banking sector's depth and intermediary function, was 71.82 percent at the end of June 2018 and decreased to 70.14 percent at the end of September 2018. Loans to total deposits ratio decreased by 1.17 point in one-year period.

When loans to deposits ratio at the end of September 2018 is examined on the basis of bank groups, private banks take the first rank with 76.36 percent. Private banks are followed by public banks with a rate of 64.91 percent. Branch banks have a conversion rate of 64.62 percent.

Chart 5.19: Deposits to Loans (Gross) Ratio on the Basis of Bank Groups



Source: Central Bank of the TRNC

5.2.5 SHAREHOLDERS' EQUITY

Shareholders' equity, which is of great importance in terms of stability and healthy development of the sector, increased by 11.94 percent, compared to the previous quarter and reached to 3,008.1 million TRY at the end of the third quarter of 2018.

Shareholders' equity increased by 28.87 percent in September 2017 - September 2018 period. In one-year period, paid-in capital of the sector increased by 160.2 million TRY and reserve requirements increased by 60.7 million TRY.

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

	2017		2018		
	Sept.	Dec.	Mar.	Jun.	September
Paid-in Capital	1.021,4	1.099,6	1.153,7	1.180,3	1.181,6
Reserve Requirements	558,0	409,6	572,8	616,8	618,7
Fixed Asset Revaluation Fund	0,9	0,9	0,9	0,9	0,9
Securities Value Increment Fund	92,6	101,1	110,0	124,0	163,6
Period Profit (Loss)	297,4	407,5	123,1	316,1	596,1
Accumulated Profit (Loss)	364,0	358,1	555,2	449,1	447,2
Total	2.334,3	2.376,8	2.515,7	2.687,2	3.008,1

Source: Central Bank of the TRNC

5.3 MONEY SUPPLY

The most narrow defined money supply M1 increased by 17.57 percent at the end of September 2018 compared to June 2018 and rose to 6.038,8 million TRY from 5,136.5 million TRY. M1 money supply has increased by 46.35 percent in one-year period.

At the end of June 2018, M2 defined money supply, which amounted to 24,283.6 million TRY increased by 16.79 percent in the third quarter of 2018 and reached 28,359.8 million TRY. M2 money supply has increased by 42.89 percent in one-year period.

The broadest defined money supply M3, which is found by adding official deposits and other deposits within Central Bank of the TRNC to the M2 money supply, increased by 16.67 percent in the third quarter of 2018 compared to the previous quarter and rose from 26,135.3 million TRY to 30,493.1 million TRY. The increase rate in M3 compared to the same period of the previous year is 43.56 percent.

Table 5.17: Money Supply (Million TRY)

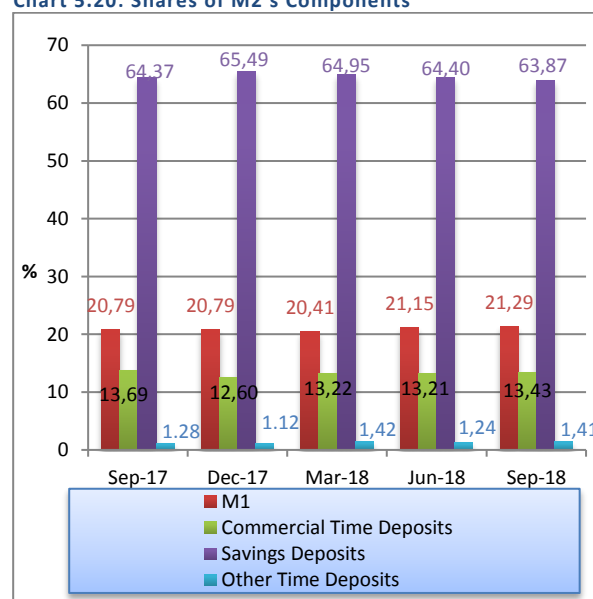
Years	Period	M1	Quarterly Percentage Change	M2	Quarterly Percentage Change	M3	Quarterly Percentage Change
2015	I	2.338,5	5,77	12.470,8	4,97	13.249,2	4,65
	II	2.532,7	8,30	13.211,3	5,94	14.056,5	6,09
	III	2.829,9	11,73	14.279,2	8,08	15.106,4	7,47
	IV	2.841,2	0,40	14.215,8	-0,45	15.109,8	0,02
2016	I	2.797,9	-1,53	14.340,3	0,88	15.181,6	0,48
	II	2.976,9	6,40	14.620,3	1,95	15.593,1	2,71
	III	3.158,0	6,08	15.285,2	4,55	16.319,0	4,66
	IV	3.544,1	12,23	16.946,4	10,87	17.996,6	10,28
2017	I	3.754,8	5,95	18.019,6	6,33	19.209,2	6,74
	II	3.906,7	4,05	18.670,5	3,61	20.066,2	4,46
	III	4.126,2	5,62	19.847,4	6,30	21.240,3	5,85
	IV	4.403,3	6,71	21.181,5	6,72	22.789,8	7,29
2018	I	4.620,3	4,93	22.638,7	6,88	24.286,7	6,57
	II	5.136,5	11,17	24.283,6	7,27	26.135,3	7,61
	III	6.038,8	17,57	28.359,8	16,79	30.493,1	16,67

Source: Central Bank of the TRNC

As in previous periods, the largest share in M2 is 63.87 percent with the savings deposits as of September 2018. This is followed by M1 with a share of 21.29 percent, commercial time deposits with 13.43 percent and other time deposits with a ratio of 1.41 percent.

The savings time deposit, which constitutes the largest share of the structure of M2, decreased by 0.5 point to 63.87 percent in September 2017 - September 2018 period. In the mentioned period, M1, one of the other subcomponents of M2, increased from 20.79 percent to 21.29 percent and other time deposits from 1.28 percent to 1.41 percent, while commercial time deposits fell from 13.69 percent to 13.43 percent.

Chart 5.20: Shares of M2's Components



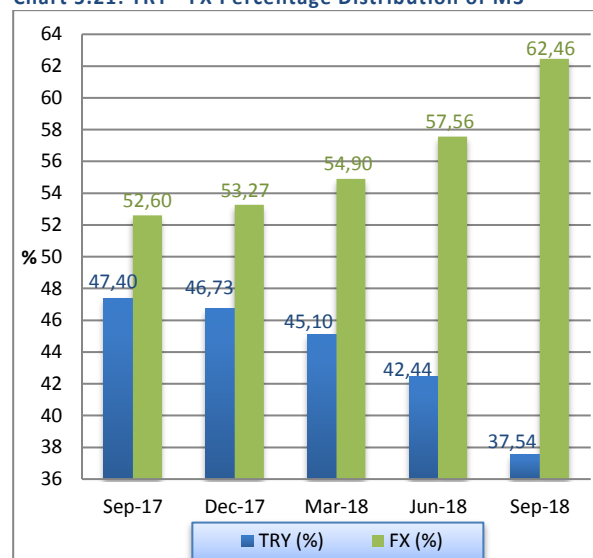
Source: Central Bank of the TRNC

Analysing the TRY-FX percentage distribution of M3 defined money supply as of September 2018, it is observed that the share of TRY deposits in M3 is 37.54 percent and the share of FX deposits is 62.46 percent. At the end of September 2017, these shares were 47.4 percent in the TRY and 52.6 percent in the FX.

5.4 OVERVIEW OF INTERBANK MONEY MARKET

As of the third quarter of 2018, there were 639 transactions in TRY, 202 transactions in USD, 223 transactions in EUR and 527 transactions in GBP currency. In this period, transactions of 20,612 million TRY in Turkish Lira currency and, 293 million USD in US Dollar currency, 6,731 million EUR in Euro currency and 5,171 million GBP in Sterling Pound currency were made.

Chart 5.21: TRY - FX Percentage Distribution of M3



Source: Central Bank of the TRNC

Table 5.18: Transaction Volume (x 1.000) and Amount

	TRY		\$		€		£	
	Number	Volume	Number	Volume	Number	Volume	Number	Volume
2017								
Q3	633	9.554.550	167	177.450	220	5.263.225	716	5.715.425
Q4	708	15.421.800	197	314.050	251	7.011.600	574	5.731.125
2018								
Q1	948	16.733.550	163	409.500	272	7.738.650	579	5.729.025
Q2	779	16.336.150	121	241.600	366	8.451.450	540	5.447.950
Q3	639	20.611.650	202	292.500	223	6.730.700	527	5.171.325

Source: Central Bank of the TRNC

Looking at the volume distributions of overnight transactions made in the third quarter of 2018, it is observed that the shares were 96.94 percent in TRY, 96.34 percent in USD, 99.97 in EUR and 99.76 percent in GBP. 1-week transactions were realized as 2.62 percent in TRY, 1.68 percent in USD and 0.1 per mille in

GBP. 2-week transactions were preferred as 4.1 per mille in TRY and 1.23 percent in USD. 3-week transactions had a rate of 0.1 per mille in GBP, while 1-month transactions had a rate of 0.3 per mille in TRY, 7.5 per mille in USD, 0.3 per mille in EUR and 2.2 per mille in GBP.

Table 5.19: Transaction Volume (x 1.000)

	TRY		\$		€		£	
	Volume	Share (%)	Volume	Share (%)	Volume	Share (%)	Volume	Share (%)
2017 Q3	9.554.550		177.450		5.263.225		5.715.425	
ON	9.131.550	95,57	136.800	77,09	5.262.625	99,99	5.715.425	100,00
1W	322.000	3,37						
1M	101.000	1.06	40.650	22,91	600	0,01		
2017 Q4	15.421.800		314.050		7.011.600		5.731.125	
ON	14.986.600	97,18	273.950	87,23	7.009.200	99,97	5.731.125	100,00
1W	404.700	2,62						
1M	22.500	0.14	39.100	12,45	2.400	0,03		
3M	4.000	0,03	1.000	0.32				
6M	4.000	0,03						
2018 Q1	16.733.550		409.500		7.738.650		5.729.025	
ON	16.000.450	95,62	372.900	91,06	7.732.850	99,93	5.722.025	99,88
1W	653.000	3,90			600	0,01		
1M	71.000	0.42	36.100	8,82	5.200	0,06	5.000	0,09
3M	9.100	0,06					2.000	0,03
6M			500	0.12				
2018 Q2	16.336.150		241.600		8.451.450		5.447.950	
ON	15.303.650	93,68	227.550	94.18	8.449.950	99,98	5.429.600	99,66
1W	928.000	5,68						
1M	91.500	0.56	14.050	5.82	1.500	0,02	18.350	0.34
3M	13.000	0,08						
6M								
2018 Q3	20.611.650		292.500		6.730.700		5.171.325	
ON	19.981.650	96,94	281.800	96,34	6.728.400	99,97	5.158.975	99,76
1W	540.000	2,62	4.900	1,68			500	0,01
2W	84.000	0.41	3.600	1.23				
3W							500	0,01
1M	6.000	0,03	2.200	0,75	2.300	0,03	11.350	0.22

Source: Central Bank of the TRNC

Note: ON: Overnight

W: Weekly

M: Monthly

Average interest rates for overnight transactions made in the third quarter of 2018 were 12.59 percent in TRY, 1.04 percent in USD, 0.5 percent in EUR, and 0.75 percent in GBP. Interest rates of weekly transactions were realized as 14.67 percent in TRY, 3.11 percent in USD and 2 percent in GBP. The average interest rates

for 2-week transactions were 13.5 percent in TRY, and 3.06 percent in USD. Average interest rate of 3-week transactions was 1.75 percent in GBP, while average interest rates of 1-month transactions were 16.75 percent in TRY, 2.45 percent in TRY, 1.9 percent in EUR and 2.14 percent in GBP.

Table 5.20: Average Interest Rates (%)

	TRY						\$						€			£					
	ON	1W	2W	1M	3M	6M	ON	1W	2W	1M	3M	6M	ON	1W	1M	ON	1W	3W	1M	3M	
2017 Q3	7,65	9,75		10,05			0,50			1,50			0,50	1,50		0,75					
Q4	7,75	9,75		10,02	10,06	10,63	0,50			1,61	2,00		0,50	1,38		0,76					
2018 Q1	7,75	9,75		10,00	10,33		0,50			1,72	2,25		0,50	0,75	0,86	0,75				1,25	1,25
Q2	8,99	10,88		10,24	10,50		0,55			1,72			0,50	0,75		0,75					1,34
Q3	12,59	14,67	13,50	16,75			1,04	3,11	3,06	2,45			0,50	1,90		0,75	2,00	1,75	2,14		

Source: Central Bank of the TRNC

Note: ON: Overnight

W: Weekly

M: Monthly

5.5 CREDIT CARDS MAXIMUM INTEREST RATES

"Law on Bank Cards and Credit Cards" numbered 58/2014, which was enacted and published in the Official Gazette dated November 20, 2014, delegated the duty and authority of determining the monthly maximum contractual and default interest rates to be applied in credit card transactions to Central Bank of the TRNC.

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

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

Table 5.21: Credit Cards Maximum Interest Rates (%)

Effective Date	TRY		FX	
	Monthly Maximum Contract	Monthly Maximum Overdue Interest	Monthly Maximum Contract	Monthly Maximum Overdue Interest
02/10/2015 (OG 144)	1,89	2,39	1,30	1,80
04/01/2016 (OG 1)	1,96	2,46	1,29	1,79
01/04/2016 (OG 41)	2,09	2,59	1,27	1,77
01/07/2016 (OG 85)	2,14	2,64	1,26	1,76
01/10/2016 (OG 123)	2,12	2,62	1,24	1,74
02/01/2017 (OG 2)	2,06	2,56	1,23	1,73
03/04/2017 (OG 61)	2,00	2,50	1,21	1,71
03/07/2017 (OG 113)	1,97	2,47	1,20	1,70
02/10/2017 (OG 161)	2,00	2,50	1,18	1,68
02/01/2018 (OG 1)	2,06	2,56	1,17	1,67
02/04/2018 (OG 303)	2,16	2,66	1,16	1,66
02/07/2018 (OG 102)	2,26	2,76	1,15	1,65
01/10/2018 (OG 143)	2,54	3,04	1,18	1,68

Source: Central Bank of the TRNC

5.6 NON-BANK FINANCIAL INSTITUTIONS

5.6.1 INTERNATIONAL BANKING UNITS

As of September 2018, total asset size of the seven International Banking Units increased by 3.5 percent compared to the end of 2017 and reached 562 million USD. In this period, liquid assets increased by 30.69 percent to 247 million USD. Gross loans decreased by 17.34 percent to 286 million USD, while other assets increased by 262.5 percent to 29 million USD.

Total assets increased by 1.25 percent in December 2017 - September 2018 period and reached to 485 million USD. Shareholders' equity increased by 11.54 percent, reaching 58 million USD, while debts to banks increased by 16.67 percent to 7 million USD, and other liabilities item increased by 100 percent to 12 million USD.

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

	December 2017	September 2018	Percentage Change
Liquid Assets	189	247	30,69
Loans (Gross)	346	286	-17,34
Other Assets	8	29	262,50
Assets/Liabilities	543	562	3,50
Deposits	479	485	1,25
Debts to Banks	6	7	16,67
Shareholders' Equity	52	58	11,54
Other Liabilities	6	12	100,00

Source: Central Bank of the TRNC

5.6.2 INSURANCE COMPANIES

As of the end of 2017, there are 32 insurance companies operating in the sector. Consolidated asset size of the insurance companies, which was 495.3 million TRY as of the end of 2016, increased by 14.74 percent and reached 568.3 million TRY. Cash values were 191,9 million TRY, receivables were 113,8 million TRY and fixed assets were 116,3 million TRY as of the end of 2017.

Debts, which are one of the liability items of the consolidated balance sheet of the insurance companies, increased by 33.4 percent to 68.7 million TRY, reserves increased by 15.7 percent to 308.7 million TL, shareholders' equity increased by 4.7 percent to 140.4 million TRY, in one-year period (December 2016-December 2017). In the same period, the profits increased by 15.45 percent and reached to 39.6 million TRY.

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

	2016	2017	Percentage Change
Cash Assets	163,9	191,9	17,08
Receivables	100,3	113,8	13,46
Fixed Assets	103,2	116,3	12,69
Other Assets	127,9	146,3	14,39
Assets/Liabilities	495,3	568,3	14,74
Debts	51,5	68,7	33,40
Reserves	266,8	308,7	15,70
Shareholders' Equity	134,1	140,4	4,70
Profit/Loss	34,3	39,6	15,45
Other Liabilities	8,6	10,9	26,74

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

5.6.3 COOPERATIVES

The balance sheet dated December 2017 on cooperatives operating in the country was prepared from the data of 58 cooperatives. These cooperatives were audited December 31, 2017, these audits were not completed, but the 58 cooperatives provide balance sheet according to the surveillance system.

Total assets of the cooperatives, which was 1,081.4 million TRY as of the end of December 2016, decreased by 2.48 percent to 1,054.6 million TRY.

As of the end of December 2017, gross loans decreased by 1.33 percent to 609 million TRY, other assets decreased by 91.43 percent to 3.9 million TRY, and liquid assets increased by 5.49 percent to 441.7 million TRY.

In the liabilities of the balance sheet, deposits decreased by 2.17 percent to 919.4 million TRY and shareholders' equity decreased by 4.84 percent to 92.4 million TRY while other liabilities decreased by 3.82 percent to 42.8 million TRY.

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

	2016	2017	Percentage Change
Liquid Assets	418,7	441,7	5,49
Loans (Gross)	617,2	609,0	-1,33
Other Assets	45,5	3,9	-91,43
Assets/Liabilities	1.081,4	1.054,6	-2,48
Deposits	939,8	919,4	-2,17
Shareholders' Equity	97,1	92,4	-4,84
Other Liabilities	44,5	42,8	-3,82

Source: TRNC Registrar of Cooperative Companies

5.6.4 EXCHANGE OFFICES

There are 37 operating exchange offices as of the end of 2017. As of the end of 2017, when the consolidated balance sheet of the exchange offices is analysed, it is seen that there is an increase in cash and cash equivalents and stocks, and decrease in trade and other receivables items, compared to the previous year. According to the end of 2017, cash and cash equivalents amounted to 24.1 million TRY, trade and other receivables amounted to 0.3 million TRY, stocks amounted to 12.3 million TRY and fixed assets amounted to 0.7 million TRY.

As of the end of 2017, consolidated asset size of the exchange offices increased by 33.57 percent compared to the previous year and reached 37.4 million TRY. As of the end of 2017, short-term liabilities in the liability structure amounted to 10.4 million TRY, long-term liabilities amounted to 3.5 million TRY, shareholders' equity to 23.5 million TRY and the profit realised as 1.3 million TRY.

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

	2016	2017	Percentage Change
Current Assets	27,3	36,7	34,43
- Cash and Cash Equivalents	18,4	24,1	30,98
- Trade and Other Receivables	0,4	0,3	-25,00
- Stocks	8,5	12,3	44,71
- Other Current Assets	-	-	-
Fixed Assets	0,7	0,7	0,00
Assets/Liabilities	28,0	37,4	33,57
Foreign Resources	10,3	13,9	34,95
- Short Term	7,3	10,4	42,47
- Long Term	3,0	3,5	16,67
Shareholders' Equity	17,7	23,5	32,77
- Profit/Loss	1,1	1,3	18,18
- Other Shareholders' Equity	16,6	22,2	33,73

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

Note: There are 34 operating exchange offices as of the end of 2016. The 2016 year-end consolidated balance sheet consists of the data of 33 exchange offices, and the 2017 year-end consolidated balance sheet consists of the data of 35 exchange offices.

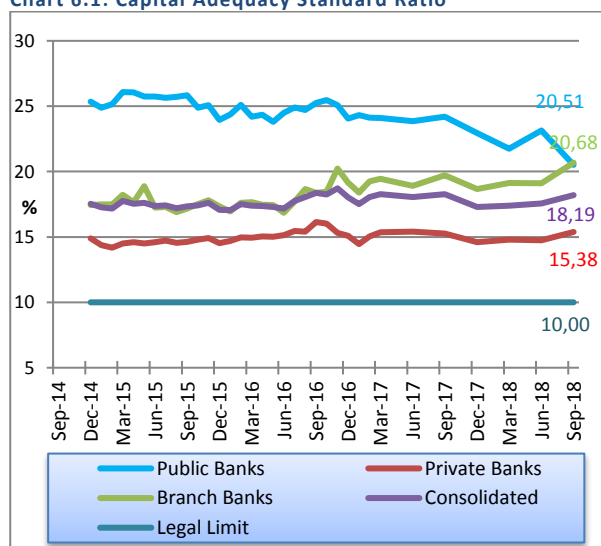
6 FINANCIAL STABILITY ANALYSIS

6.1 CAPITAL ADEQUACY

In the third quarter of 2018, the sector's capital adequacy standard ratio increased by 0.17 points compared to the previous quarter and reached 18.19 percent, well above the legal limit of 10 percent.

As of September 2018, CASR based on bank groups was 20.51 percent in public banks, 15.38 percent in private banks and 20.68 percent in branch banks. As of June 2018, these ratios were 23.14, 14.74 and 19.11 percent, respectively. Compared to the same period of the previous year, CASR decreased by 3.69 points in public banks, and increased by 0.12 point in private banks and by 0.96 point in branch banks.

Chart 6.1: Capital Adequacy Standard Ratio



Source: Central Bank of the TRNC

When the risk-weighted assets of the sector are compared to June 2018 at the end of September 2018, assets with 0 percent risk weight decreased by 14.13 percent, assets with 20 percent risk weight increased by 71.40 percent, those with 50 percent risk weight increased by 0.58 percent, and assets with 100 percent risk weight increased by 4.65 percent. In the period concerned, the total of market risk and operational risk increased by 314.3 million TRY and reached to 3,114.8 million TRY, compared to the previous period. The total of market risk and operational risk of the sector increased by 735.2 million TRY in one-year period (September 2017 - September 2018). The major change in 0 percent and 20 percent risk weighted assets of the sector is due to the change made in the Notification on

the Measurement and Assessment of Capital Adequacy Ratios of Banks, as of 1 July 2018. In accordance with Article 5(7), provisional article 8 of Banking Law No. 62/2017, paragraph 41(1) was amended as "over 200 percent of loans provided under treasury guarantee of banks using the legal rate of 200 percent shall be subject to a risk weight of twenty percent (20%)".

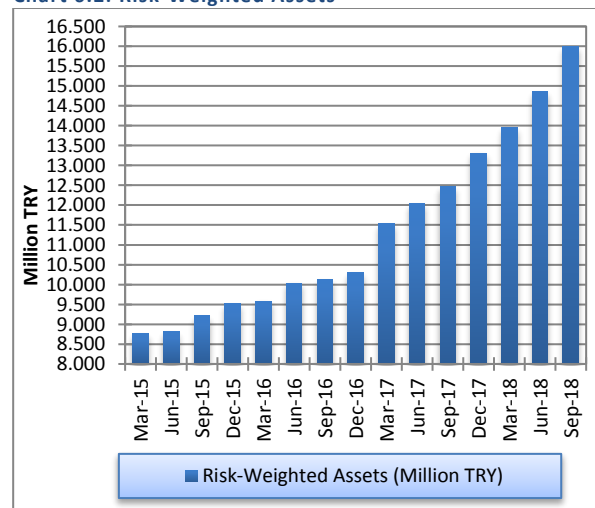
Table 6.1: Risk-Weighted Assets

	Sept. 2017	Dec. 2017	Mar. 2018	Jun. 2018	Sept. 2018	Percent age Change (06/18-09/18)
% 0	11.122,9	11.589,1	12.190,3	13.303,1	11.422,1	-14,13
% 20	2.294,2	2.544,7	2.783,8	2.910,2	4.988,2	71,40
% 50	5.067,4	5.569,0	6.084,1	6.860,4	6.900,4	0,58
% 100	7.091,1	7.390,3	7.672,3	8.050,8	8.443,5	4,65
Market Risk + Operational Risk	2.379,6	2.628,0	2.677,6	2.800,5	3.114,8	11,22

Source: Central Bank of the TRNC

In the third quarter of 2018, risk-weighted assets increased by 7.69 percent, compared to the previous quarter. The weighted sum of risk-weighted assets, which amounted to 14,863.5 million TRY as of June 2018, increased by 1,142.60 million TRY at the end of September 2018 and reached 16,006.1 million TRY. Risk-weighted assets of the sector increased by 28.43 percent in September 2017 - September 2018 period.

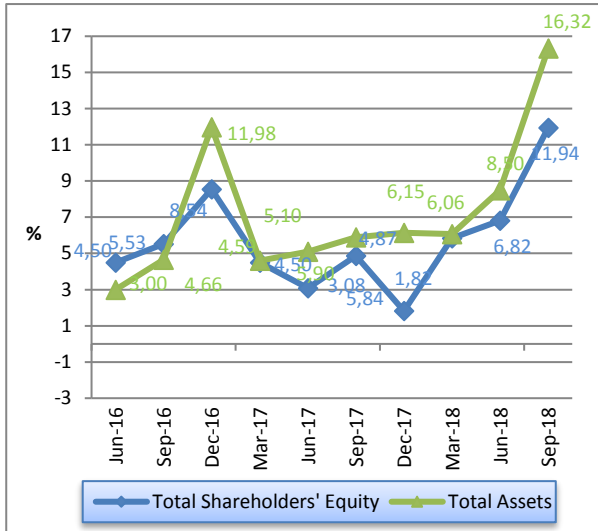
Chart 6.2: Risk-Weighted Assets



Source: Central Bank of the TRNC

As of the end of September 2018, total assets increased by 16.32 percent and total shareholders' equity increased by 11.94 percent, compared to June 2018. Total assets and shareholders' equity increased by 42.08 percent and 28.86 percent, respectively, compared to the same period of the previous year.

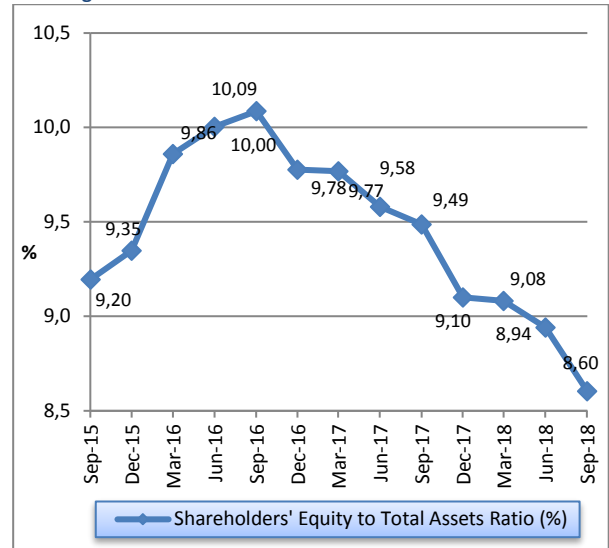
Chart 6.3: Increase Rates in Total Shareholders' Equity and Total Assets



Source: Central Bank of the TRNC

The ratio of total shareholders' equity in the banking sector to total assets was 9.77 percent in the first quarter of 2017, 9.58 percent in the second quarter to 2017, 9.49 percent in the third quarter of 2017 and 9.10 percent in the last quarter of 2017. In 2018, this ratio declined to 9.08 percent in the first quarter, became 8.94 percent in the second quarter and resulted as 8.60 percent in the third quarter.

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

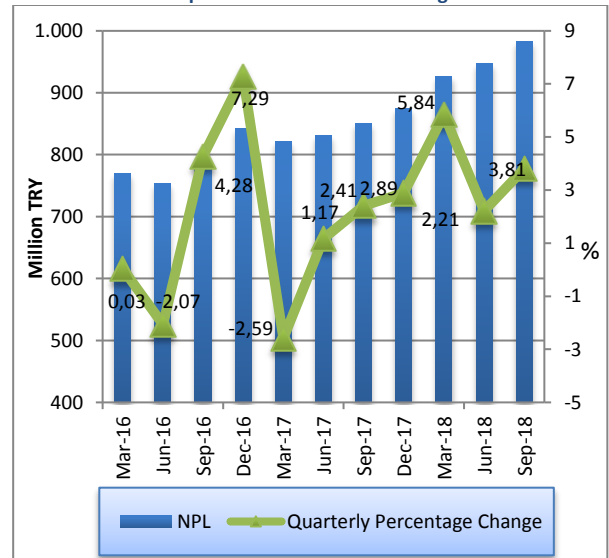


Source: Central Bank of the TRNC

6.2 NON-PERFORMING LOANS

The sector's non-performing loans, amounting to 946.5 million TRY as of the end of June 2018, increased by 3.81 percent and reached 982.6 million TRY as of the end of September 2018. Non-performing loans increased by 15.56 percent, compared to the same period of the previous year.

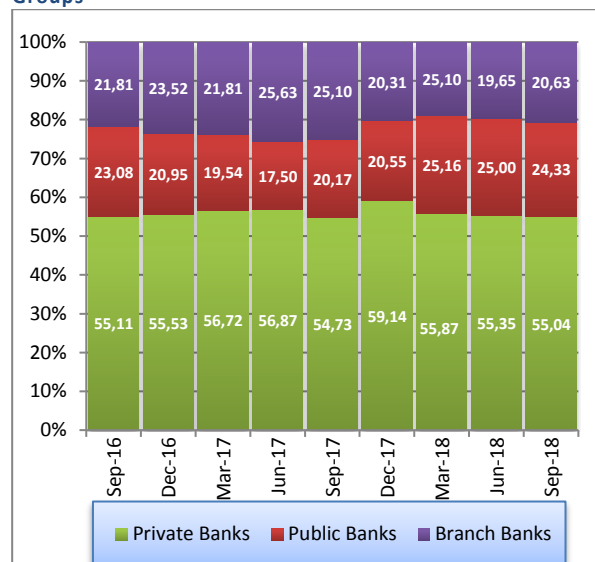
Chart 6.5: Development of Non-Performing Loans



Source: Central Bank of the TRNC

As of the end of the third quarter of 2018, it is seen that the share of public banks and private banks in total NPL decreased and the share of branch banks increased, compared to the previous quarter. Accordingly, in June 2018 - September 2018 period, while the share of public banks in total NPL decreased from 25 percent to 24.33 percent and the share of private banks from 55.35 percent to 55.04 percent, the share of branch banks in the total NPL increased from 19.65 percent to 20.63 percent. In September 2017 - September 2018 period, the share of private banks in total NPL increased from 54.73 percent to 55.04 percent and the share of public banks increased from 20.17 percent to 24.33 percent. The share of branch banks in total NPL decreased from 25.10 percent to 20.63 percent.

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



Source: Central Bank of the TRNC

In the third quarter of 2018, total assets amounted to 34,956.5 million TRY, total gross loans amounted to 19,752.4 million TRY, non-performing loans amounted to 982.6 million TRY and provisions for non-performing loans amounted to 595.2 million TRY. When analysed by bank groups, as of September 2018, total assets in public banks are 8,339.9 million TRY, total gross loans are 4,627.2 million TRY, non-performing loans are 239.1 million TRY and provisions for non-performing loans are 140.2 million TRY. In the private banks, total assets amounted to 15,646.4 million TRY, total gross loans

amounted to 9,963.5 million TRY, non-performing loans amounted to 540.8 million TRY and provisions for non-performing loans amounted to 292.9 million TRY. Branch banks have total assets of 10,970.2 million TRY, total gross loans of 5,161.7 million TRY, non-performing loans of 202,7 million TRY and provisions for non-performing loans of 162,1 million TRY.

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

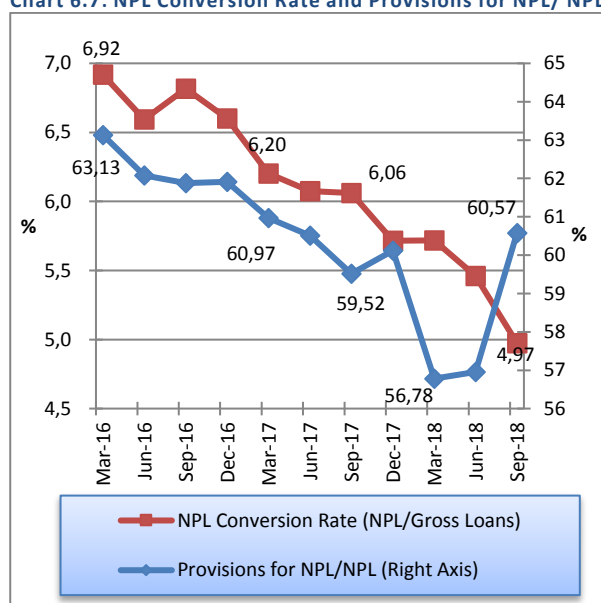
	Total Assets			Total Gross Loans			NPL			Provisions for NPL		
	Mar.18	Jun.18	Sept.18	Mar.18	Jun.18	Sept.18	Mar.18	Jun.18	Sept.18	Mar.18	Jun.18	Sept.18
Public Banks	6.834,2	7.299,1	8.339,9	4.145,8	4.253,7	4.627,2	232,9	236,7	239,1	105,3	103,9	140,2
Private Banks	12.316,3	13.297,3	15.646,4	7.609,2	8.295,7	9.963,5	517,4	523,9	540,8	278	282,3	292,9
Branch Banks	8.548,1	9.455,4	10.970,2	4.440,6	4.780,9	5.161,7	175,7	185,9	202,7	142,5	152,9	162,1
Total	27.698,6	30.051,8	34.956,5	16.195,6	17.330,3	19.752,4	926,0	946,5	982,6	525,8	539,1	595,2

Source: Central Bank of the TRNC

The NPL conversion rate, which was at 6.82 percent as of September 2016, has fallen to 5.72 percent by the end of 2017. Remaining constant in the first quarter of 2018, NPL conversion rate continued to decline in the second and third quarter of the year and became 4.97 percent. It has experienced a decrease of 1.09 point during the one-year period (September 2017 - September 2018).

While the ratio of provisions for NPL to total NPL was 56.96 percent by the end of June 2018, it increased by 3.62 points to 60.57 percent in September 2018. During September 2017 - September 2018, the ratio of provisions for NPL to total NPL increased by 1.06 points.

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



Source: Central Bank of the TRNC

6.3 RETURN ON ASSETS AND RETURN ON EQUITY

The sector's return on assets, which was 2.02 percent at the end of June 2018, increased to 2.42 percent in the third quarter of 2018, the return on equity, which was 22.06 percent, increased to 27.31 percent and the net interest margin increased from 3.28 percent to 3.51 percent. The increase in return on assets and return on equity is due to the rapid increase in net profit/loss item. In the period of September 2017 - September 2018, the return on assets of the sector increased from 1.69 percent to 2.42 percent, the return on equity from 17.39 percent to 27.31 percent, and the net interest margin from 3.16 percent to 3.51 percent.

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

Description	2017		2018		
	Sept.	Dec.	Mar.	Jun.	Sept.
Return on Assets ¹	1,69	1,72	1,71	2,02	2,42
Return on Equity ²	17,39	18,10	18,25	22,06	27,31
Net Interest Margin ³	3,16	3,16	3,20	3,28	3,51

Source: Central Bank of the TRNC

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

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

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

ANNEX A. ECONOMIC DECISIONS

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

Subject	Decisions of the Board of Directors Published in the Notifications, Notices and Official Gazette		Official Gazette	
	Date	Number	Date	Number
Determining the new term's monthly maximum contractual and overdue interest rates			02.07.2018	102
Central Bank of the Turkish Republic of Northern Cyprus Board Decision on the change in the reserve requirements and foreign currency deposits interest rate in accordance with Articles 11 (1) and 23 (3) of the Law on the Central Bank of the Turkish Republic of Northern Cyprus No: 41/2001.	21.06.2018	1001	02.07.2018	102
Central Bank of the Turkish Republic of Northern Cyprus Board Decision on the change in the Turkish Lira reserve requirements interest rate in accordance with Articles 11 (1) and 23 (3) of the Law on the Central Bank of the Turkish Republic of Northern Cyprus No: 41/2001.	14.08.2018	1004	31.08.2018	127
Central Bank of the Turkish Republic of Northern Cyprus Board Decision on the change in the reserve requirements rate in accordance with Article 23 of the Law on the Central Bank of the Turkish Republic of Northern Cyprus No: 41/2001.	14.08.2018	1005	31.08.2018	127
Amendment Notification on International Banking Units.	16.08.2018	1007	31.08.2018	127
Central Bank of the Turkish Republic of Northern Cyprus Board Decision to amend reserve requirements rates and deposit interest rates in accordance with Articles 11 (1) and 23 (3) of the Law on the Central Bank of the Turkish Republic of Northern Cyprus No. 41/2001.	20.09.2018	1014	26.09.2018	140
Central Bank of the Turkish Republic of Northern Cyprus Board Decision to amend the annual interest rate applied in Turkish Lira and foreign currency rediscount and advance transactions based on the loan types pursuant to the periods set forth in Articles 31 (1) (A) (B) and (C) in accordance with Article 11 (1) of the Law on the Central Bank of the Turkish Republic of Northern Cyprus No. 41/2001.	20.09.2018	1015	26.09.2018	140
"Notification (Amendment) on the Risks Undertaken" issued in accordance with Articles 38, 39, 40, 41 and 44 of Central Bank of the Turkish Republic of Northern Cyprus Banking Law No. 62/2017.	20.09.2018	1016	27.09.2018	141
"Notification (Amendment) on Collection Procedures and Principles for the Savings Deposit Insurance Premiums" issued in accordance with paragraphs (2) and (3) under Article 11 of Turkish Republic of Northern Cyprus Savings Deposit Insurance and Financial Stability Fund Law No. 32/2009 of Central Bank of the Turkish Republic of Northern Cyprus.	20.09.2018	1017	27.09.2018	141
Determining the new term's monthly maximum contractual and overdue interest rates			01.10.2018	143

Table A.2: Economic Decisions - Legal Acts

Subject	Law/Draft Law		Official Gazette	
	Date	Number	Date	Number
Laws				
Customs and Excise Law.			17.08.2018	122
Value Added Tax Law			17.08.2018	122
Ports Department (Delegation of Authority) Law.			07.09.2018	132
Turkish Republic of Northern Cyprus Savings Deposit Insurance and Financial Stability Fund Law.			26.09.2018	140
Income Tax Law.			04.10.2018	145
Land Registry Department (Fees and Charges) Law			11.10.2018	150
Draft Laws				
Draft Law on Leasing, Factoring and Financing Companies			13.08.2018	119
Statutory Decrees				
Statutory Decree on Financial Adjustment			17.08.2018	122
Statutory Decree on Public Officers Law.			17.08.2018	122
Statutory Decree on Financial Adjustment.			17.08.2018	122
Statutory Decree on Immovable Property Acquisition and Long Term Rental (Foreigners)			29.08.2018	126
Statutory Decree on Reorganization of Rent Income Amounts and Withholding in Foreign Currency and Turkish Lira Contracts			29.08.2018	126
Statutory Decree on Pegging the Dollar Exchange Rate to be Applied in Port Fees Collected in Accordance with the Shipping Dues Law.			31.08.2018	127
Statutory Decree on Pegging the Dollar Exchange Rate to be Applied in Port Fees Collected in Accordance with the Maritime Trade (Provisions on Tax Impose) Law.			31.08.2018	127
Statutory Decree (Amendment) on the Regulation of Monthly (Salary-Fee) and Other Allowances of Public Officers Law.			31.08.2018	127
Statutory Decree on Public Officers Law.			01.09.2018	128
Statutory Decree on Banking Law of the Turkish Republic of Northern Cyprus			14.09.2018	135
Statutory Decree on Protection of Consumers from Illicit Prices			19.09.2018	137
Exception Decree to be Applied on the Tax Deductions of the Interests Obtained from the Loans Extended for Investment Purposes.			04.10.2018	145

Statutory Decrees on Ceasing of the Cost-of-living Allowance Right 3 Months (October, November, December) in 2018.

26.10.2018

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ANNEX B. STATISTICAL DATA

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

Date	Liquid Assets	Loans	Other Assets	Total Assets	Shareholders' Equity	Deposits	Reserve Requirements	Other Liabilities	Total Liabilities
31 Mar. 2014	3.079.515.185	147.484.184	1.728.249	3.228.727.618	245.971.070	1.675.102.982	876.948.620	430.704.946	3.228.727.618
30 Jun. 2014	3.270.433.195	121.218.064	1.804.149	3.393.455.408	247.254.958	1.792.772.785	890.156.351	463.271.314	3.393.455.408
30 Sept. 2014	3,511,228,059	119.312.114	1.752.480	3.632.292.653	248.132.449	1.917.060.863	938.524.944	528.574.397	3.632.292.653
31 Dec. 2014	3.645.697.257	171.220.524	25.331.106	3.842.248.887	258.929.182	1.493.119.701	954.982.558	1.135.217.446	3.842.248.887
31 Mar. 2015	3.739.517.315	115.254.133	2.248.301	3.857.019.749	276.152.356	1.408.442.288	1.006.554.132	1.165.870.973	3.857.019.749
30 Jun. 2015	4.297.312.709	132.031.767	18.942.188	4.448.286.664	276.996.548	1.482.713.730	1.062.691.010	1.625.885.376	4.448.286.664
30 Sept. 2015	4.883.071.770	133.138.667	2.280.396	5.018.490.833	278.408.386	1.554.299.105	1.159.694.120	2.026.089.222	5.018.490.833
31 Dec. 2015	4.820.323.929	184.465.057	20.635.529	5.025.424.515	400.156.276	1.597.089.925	1.143.470.037	1.884.708.277	5.025.424.515
31 Mar. 2016	4.759.331.238	177.928.840	2.511.781	4.939.771.859	317.637.476	1.368.093.189	1.158.875.053	2.095.166.141	4.939.771.859
30 Jun. 2016	4.743.182.458	213.175.830	2.640.121	4.958.998.409	318.658.983	1.476.230.465	1.172.163.993	1.991.944.968	4.958.998.409
30 Sept. 2016	5.466.386.701	186.416.180	2.729.886	5.655.532.767	319.829.286	1.706.384.976	1.233.282.326	2.396.036.179	5.655.532.767
31 Dec. 2016	6.362.944.796	67.051.670	22.187.719	6.452.184.185	465.169.093	2.083.019.935	1.359.700.420	2.544.294.737	6.452.184.185
31 Mar. 2017	6.764.573.400	101.158.224	3.401.183	6.869.132.807	365.686.916	2.121.997.651	1.448.684.018	2.932.764.222	6.869.132.807
30 Jun. 2017	6.981.906.564	134.992.949	2.841.955	7.119.741.468	367.060.935	2.317.720.970	1.512.813.049	2.922.146.514	7.119.741.468
30 Sept. 2017	7.630.043.970	191.469.924	2.907.269	7.824.421.163	368.577.947	2.505.097.829	1.615.196.100	3.335.549.287	7.824.421.163
31 Dec. 2017	8.118.080.496	114.227.729	3.260.499	8.235.568.724	384.891.701	2.718.606.151	1.734.869.527	3.397.201.345	8.235.568.724
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

Source: Central Bank of the TRNC

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

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

Date	Cash Assets	Gold Deposit	Bank Deposits (TRY)	Bank Deposits (FX)	Foreign Banks	Securities Portfolio	Total
31 Mar. 2014	57.681.769	2.146.362	1.068.596.270	1.717.402.462	35.043.690	198.644.632	3.079.515.185
30 Jun. 2014	37.813.934	2.146.362	1.173.711.609	1.837.164.805	51.540.117	168.056.368	3.270.433.195
30 Sept. 2014	63.855.297	2.146.362	1.167.075.364	1.915.670.506	63.391.520	299.089.010	3.511.228.059
31 Dec. 2014	59.575.201	2.341.331	1.307.875.937	1.925.886.634	60.933.484	289.084.670	3.645.697.257
31 Mar. 2015	93.270.862	2.341.331	1.456.217.149	1.979.335.666	48.438.307	159.914.000	3.739.517.315
30 Jun. 2015	82.385.984	2.341.331	1.467.167.127	2.411.582.643	113.843.324	219.992.300	4.297.312.709
30 Sept. 2015	140.974.336	2.341.331	1.467.337.337	2.899.368.703	114.480.913	258.569.150	4.883.071.770
31 Dec. 2015	87.625.194	2.611.239	1.402.006.529	2.945.775.755	55.692.162	326.613.050	4.820.323.929
31 Mar. 2016	117.668.364	2.611.239	1.499.576.679	2.952.607.384	77.638.972	109.228.600	4.759.331.238
30 Jun. 2016	90.757.864	2.611.239	1.614.592.023	2.855.674.301	33.822.031	145.725.000	4.743.182.458
30 Sept. 2016	238.570.625	2.611.239	2.029.877.829	3.097.871.008	0	97.456.000	5.466.386.701
31 Dec. 2016	216.724.660	3.440.019	2.260.530.677	3.687.779.940	0	194.469.500	6.362.944.796
31 Mar. 2017	165.588.687	3.440.019	2.101.326.259	4.030.683.635	0	463.534.800	6.869.132.807
30 Jun. 2017	171.906.834	3.440.019	1.823.606.608	4.299.854.053	0	683.099.050	6.981.906.564
30 Sept. 2017	275.459.595	3.440.019	1.842.387.496	4.739.760.510	0	768.996.350	7.630.043.970
31 Dec. 2017	256.268.223	3.440.019	1.759.612.509	5.195.103.445	0	903.656.300	8.118.080.496
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

Source: Central Bank of the 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
31 Mar. 2014							2.431.745	2.431.745
30 Jun. 2014							2.381.303	2.381.303
30 Sept. 2014							2.580.963	2.580.963
31 Dec. 2014								-
31 Mar. 2015							4.466.517	4.466.517
30 Jun. 2015							4.642.279	4.642.279
30 Sept. 2015							5.311.384	5.311.384
31 Dec. 2015								-
31 Mar. 2016								-
30 Jun. 2016							4.083.448	4.083.448
30 Sept. 2016							4.270.101	4.270.101
31 Dec. 2016							5.065.643	5.065.643
31 Mar. 2017								-
30 Jun. 2017							4.943.377	4.943.377
30 Sept. 2017							5.415.736	5.415.736
31 Dec. 2017							5.807.899	5.807.899
31 Mar. 2018							5.789.550	5.789.550
30 Jun. 2018							6.912.450	6.912.450
30 Sept. 2018							9.112.800	9.112.800

Source: Central Bank of the TRNC

Note: Interest revenue rediscounts are included in the figures.

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

Date	Public Deposits		Banks				Other		Total
			A-Deposits		B-Reserve Requirements				
	TRY	FX	TRY	FX	TRY	FX	TRY	FX	
31 Mar. 2014	38.950.361	43.565.188	472.182.955	1.094.180.494	491.575.544	385.373.076	438.945	25.785.039	2.552.051.602
30 Jun. 2014	53.919.830	11.982.605	466.591.523	1.122.184.360	499.327.153	390.829.198	17.474.716	120.619.751	2.682.929.136
30 Sept. 2014	69.233.058	18.698.887	502.033.797	1.136.473.300	526.918.645	411.606.299	27.425.327	163.196.494	2.855.585.807
31 Dec. 2014	17.094.271	9.256.228	567.445.436	868.076.651	532.525.648	422.456.910	629.724	30.617.391	2.448.102.259
31 Mar. 2015	10.753.910	21.354.653	497.415.629	849.731.141	555.437.616	451.116.516	441.602	28.745.353	2.414.996.420
30 Jun. 2015	18.278.584	34.669.328	421.856.540	988.595.032	565.747.200	496.943.810	428.189	18.886.057	2.545.404.740
30 Sept. 2015	14.819.534	30.301.580	346.773.076	1.141.287.770	578.364.670	581.329.450	396.168	20.720.977	2.713.993.225
31 Dec. 2015	57.528.409	19.608.857	377.112.293	1.111.941.851	583.627.835	559.842.202	751.281	30.147.234	2.740.559.962
31 Mar. 2016	6.022.339	9.748.736	300.772.726	1.024.849.739	596.821.843	562.053.210	529.628	26.170.021	2.526.968.242
30 Jun. 2016	78.931.631	12.662.410	294.047.768	975.886.690	606.507.229	565.656.764	479.769	114.222.197	2.648.394.458
30 Sept. 2016	51.544.433	68.733.216	389.781.881	1.098.732.181	622.344.234	610.938.092	527.417	97.065.848	2.939.667.302
31 Dec. 2016	29.069.115	35.483.804	459.264.539	1.442.174.000	652.163.031	707.537.389	794.582	116.233.895	3.442.720.355
31 Mar. 2017	58.041.406	24.242.055	461.185.477	1.467.785.063	691.268.617	757.415.401	624.885	110.118.765	3.570.681.669
30 Jun. 2017	78.704.320	22.436.407	374.581.174	1.734.713.467	710.390.248	802.422.801	573.332	106.712.270	3.830.534.019
30 Sept. 2017	15.915.165	32.448.413	425.277.954	1.918.976.979	734.899.763	880.296.337	760.406	111.718.912	4.120.293.929
31 Dec. 2017	42.219.684	73.593.138	490.652.950	1.955.533.333	781.455.275	947.545.441	1.072.860	118.842.745	4.410.915.426
31 Mar. 2018	76.501.751	66.921.045	471.340.988	2.111.203.615	804.457.502	1.047.100.136	1.011.021	143.609.706	4.722.145.764
30 Jun. 2018	91.040.695	30.311.907	417.186.670	2.414.035.090	768.010.729	1.225.901.286	985.662	152.062.795	5.099.534.834
30 Sept. 2018	62.415.658	80.786.260	405.694.465	3.028.839.065	704.301.812	1.348.565.351	843.643	138.567.660	5.770.013.914

Source: Central Bank of the TRNC

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

Years	Months	USD		EURO		GBP	
		Buying	Selling	Buying	Selling	Buying	Selling
2012		1,7826	1,7912	2,3517	2,3630	2,8708	2,8858
2013		2,1343	2,1381	2,9365	2,9418	3,5114	3,5297
2014		2,3189	2,3230	2,8207	2,8258	3,5961	3,6149
2015		2,9076	2,9128	3,1776	3,1833	4,3007	4,3231
2016		3,5192	3,5255	3,7099	3,7166	4,3189	4,3414
2017		3,7719	3,7787	4,5155	4,5237	5,0803	5,1068
2018	1	3,7795	3,7863	4,6824	4,6908	5,3025	5,3301
	2	3,7833	3,7901	4,6646	4,6730	5,2749	5,3024
	3	3,9489	3,9560	4,8673	4,8761	5,5385	5,5674
	4	4,0535	4,0608	4,8961	4,9049	5,5937	5,6229
	5	4,4834	4,4914	5,2064	5,2158	5,9433	5,9743
	6	4,5607	4,5690	5,3092	5,3188	5,9810	6,0122
	7	4,8850	4,8938	5,7034	5,7137	6,3977	6,4310
	8	6,4063	6,4178	7,4735	7,4869	8,2341	8,2770
	9	5,9902	6,0010	6,9505	6,9631	7,8079	7,8486
	10	5,5203	5,5303	6,2734	6,2847	7,0360	7,0727
	11						
	12						

Source: Central Bank of the TRNC

Table B.6: Cross Rates

Years	Months	Foreign Currency / USD	
		£	€
2012		1,6111	1,3192
2013		1,6480	1,3759
2014		1,5535	1,2164
2015		1,4817	1,0929
2016		1,2293	1,0542
2017		1,3492	1,1972
2018	1	1,4054	1,2389
	2	1,3967	1,2330
	3	1,4049	1,2326
	4	1,3823	1,2079
	5	1,3279	1,1613
	6	1,3137	1,1641
	7	1,3119	1,1675
	8	1,2875	1,1666
	9	1,3057	1,1603
	10	1,2767	1,1364
	11		
	12		

Source: Central Bank of the TRNC

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

Effective Date	Currency				Board Decision		Official Gazette	
	TRY	\$	€	£	Date	Number	Date	Number
	Demand	Demand	Demand	Demand				
05.02.2008	15,00	3,00	2,25	4,25	05.02.2008	635	19.02.2008	32
29.02.2008	14,75	2,10	2,25	4,00	29.02.2008	640	13.03.2008	50
25.03.2008	14,75	1,50	2,25	4,00	25.03.2008	646	03.04.2008	59
22.05.2008	15,25	1,25	2,25	3,75	22.05.2008	652	16.06.2008	113
26.06.2008	15,75	1,25	2,25	3,75	26.06.2008	662	02.07.2008	124
30.07.2008	16,25	1,25	2,25	3,75	30.07.2008	666	15.08.2008	153
17.10.2008	16,25	0,75	2,00	3,25	16.10.2008	673	22.10.2008	187
14.11.2008	16,25	0,25	1,75	2,25	13.11.2008	676	26.11.2008	207
28.11.2008	15,75	0,25	1,75	2,25	27.11.2008	679	16.12.2008	217
22.12.2008	14,50	0,05	1,25	1,00	19.12.2008	682	25.12.2008	223
19.01.2009	12,60	0,05	1,25	0,75	16.01.2009	691	23.01.2009	18
20.02.2009	11,25	0,05	1,25	0,50	20.02.2009	698	04.03.2009	47
20.03.2009	10,25	0,05	1,25	0,50	20.03.2009	708	27.03.2009	58
17.04.2009	9,50	0,05	1,00	0,50	17.04.2009	712	27.04.2009	78
08.05.2009	9,50	0,05	0,75	0,50	08.05.2009	718	18.05.2009	85
15.05.2009	9,00	0,05	0,75	0,50	15.05.2009	720	28.05.2009	92
17.06.2009	8,50	0,05	0,75	0,50	17.06.2009	725	22.06.2009	107
17.07.2009	8,00	0,05	0,75	0,50	17.07.2009	729	03.08.2009	133
19.08.2009	7,50	0,05	0,75	0,50	19.08.2009	734	03.09.2009	152
18.09.2009	7,00	0,05	0,75	0,50	18.09.2009	738	06.10.2009	170
16.10.2009	6,50	0,05	0,75	0,50	16.10.2009	741	22.10.2009	182
07.12.2009	6,25	0,05	0,75	0,50	04.12.2009	749	15.12.2009	211
17.09.2010	6,00	0,05	0,75	0,50	17.09.2010	786	29.09.2010	167
15.10.2010	5,50	0,05	0,75	0,50	15.10.2010	788	25.10.2010	183
27.12.2010	5,00	0,05	0,75	0,50	24.12.2010	796	31.12.2010	220
01.01.2013	4,00	0,05	0,75	0,50	20.12.2012	835	21.12.2012	212
01.06.2013	3,50	0,05	0,75	0,50	09.05.2013	847	16.05.2013	85
01.09.2013	4,00	0,05	0,75	0,50	22.08.2013	853	29.08.2013	138
03.02.2014	5,00	0,25	0,75	0,50	30.01.2014	869	04.02.2014	26
01.04.2014	7,00	0,25	0,75	0,50	20.03.2014	876	27.03.2014	70
01.03.2015	6,50	0,25	0,25	0,50	10.02.2015	900	17.02.2015	25
03.04.2017	7,00	0,40	0,25	0,50	23.03.2017	947	03.04.2017	61
05.06.2018	11,00	0,40	0,25	0,50	04.06.2018	998	11.06.2018	89
25.06.2018	11,00	0,75	0,25	0,50	21.06.2018	1001	02.07.2018	102
24.09.2018	17,25	1,00	0,25	0,50	20.09.2018	1014	26.09.2018	140

Source: Central Bank of the TRNC

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

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

Effective Date	Currency				Board Decision		Official Gazette	
	TRY	\$	€	£	Date	Number	Date	Number
09.07.2003	12,00	0,25	0,50	1,25	02.07.2003	498	09.07.2003	79
01.09.2004	12,00	0,50	0,50	1,75	25.08.2004	531	01.09.2004	127
01.04.2005	10,00	0,75	0,50	1,75	29.03.2005	549	31.03.2005	47
01.11.2005	10,00	1,25	0,75	2,00	27.10.2005	567	08.11.2005	197
01.02.2006	10,00	2,00	1,00	2,00	31.01.2006	577	10.02.2006	27
03.07.2006	12,00	2,00	1,00	2,00	29.06.2006	587	14.07.2006	119
26.10.2007	11,75	2,00	1,00	2,00	26.10.2007	620	06.11.2007	197
22.11.2007	11,25	2,00	1,00	2,00	22.11.2007	622	04.12.2007	214
14.12.2007	10,75	2,00	1,00	2,00	14.12.2007	627	19.12.2007	224
18.01.2008	10,50	1,50	1,00	2,00	18.01.2008	632	24.01.2008	17
05.02.2008	10,50	1,00	1,00	2,00	05.02.2008	636	19.02.2008	32
29.02.2008	10,25	1,00	1,00	2,00	29.02.2008	638	13.03.2008	50
25.03.2008	10,25	0,50	1,00	2,00	25.03.2008	647	03.04.2008	59
22.05.2008	10,75	0,50	1,00	2,00	22.05.2008	653	16.06.2008	113
30.07.2008	11,00	0,50	1,00	2,00	30.07.2008	665	15.08.2008	153
17.10.2008	11,00	0,25	1,00	1,75	16.10.2008	674	22.10.2008	187
14.11.2008	11,00	0,10	1,00	1,25	13.11.2008	675	26.11.2008	207
28.11.2008	10,75	0,10	1,00	1,25	27.11.2008	680	16.12.2008	217
22.12.2008	9,75	0,00	0,75	0,50	19.12.2008	683	25.12.2008	223
19.01.2009	8,00	0,00	0,75	0,25	16.01.2009	692	23.01.2009	18
20.02.2009	6,50	0,00	0,75	0,25	20.02.2009	699	04.03.2009	47
08.05.2009	6,50	0,00	0,50	0,25	08.05.2009	719	18.05.2009	85
17.07.2009	6,00	0,00	0,50	0,25	17.07.2009	730	03.08.2009	133
19.08.2009	5,50	0,00	0,50	0,25	19.08.2009	735	15.09.2009	157
16.10.2009	5,25	0,00	0,50	0,25	16.10.2009	742	22.10.2009	182
07.12.2009	5,00	0,00	0,50	0,25	04.12.2009	750	15.12.2009	211
01.01.2013	4,00	0,00	0,50	0,25	20.12.2012	836	21.12.2012	212
01.06.2013	3,50	0,00	0,50	0,25	09.05.2013	849	16.05.2013	85
01.03.2015	3,50	0,00	0,00	0,00	10.02.2015	899	17.02.2015	25
01.02.2018	5,00	0,20	0,125	0,25	25.01.2018	979	31.01.2018	9
05.06.2018	7,50	0,20	0,125	0,25	04.06.2018	998	11.06.2018	89
25.06.2018	7,50	0,40	0,125	0,25	21.06.2018	1001	02.07.2018	102
15.08.2018	9,00	0,40	0,125	0,25	14.08.2018	1004	31.08.2018	127
24.09.2018	13,00	0,65	0,125	0,25	20.09.2018	1014	26.09.2018	140

Source: Central Bank of the TRNC

Table B.9: Rediscount Interest Rates (%)

Currency																	
Effective Date	TRY					\$				€				£			
	Trade	Ind. Tourism Agri. Edu.	Exp.	Small Business	Advances Against Foreign Exchange	Trade	Ind. Tourism Edu.	Exp.	Advances Against Foreign Exchange	Trade	Ind. Tourism Edu.	Exp.	Advances Against Foreign Exchange	Trade	Ind. Tourism Edu.	Exp.	Advances Against Foreign Exchange
06.02.04	55	42	40	35	35	10	6	6	8	10	6	6	8	11	7	7	9
10.12.04	42	32	30	28	28	10	6	6	8	10	6	6	8	11	7	7	9
04.02.05	35	30	28	26	26	10	6	6	6	10	6	6	6	11	7	7	7
01.04.05	33	28	26	24	24	10	6	6	6	10	6	6	6	11	7	7	7
03.06.05	30	26	24	22	22	10	6	6	6	10	6	6	6	11	7	7	7
01.11.05	26	24	22	20	20	10	6	6	6	10	6	6	6	11	7	7	7
01.06.06	26	24	22	20	20	12	8	8	8	10	6	6	6	11	7	7	7
03.07.06	33	28	26	24	24	12	8	8	8	10	6	6	6	11	7	7	7
21.09.07	30	26	24	22	22	12	8	8	8	10	6	6	6	11	7	7	7
26.10.07	30	26	24	22	22	10,5	6,5	6,5	6,5	10	6	6	6	11	7	7	7
29.02.08	28	24	22	20	20	9	6	6	6	9	6	6	6	11	7	7	7
25.03.08	28	24	22	20	20	9	6	6	6	9	6	6	6	11	7	7	7
29.12.08	22	19	19	18	19	5	5	5	5	5	5	5	5	5	5	5	5
02.03.09	20	17	17	16	16	4	4	4	4	4	4	4	4	4	4	4	4
25.06.09	17	15	15	14	14	4	4	4	4	4	4	4	4	4	4	4	4
27.12.10	14	12	12	11	11	4	4	4	4	4	4	4	4	4	4	4	4
01.01.13	11	8	8	8	8	4	4	4	4	4	4	4	4	4	4	4	4
01.06.13	11	7	7	7	7	4	4	4	4	4	4	4	4	4	4	4	4
05.06.18	17,5	14,5	14,5	13,5	13,5	4	4	4	4	4	4	4	4	4	4	4	4
24.09.18	23,75	20,75	20,75	19,75	19,75	4	4	4	4	4	4	4	4	4	4	4	4

Source: Central Bank of the TRNC

Table B.10: Reserve Requirements Ratios (%)

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

Source: Central Bank of the TRNC

Table B.11: Overdraft Checks

Years	Months	People Restrained from Using Checks (Number of Persons)	
		Monthly Total	Cumulative Total
2012			3.842
2013			2.910
2014			3,366
2015			3.699
2016			2.977
2017	1	347	347
	2	197	544
	3	182	726
	4	174	900
	5	341	1.241
	6	182	1.423
	7	155	1.578
	8	173	1.751
	9	170	1.921
	10	196	2.117
	11	171	2.288
	12	181	2.469
2018	1	153	153
	2	125	278
	3	164	442
	4	162	604
	5	152	756
	6	105	861
	7	150	1.011
	8	107	1.118
	9	237	1.355
	10		
	11		
	12		

Source: Central Bank of the TRNC

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

Date	Liquid Assets	Securities Portfolio	Reserve Requirements	Gross Loans	Provisions for Non-Performing Loans	Other	Total Assets	Deposits	Other	Shareholders' Equity	Total Liabilities
31 Mar. 2015	3.380,1	768,2	1.002,9	9.969,9	-381,5	610,2	15.349,8	12.258,1	1.527,7	1.564,0	15.349,8
30 Jun. 2015	3.364,5	1.039,2	1.059,3	10.349,0	-396,4	1.335,3	16.075,9	13.000,0	1.543,7	1.532,2	16.075,9
30 Sept. 2015	3.879,7	1.033,9	1.151,8	10.891,5	-429,1	770,1	17.297,9	14.007,8	1.699,5	1.590,6	17.297,9
31 Dec. 2015	3.953,2	1.031,3	1.141,5	11.168,1	-475,4	490,9	17.309,6	13.950,5	1.741,1	1.618,0	17.309,6
31 Mar. 2016	3.872,0	1.223,0	1.152,5	11.115,4	-485,4	630,1	17.507,6	14.024,1	1.757,3	1.726,2	17.507,6
30 Jun. 2016	3.871,0	1.314,7	1.166,8	11.420,4	-467,5	727,1	18.032,5	14.300,5	1.928,1	1.803,9	18.032,5
30 Sept. 2016	4.360,1	1.408,8	1.229,1	11.521,2	-485,9	839,7	18.873,0	14.969,8	1.999,6	1.903,6	18.873,0
31 Dec. 2016	5.275,8	1.587,8	1.358,4	12.763,1	-521,6	670,7	21.134,2	16.635,2	2.432,8	2.066,2	21.134,2
31 Mar. 2017	5.589,2	1.596,6	1.445,4	13.231,5	-500,4	742,7	22.105,0	17.652,4	2.293,4	2.159,2	22.105,0
30 Jun. 2017	6.103,5	1.601,3	1.511,6	13.666,3	-502,4	851,8	23.232,1	18.494,1	2.512,2	2.225,8	23.232,1
30 Sept. 2017	6.840,0	1.632,6	1.606,9	14.028,2	-506,1	1.001,1	24.602,7	19.672,9	2.595,6	2.334,3	24.602,7
31 Dec. 2017	7.161,7	1.704,7	1.729,3	15.306,2	-526,0	739,3	26.115,3	21.098,1	2.640,4	2.376,8	26.115,3
31 Mar. 2018	7.303,9	1.980,8	1.835,4	16.195,6	-525,9	908,8	27.698,6	22.352,7	2.830,2	2.515,7	27.698,6
30 Jun. 2018	8.021,5	2.140,2	1.983,5	17.330,4	-539,1	1.115,4	30.051,9	24.131,2	3.233,5	2.687,2	30.051,9
30 Sept. 2018	9.661,8	2.611,7	2.019,9	19.752,4	-595,3	1.506	34.956,5	28.163,1	3.785,3	3.008,1	34.956,5

Source: Central Bank of the TRNC

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

Date	Discount Loans	Exports Loans	Import Loans	Export Guaranteed Investment Loans	Other Investment Loans	Business Loans	Directed Loans	Loans of Funds Originated	Consumer Loans	Credit Cards	Loans to Purchase Security for Customers	Loans Extended by Central Bank of the TRNC	Loans Extended Through Central Bank of the TRNC	Other Loans	Total
31 Mar. 2015	98,5	7,4	3,1	0,0	83,1	4.990,4	30,5	14,7	2.936,2	251,4	0,1	4,4	0,0	904,3	9.324,1
30 Jun. 2015	117,1	10,1	3,4	0,0	92,1	5.195,8	15,0	14,5	3.033,7	257,8	0,1	4,6	0,0	929,8	9.674,0
30 Sept. 2015	133,1	11,8	3,8	0,0	86,1	5.532,5	10,4	15,8	3.152,2	259,9	0,1	5,2	0,0	963,7	10.174,6
31 Dec. 2015	138,5	11,0	3,6	0,0	96,4	5.740,9	15,9	14,8	3.073,4	265,1	0,1	0,0	0,0	1.039,7	10.399,4
31 Mar. 2016	146,2	7,0	3,7	0,0	90,7	5.731,3	17,8	14,2	3.085,4	251,0	0,1	0,0	0,0	999,0	10.346,4
30 Jun. 2016	161,7	2,1	3,0	0,0	96,6	5.987,6	13,5	13,8	3.130,1	279,9	0,1	4,1	0,0	974,9	10.667,4
30 Sept. 2016	161,0	4,5	2,3	0,0	93,5	6.022,0	12,2	13,5	3.222,1	289,8	0,1	4,2	0,0	910,7	10.735,9
31 Dec. 2016	165,8	3,8	3,7	0,0	102,4	6.910,7	16,5	14,9	3.411,8	324,8	0,1	4,9	0,0	961,2	11.920,6
31 Mar. 2017	179,5	5,6	3,8	0,0	112,6	7.206,5	22,8	14,4	3.514,1	358,9	0,1	0,0	0,0	992,5	12.410,8
30 Jun. 2017	180,0	6,0	3,2	0,0	91,3	7.475,2	20,3	14,2	3.642,2	379,2	0,1	5,3	0,0	1.019,0	12.836,0
30 Sept. 2017	178,0	6,9	3,5	0,0	111,2	7.598,6	16,7	15,9	3.815,2	391,6	0,1	5,4	0,0	1.034,9	13.178,0
31 Dec. 2017	195,0	6,1	3,6	0,0	111,9	8.406,5	21,2	17,1	4.152,0	394,7	0,1	5,7	0,0	1.116,3	14.431,3
31 Mar. 2018	206,2	5,2	4,2	0,0	102,9	8.907,5	22,1	17,0	4.255,4	392,4	0,2	0,0	0,0	1.356,4	15.269,5
30 Jun. 2018	220,3	6,9	4,2	0,0	104,1	9.710,9	16,3	18,4	4.462,5	421,6	0,5	6,9	0,0	1.411,3	16.383,9
30 Sept. 2018	248,1	4,9	4,7	0,0	109,5	11.604,2	15,1	22,4	4.946,8	444,7	0,7	9,1	0,0	1.359,6	18.769,8

Source: Central Bank of the TRNC

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

Date	Discount Loans	Export Loans	Import Loans	Export Guaranteed Investment Loans	Other Investment Loans	Business Loans	Directed Loans	Loans of Funds Originated	Consumer Loans	Credit Cards	Loans to Purchase Security for Customers	Loans Extended by Central Bank of the TRNC	Loans Extended Through Central Bank of the TRNC	Other Loans	Total
31 Mar. 2015	72,0	0	0,1	0	63,7	2.898,1	30,5	5,8	2.036,9	250,6	0,1	0	0	592,5	5.950,3
30 Jun. 2015	90,2	0	0,1	0	68,0	2.897,1	15,0	5,4	2.084,3	257,0	0,1	0	0	613,4	6.030,6
30 Sept. 2015	101,5	0	0,1	0	59,1	2.926,8	10,4	5,4	2.135,7	257,9	0,1	0	0	6.11,7	6.108,7
31 Dec. 2015	107,3	0	0,1	0	64,9	3.161,8	16,0	5,4	2.139,0	264,3	0,1	0	0	695,5	6.454,4
31 Mar. 2016	114,4	0	0,4	0	62,1	3.238,7	17,9	5,1	2.166,9	250,1	0	0	0	691,6	6.547,2
30 Jun. 2016	126,0	2,1	0,1	0	57,6	3.311,3	13,5	4,5	2.212,4	278,9	0	0	0	678,0	6.684,4
30 Sept. 2016	123,0	4,4	0,1	0	52,9	3.296,1	12,1	4,0	2.243,5	288,2	0,1	0	0	644,8	6.669,2
31 Dec. 2016	117,6	3,8	0,3	0	53,2	3.575,9	16,5	3,8	2.270,9	323,1	0,1	0	0	644,9	7.010,1
31 Mar. 2017	127,2	5,6	0,5	0	61,7	3.637,1	22,8	3,5	2.310,6	356,9	0,1	0	0	675,1	7.201,1
30 Jun. 2017	131,8	6,1	0,1	0	60,2	3.664,0	20,3	3,8	2.401,9	376,9	0,1	0	0	698,8	7.364,0
30 Sept. 2017	135,3	6,9	0,2	0	74,4	3.631,2	16,7	5,3	2.457,6	389,1	0,1	0	0	684,7	7.401,6
31 Dec. 2017	140,4	6,1	0,1	0	75,9	3.918,0	21,2	5,9	2.627,5	392,6	0,1	0	0	698,4	7.886,4
31 Mar. 2018	149,1	5,2	0,5	0	69,3	3.973,9	22,1	5,8	2.566,2	390,3	0,2	0	0	840,8	8.023,4
30 Jun. 2018	156,9	6,9	0,1	0	68,3	4.053,6	16,3	5,5	2.640,4	419,1	0,5	0	0	875,4	8.243,1
30 Sept. 2018	166,2	4,9	0,1	0	62,5	4.130,1	15,1	5,7	2.617,2	441,9	0,7	0	0	700,0	8.144,4

Source: Central Bank of the TRNC

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

Date	Discount Loans	Export Loans	Import Loans	Export Guaranteed Investment Loans	Other Investment Loans	Business Loans	Directed Loans	Loans of Funds Originated	Consumer Loans	Credit Cards	Loans to Purchase Security for Customers	Loans Extended by Central Bank of the TRNC	Loans Extended Through Central Bank of the TRNC	Other Loans	Total
31 Mar. 2015	26,6	7,5	3,1	0	19,4	2.092,3	0	9,0	899,5	0,1	0	4,5	0	311,8	3.373,8
30 Jun. 2015	26,9	10,1	3,4	0	24,2	2.298,8	0	9,0	949,4	0,7	0	4,5	0	316,4	3.643,4
30 Sept. 2015	31,7	11,7	3,5	0	27,1	2.605,7	0	10,3	1.016,7	2,0	0	5,1	0	352,1	4.065,9
31 Dec. 2015	31,2	11,0	3,2	0	31,5	2.579,1	0	9,4	934,4	1,0	0	0	0	344,2	3.945,0
31 Mar. 2016	31,8	7,0	3,3	0	28,6	2.492,6	0	9,1	918,5	1,0	0	0	0	307,3	3.799,2
30 Jun. 2016	35,6	0	2,9	0	39,0	2.676,3	0	9,3	917,7	1,0	0	4,1	0	297,1	3.983,0
30 Sept. 2016	38	0	2,7	0	40,6	2.725,8	0	9,5	978,5	1,5	0	4,2	0	265,9	4.066,7
31 Dec. 2016	48,2	0	3,3	0	49,1	3.334,8	0	11,1	1.141	1,7	0	5,0	0	316,3	4.910,5
31 Mar. 2017	52,3	0	3,3	0	51,0	3.569,4	0	11,0	1.203,5	1,9	0	0	0	317,3	5.209,7
30 Jun. 2017	48,2	0	3,1	0	31,1	3.811,2	0	10,4	1.240,3	2,2	0	5,3	0	320,2	5.472,0
30 Sept. 2017	42,7	0	3,3	0	36,8	3.967,3	0	10,6	1.357,6	2,5	0	5,4	0	350,2	5.776,4
31 Dec. 2017	54,5	0	3,6	0	36,0	4.488,4	0	11,1	1.525,4	2,1	0	5,7	0	417,8	6.544,8
31 Mar. 2018	57,1	0	3,7	0	33,6	4.933,6	0	11,2	1.689,3	2,1	0	0	0	515,5	7.246,1
30 Jun. 2018	63,4	0	4,1	0	35,7	5.657,2	0	12,9	1.822,1	2,5	0	6,9	0	535,9	8.140,8
30 Sept. 2018	81,9	0	4,6	0	47,0	7.474,0	0	16,8	2.329,6	2,8	0	9,1	0	659,6	10.625,4

Source: Central Bank of the TRNC

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

Date	Short-Term Loans	Percentage Change by Previous Quarter	Medium and Long-Term Loans	Percentage Change by Previous Quarter	Total	Percentage Change by Previous Quarter
31 Mar. 2015	4.163,4	2,12	5.160,7	6,11	9.324,1	4,29
30 Jun. 2015	4.240,8	1,86	5.433,2	5,28	9.674,0	3,75
30 Sept. 2015	4.384,3	3,38	5.790,3	6,6	10.174,6	5,17
31 Dec. 2015	4.602,5	4,98	5.796,8	0,11	10.399,4	2,21
31 Mar. 2016	4.535,0	-1,47	5.811,4	0,25	10.346,4	-0,51
30 Jun. 2016	5.034,6	11,02	5.632,8	-3,08	10.667,4	3,11
30 Sept. 2016	5.012,0	-0,45	5.723,9	1,62	10.735,9	0,64
31 Dec. 2016	5.660,9	12,95	6.259,7	9,36	11.920,6	11,03
31 Mar. 2017	5.889,9	4,05	6.520,9	4,17	12.410,8	4,11
30 Jun. 2017	3.331,8	-43,43	9.504,2	45,75	12.836,0	3,43
30 Sept. 2017	3.414,7	2,49	9.763,3	2,73	13.178,0	2,66
31 Dec. 2017	3.696,0	8,24	10.735,3	9,95	14.431,3	9,51
31 Mar. 2018	3.996,5	8,13	11.273,0	5,00	15.269,5	5,81
30 Jun. 2018	4.416,5	10,51	11.967,4	6,16	16.383,9	7,30
30 Sept. 2018	5.213,6	18,05	13.556,2	13,28	18.769,8	14,56

Source: Central Bank of the TRNC

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

Date	Public Loans	Percentage Change by Previous Quarter	Private Loans	Percentage Change by Previous Quarter	Total	Percentage Change by Previous Quarter
31 Mar. 2015	2.442,9	1,07	6.881,2	5,48	9.324,1	4,29
30 Jun. 2015	2.411,2	-1,29	7.262,8	5,55	9.674,0	3,75
30 Sept. 2015	2.484,0	3,02	7.690,6	5,89	10.174,6	5,17
31 Dec. 2015	2.692,1	8,38	7.707,3	0,22	10.399,4	2,21
31 Mar. 2016	2.679,4	-0,47	7.667,0	-0,52	10.346,4	-0,51
30 Jun. 2016	2.662,4	-0,63	8.005,0	4,41	10.667,4	3,10
30 Sept. 2016	2.656,7	-0,21	8.079,2	0,93	10.735,9	0,64
31 Dec. 2016	2.995,6	12,76	8.925,0	10,47	11.920,6	11,03
31 Mar. 2017	3.005,0	0,31	9.405,8	5,39	12.410,8	4,11
30 Jun. 2017	2.948,7	-1,87	9.887,3	5,12	12.836,0	3,43
30 Sept. 2017	2.874,9	-2,50	10.303,1	4,21	13.178,0	2,66
31 Dec. 2017	3.192,9	11,06	11.238,4	9,08	14.431,3	9,51
31 Mar. 2018	3.228,1	1,10	12.041,4	7,15	15.269,5	5,81
30 Jun. 2018	3.322,8	2,93	13.061,1	8,47	16.383,9	7,30
30 Sept. 2018	3.639,5	9,53	15.130,3	15,84	18.769,8	14,56

Source: Central Bank of the TRNC

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

Date	Over 100 Thousand TRY	51-100 Thousand TRY	11-50 Thousand TRY	1 - 10 Thousand TRY	Fewer Than 1 Thousand TRY	Grand Total
31 Mar. 2015	7.074,3	787,4	1.017,0	429,6	15,8	9.324,1
30 Jun. 2015	7.428,9	768,4	1.023,5	437,4	15,8	9.674,0
30 Sept. 2015	7.912,1	780,3	1.024,0	443,8	14,4	10.174,6
31 Dec. 2015	8.154,1	780,1	1.017,5	432,5	15,2	10.399,4
31 Mar. 2016	8.137,3	776,4	1.025,0	392,7	15,0	10.346,4
30 Jun. 2016	8.422,4	772,3	1.038,8	408,5	25,4	10.667,4
30 Sept. 2016	8.520,5	797,2	1.002,0	395,1	21,4	10.735,9
31 Dec. 2016	9.711,1	801,8	998,2	388,2	21,3	11.920,6
31 Mar. 2017	10.156,3	817,8	984,8	400,1	51,8	12.410,8
30 Jun. 2017	10.547,2	847,3	993,7	423,9	23,9	12.836,0
30 Sept. 2017	10.861,7	879,5	996,5	416,4	23,9	13.178,0
31 Dec. 2017	12.136,8	882,5	1.011,7	375,0	25,2	14.431,3
31 Mar. 2018	12.971,9	883,1	1.016,5	372,6	25,5	15.269,6
30 Jun. 2018	14.083,6	874,0	1.020,5	380,7	25,1	16.383,9
30 Sept. 2018	16.499,8	855,7	1.010,4	379,5	24,4	18.769,8

Source: Central Bank of the TRNC

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

Date	Paid-in Capital	Reserve Requirements	Fixed Asset Revaluation Fund	Securities Value Increment Fund	Period Profit (Loss)	Accumulated Profit (Loss)	Total
31 Mar. 2015	802,4	307,6	1,6	13,5	79,9	359,1	1.564,1
30 Jun. 2015	771,9	353,8	1,4	14,7	128,4	262,0	1.532,2
30 Sept. 2015	778,9	355,0	1,4	12,6	185,4	257,3	1.590,6
31 Dec. 2015	791,4	367,3	0,2	12,6	201,8	244,7	1.618,0
31 Mar. 2016	791,8	426,1	0,2	78,7	56,2	373,2	1.726,2
30 Jun. 2016	848,5	425,3	0,3	72,3	156,3	301,2	1.803,9
30 Sept. 2016	878,5	423,7	0,2	72,7	227,5	301,0	1.903,6
31 Dec. 2016	976,7	426,4	0,3	82,1	306,8	273,9	2.066,2
31 Mar. 2017	992,4	520,0	0,3	86,0	104,7	455,8	2.159,2
30 Jun. 2017	1.011,7	558,0	0,9	88,8	185,4	381,0	2.225,8
30 Sept. 2017	1.021,4	558,0	0,9	92,6	297,4	364,0	2.334,3
31 Dec. 2017	1.099,6	409,5	0,9	101,1	407,5	358,1	2.376,8
31 Mar. 2018	1.153,7	572,8	0,9	110,0	123,1	555,2	2.515,7
30 Jun. 2018	1.180,3	616,8	0,9	124,0	316,1	449,1	2.687,2
30 Sept. 2018	1.181,6	618,7	0,9	163,5	596,2	447,2	3.008,1

Source: Central Bank of the TRNC

Table B.20: Capital Adequacy Ratio (%)

Date	Public Banks	Private Banks	Branch Banks	Banking Sector	Legal Limit
31 Mar. 2015	26,08	14,51	18,23	17,75	10,00
30 Jun. 2015	25,74	14,61	17,24	17,36	10,00
30 Sept. 2015	25,83	14,62	17,18	17,33	10,00
31 Dec. 2015	23,95	14,53	17,35	17,06	10,00
31 Mar. 2016	24,19	14,94	17,66	17,39	10,00
30 Jun. 2016	24,48	15,14	16,85	17,18	10,00
30 Sept. 2016	25,26	16,14	18,38	18,36	10,00
31 Dec. 2016	24,06	15,09	19,15	18,24	10,00
31 Mar. 2017	24,09	15,35	19,45	18,26	10,00
30 Jun. 2017	23,85	15,40	19,00	18,04	10,00
30 Sept. 2017	24,20	15,26	19,72	18,27	10,00
31 Dec. 2017	22,95	14,61	18,67	17,29	10,00
31 Mar. 2018	21,76	14,80	19,12	17,40	10,00
30 Jun. 2018	23,14	14,74	19,11	17,57	10,00
30 Sept. 2018	20,51	15,38	20,68	18,19	10,00

Source: Central Bank of the TRNC

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

Date	Interest Revenues	Interest Expenditures	Non-Interest Revenues	Non-Interest Expenditures	Net Profit / Loss
31 Mar. 2015	330,9	109,3	68,5	110,6	79,9
30 Jun. 2015	672,2	215,3	132,6	228,3	128,4
30 Sept. 2015	1.028,1	308,5	191,3	354,2	185,4
31 Dec. 2015	1.391,1	378,4	272,9	485,6	201,8
31 Mar. 2016	375,6	118,3	77,8	125,5	56,1
30 Jun. 2016	758,1	252,3	173,5	251,6	156,3
30 Sept. 2016	1.150,1	373,9	242,0	373,9	227,5
31 Dec. 2016	1.558,7	465,1	334,8	519,3	306,7
31 Mar. 2017	433,5	156,3	92,1	141,5	104,7
30 Jun. 2017	885,7	308,4	195,5	295,1	185,4
30 Sept. 2017	1.383,6	802,7	298,9	456,9	297,4
31 Dec. 2017	1.891,8	1.101,7	396,9	630,9	407,5
31 Mar. 2018	562,5	329,5	108,4	179,9	123,1
30 Jun. 2018	1.191,7	689,8	226,4	373,1	316,1
30 Sept. 2018	2.048,5	1.165,0	353,3	580,3	596,2

Source: Central Bank of the TRNC

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

Date	Demand	1-Month	3-Month	6-Month	1-Year	Total
31 Mar. 2015	1.480,3	7.034,4	2.043,0	466,5	1.233,8	12.258,0
30 Jun. 2015	1.651,8	7.323,3	2.202,8	526,6	1.295,5	13.000,0
30 Sept. 2015	1.864,3	7.773,2	2.394,4	598,2	1.377,7	14.007,8
31 Dec. 2015	1.859,2	7.689,2	2.516,1	566,5	1.319,5	13.950,5
31 Mar. 2016	1.750,4	7.918,7	2.488,7	591,5	1.274,8	14.024,1
30 Jun. 2016	1.912,7	7.930,3	2.584,2	603,7	1.269,6	14.300,5
30 Sept. 2016	2.064,9	8.206,5	2.751,7	608,2	1.338,5	14.969,8
31 Dec. 2016	2.394,0	8.623,1	3.360,7	689,5	1.567,9	16.635,2
31 Mar. 2017	2.480,3	9.674,2	3.161,1	723,8	1.613,0	17.652,4
30 Jun. 2017	2.771,0	9.919,8	3.407,0	736,9	1.659,4	18.494,1
30 Sept. 2017	2.916,9	10.069,4	4.041,3	862,7	1.782,6	19.672,9
31 Dec. 2017	3.118,5	10.808,9	4.257,6	920,4	1.992,7	21.098,1
31 Mar. 2018	3.098,2	11.840,3	4.238,1	912,5	2.263,6	22.352,7
30 Jun. 2018	3.580,7	11.979,8	5.082,1	961,5	2.527,1	24.131,2
30 Sept. 2018	4.201,9	13.615,9	6.006,3	1.166,1	3.172,9	28.163,1

Source: Central Bank of the TRNC

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

Date	Demand	1-Month	3-Month	6-Month	1-Year	Total
31 Mar. 2015	769,5	4.328,5	1.068,6	213,9	285,6	6.666,1
30 Jun. 2015	821,1	4.403,3	1.137,2	207,8	285,3	6.854,7
30 Sept. 2015	837,2	4.427,9	1.171,5	202,1	266,5	6.905,2
31 Dec. 2015	865,0	4.452,8	1.259,1	201,5	283,0	7.061,4
31 Mar. 2016	797,1	4.557,7	1.280,1	225,0	261,6	7.121,5
30 Jun. 2016	898,2	4.618,9	1.341,7	221,6	263,3	7.343,7
30 Sept. 2016	968,4	4.690,1	1.463,3	203,2	258,9	7.583,9
31 Dec. 2016	1.122,6	4.796,3	1.611,5	231,0	297,1	8.058,5
31 Mar. 2017	1.083,7	5.157,3	1.503,4	283,7	274,1	8.302,2
30 Jun. 2017	1.276,2	5.173,5	1.636,5	273,9	282,2	8.642,3
30 Sept. 2017	1.318,5	5.221,5	1.831,2	358,1	302,8	9.032,1
31 Dec. 2017	1.412,7	5.481,0	1.993,8	381,3	313,4	9.582,3
31 Mar. 2018	1.275,9	5.724,4	2.037,6	385,5	309,1	9.732,5
30 Jun. 2018	1.409,7	5.495,6	2.261,4	383,8	292,9	9.843,4
30 Sept. 2018	1.418,0	5.669,1	2.512,3	314,7	269,3	10.183,4

Source: Central Bank of the TRNC

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

Date	Demand	1-Month	3-Month	6-Month	1-Year	Total
31 Mar. 2015	710,8	2.705,9	974,5	252,5	948,2	5.591,9
30 Jun. 2015	830,8	2.919,9	1.065,5	318,8	1.010,3	6.145,3
30 Sept. 2015	1.027,1	3.345,3	1.222,9	396,1	1.111,2	7.102,6
31 Dec. 2015	994,3	3.236,4	1.256,9	365,0	1.036,5	6.889,1
31 Mar. 2016	953,3	3.361,1	1.208,6	366,5	1.013,0	6.902,5
30 Jun. 2016	1.014,5	3.311,4	1.242,5	382,1	1.006,3	6.956,8
30 Sept. 2016	1.096,5	3.516,5	1.288,3	405,0	1.079,6	7.385,9
31 Dec. 2016	1.271,4	3.826,8	1.749,2	458,5	1.270,7	8.576,7
31 Mar. 2017	1.396,6	4.516,9	1.657,7	440,1	1.338,9	9.350,2
30 Jun. 2017	1.494,9	4.746,3	1.770,5	463,0	1.377,2	9.851,9
30 Sept. 2017	1.598,4	4.847,8	2.210,1	504,7	1.479,7	10.640,8
31 Dec. 2017	1.705,8	5.327,8	2.263,8	539,1	1.679,3	11.515,8
31 Mar. 2018	1.822,4	6.115,9	2.200,5	526,9	1.954,5	12.620,2
30 Jun. 2018	2.171,0	6.484,2	2.820,7	577,7	2.234,2	14.287,8
30 Sept. 2018	2.783,9	7.946,8	3.494,0	851,4	2.903,6	17.979,7

Source: Central Bank of the TRNC

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

Date	Official	Trading	Savings	Other	Banks	Total
31 Mar. 2015	746,3	1.854,6	9.366,2	291,0	750,8	13.008,9
30 Jun. 2015	792,2	2.063,5	9.858,0	286,3	805,0	13.805,0
30 Sept. 2015	787,1	2.408,0	10.576,4	236,3	867,4	14.875,2
31 Dec. 2015	822,7	2.350,4	10.537,9	239,5	961,3	14.911,8
31 Mar. 2016	825,4	2.380,7	10.581,1	236,9	1.024,2	15.048,3
30 Jun. 2016	881,2	2.442,5	10.745,4	231,4	1.025,7	15.326,2
30 Sept. 2016	913,5	2.744,1	11.022,3	289,9	1.148,4	16.118,2
31 Dec. 2016	991,7	3.040,5	12.287,2	315,8	1.597,8	18.233,0
31 Mar. 2017	1.107,4	3.310,6	12.895,4	339,0	1.460,1	19.112,5
30 Jun. 2017	1.294,5	3.512,2	13.373,9	313,5	1.551,4	20.045,5
30 Sept. 2017	1.344,5	3.914,2	14.146,6	267,5	1.600,8	21.273,5
31 Dec. 2017	1.499,0	3.942,5	15.380,3	276,3	1.637,5	22.735,6
31 Mar. 2018	1.504,5	4.270,9	16.210,0	367,3	1.638,0	23.990,7
30 Jun. 2018	1.730,4	4.686,0	17.357,3	357,5	2.004,8	26.136,0
30 Sept. 2018	1.990,1	5.620,5	20.093,4	459,1	2.328,1	30.491,2

Source: Central Bank of the TRNC

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

Date	Official	Trading	Savings	Other	Banks	Total
31 Mar. 2015	552,5	965,0	5.006,1	142,5	331,0	6.997,1
30 Jun. 2015	588,9	1.015,5	5.120,9	129,4	276,2	7.130,9
30 Sept. 2015	571,4	1.076,5	5.130,1	127,3	237,6	7.142,9
31 Dec. 2015	614,6	1.110,6	5.193,0	143,2	254,6	7.316,0
31 Mar. 2016	615,7	1.101,8	5.286,0	118,1	285,5	7.407,1
30 Jun. 2016	669,7	1.107,3	5.441,0	125,7	208,8	7.552,5
30 Sept. 2016	708,4	1.216,8	5.492,2	166,5	227,8	7.811,7
31 Dec. 2016	756,3	1.319,0	5.823,8	159,4	331,8	8.390,3
31 Mar. 2017	809,7	1.352,5	5.963,4	176,8	351,3	8.653,7
30 Jun. 2017	1.022,5	1.368,4	6.116,2	135,1	313,2	8.955,4
30 Sept. 2017	1.029,4	1.516,0	6.387,8	98,9	319,0	9.351,2
31 Dec. 2017	1.150,6	1.522,5	6.802,0	107,2	279,1	9.861,4
31 Mar. 2018	1.144,2	1.558,4	6.912,0	117,9	302,7	10.035,2
30 Jun. 2018	1.298,4	1.506,7	6.909,0	129,2	404,0	10.247,3
30 Sept. 2018	1.394,1	1.622,1	7.021,3	145,9	420,4	10.603,8

Source: Central Bank of the TRNC

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

Date	Official	Trading	Savings	Other	Banks	Total
31 Mar. 2015	193,8	889,5	4.360,2	148,5	419,8	6.011,8
30 Jun. 2015	203,3	1.048,0	4.737,1	156,9	528,8	6.674,1
30 Sept. 2015	215,8	1.331,5	5.446,3	108,9	629,8	7.732,3
31 Dec. 2015	208,1	1.239,8	5.345,0	96,3	706,6	7.595,8
31 Mar. 2016	209,7	1.279,0	5.295,1	118,8	738,6	7.641,2
30 Jun. 2016	211,6	1.335,2	5.304,3	105,6	817,0	7.773,7
30 Sept. 2016	205,1	1.527,4	5.530,0	123,4	920,6	8.306,5
31 Dec. 2016	235,4	1.721,5	6.463,4	156,4	1.266,0	9.842,7
31 Mar. 2017	297,7	1.958,2	6.932,1	162,2	1.108,7	10.458,9
30 Jun. 2017	272,0	2.143,8	7.257,6	178,4	1.238,2	11.090,0
30 Sept. 2017	315,1	2.398,3	7.758,8	168,6	1.281,6	11.922,3
31 Dec. 2017	348,5	2.420,0	8.578,2	169,1	1.358,3	12.874,1
31 Mar. 2018	360,3	2.712,6	9.298,0	249,3	1.335,3	13.955,5
30 Jun. 2018	432,0	3.179,4	10.448,2	228,2	1.600,9	15.888,7
30 Sept. 2018	596,0	3.998,4	13.072,1	313,2	1.907,7	19.887,4

Source: Central Bank of the TRNC

Table B.28: Money Supply (Million TRY)

Year	Quarter	M1	Percentage Change by Previous Quarter	M2	Percentage Change by Previous Quarter	M3	Percentage Change by Previous Quarter
2014	I	2.049,8	4,40	10.794,4	2,20	11.601,9	2,26
	II	2.152,4	5,01	11.130,9	3,12	11.957,3	3,06
	III	2.163,0	0,49	11.578,9	4,02	12.433,8	3,99
	IV	2.211,0	2,21	11.880,2	2,60	12.660,2	1,82
2015	I	2.338,5	5,77	12.470,8	4,97	13.249,2	4,65
	II	2.532,7	8,30	13.211,3	5,94	14.056,5	6,09
	III	2.829,9	11,74	14.279,5	8,09	15.106,7	7,47
	IV	2.841,2	0,40	14.215,9	-0,45	15.109,8	0,02
2016	I	2.797,9	-1,53	14.340,3	0,88	15.181,6	0,48
	II	2.976,9	6,40	14.620,3	1,95	15.593,1	2,71
	III	3.158,0	6,08	15.285,2	4,55	16.319,0	4,66
	IV	3.544,1	12,23	16.946,4	10,87	17.996,6	10,28
2017	I	3.754,8	5,95	18.019,6	6,33	19.209,2	6,74
	II	3.906,7	4,05	18.670,5	3,61	20.066,2	4,46
	III	4.126,2	5,62	19.847,4	6,30	21.240,3	5,85
	IV	4.403,3	6,72	21.181,5	6,72	22.789,8	7,30
2018	I	4.620,3	4,93	22.638,7	6,88	24.286,7	6,57
	II	5.136,5	11,17	24.283,6	7,27	26.135,3	7,61
	III	6.038,8	17,57	28.359,8	16,79	30.493,1	16,67

Source: Central Bank of the TRNC

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

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

Source: Central Bank of the TRNC

Table B.30: Basic Economic and Social Indicators

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
GNP (Current Prices, Million TRY)	4.671,3	5.128,3	5.415,3	5.649,5	6.559,2	6.915,8	7.579,4	8.840,4	10.222,5	11.292,6	14.551,8	14.518,4 ^(F)
GNP (Million USD)	3.598,8	3.995,6	3.502,5	3.750,6	3.908,5	3.840,8	3.969,5	4.031,9	3.749,2	3.735,8	3.985,7	3.685,3 ^(F)
GNP per capita (Current Prices, TRY)	19.165	20.739	21.538	22.147	25.850	27.077	29.217	33.128	37.456	40.595,2	51.796,7	53.974,1 ^(F)
GNP per capita (USD)	14.765	16.158	13.930	14.703	15.404	15.038	15.302	15.109	13.737,2	13.427,9	14.187	12.700,6 ^(F)
Inflation Rate (%)	9,4	14,5	5,7	3,3	14,7	3,6	10,2	6,5	7,8	10,2	14,7	10,2 ^(F)
Exports (Million USD) (3)	83, 7	83,6	71,1	96,4	119,9	116,3	120,7	134,0	118,1	105,5	105,6	108,0 ^(F)
Imports (Million USD) (4)	1.539,2	1.680,7	1.326,2	1.604,2	1.699,9	1.703,9	1.699,4	1.538,8	1.500,6	1.557,2	1.778,4	1.684,5 ^(F)
Foreign Trade Balance (Million USD)	-1,455.5	-1,597.1	-1,255.1	-1,507.8	-1,580.0	-1,587.6	-1,578.7	-1,404.8	-1,382.5	-1,415,2	-1,672,8	-1,576,5 ^(F)
Exports / Imports (%)	5,1	4,4	5,4	6,0	9,0	7,2	7,1	7,5	7,9	6,9	6,4	6,4 ^(F)
Number of Arriving Tourists (January-September 2018)	791.036	808.682	800.376	902.390	1.022.089	1.166.186	1.232.753	1.366.007	1.483.244	1.577.073	1.734.330	1.339.697
a) Turkey	634.580	650.405	638.700	741.925	801.326	904.505	923.308	1.020.577	1.110.795	1.218.232	1.324.248	1.036.987
b) Other	156.456	158.277	161.676	160.465	220.763	261.681	309.445	345.430	372.449	358.841	410.082	302.710
Net Tourism Income (Million USD)	381,0	383,7	390,7	405,8	459,4	571,9	613,4	691,6	697,7	714,4	725,8	737,2 ^(F)
Employment	89.787	91.223	91.550	93.498	93.470	96.539	97.867	103.149	112.811	118.387	120.999	125.511 ^(F)
Number of Unemployed	9.361	9.881	12.941	12.619	9.864	9.174	8.929	9.320	9.043	8.075	7.452	7.305 ^(F)
Unemployment Rate (%)	9,4	9,8	12,4	11,9	9,5	8,7	8,4	8,3	7,4	6,4	5,8 ^(F)	5,5 ^(T)
Population (5)	268.011	274.436	283.736	277.680	283.281	292.129	301.988	313.626	326.158	335.455	351.965 ^(F)	n.a
Annual Population Growth (%)	4,0	2,4	3,3	1,1	-1,3	3,1	3,3	3,8	3,9	2,9	4,9 ^(F)	n.a
Annual Average 1 USD = TRY	1.2980	1.2835	1.5461	1,5063	1.6782	1.8006	1.9094	2.1926	2.7266	3,0232	3,6510	n.a

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

1) Foreign aids are not included.

2) Exports to the Southern Cyprus are not included.

3) Hydrocarbon imports are not included.

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

(F) Forecast

(n.a.) (Not available.)

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

Sectors	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 ^(F)
1. Agriculture	288,2	259,2	300,6	330,3	366,4	386,5	405,0	489,3	552,5	647,6	658,8	862,2
2. Industry	430,8	542,8	516,7	552,4	558,5	587,1	636,6	779,7	937,7	1.064,7	1.413,3	1.377,1
3. Construction	364,4	362,2	346,4	312,1	408,5	335,8	370,7	370,2	480,5	511,6	836,3	685,6
4. Trade - Tourism	630,3	721,7	766,3	900,0	1.216,8	1.385,3	1.527,9	1.829,1	2.012,9	2.280,6	2.921,8	2.878,9
5. Transportation - Communication	533,4	614,5	597,3	525,2	553,1	642,9	711,4	788,0	896,6	965,3	1.156,6	1.264,3
6. Financial Institutions	309,4	357,8	388,4	404,4	472,6	506,0	579,7	637,4	719,4	887,6	1.007,7	1.006,7
7. Housing Income	144,2	175,9	202,5	220,6	274,4	305,8	358,2	398,9	456,2	535,3	655,6	655,9
8. Self-Employment and Services	493,5	525,2	609,3	652,3	727,5	801,8	891,6	1.026,1	1.422,6	1.679,9	2.289,8	2.160,5
9. Public Services	1.003,5	1.104,0	1.201,2	1.180,1	1.294,3	1.294,9	1.349,9	1.603,6	1.715,2	1.850,1	2.193	2.244,6
10. Import Taxes	406,7	416,6	447,6	536,3	637,0	709,1	775,9	936,4	971,8	1.178,3	1.411,5	1.382,6
11. GDP	4.604,3	5.079,9	5.376,3	5.614,1	6.509,0	6.955,1	7.606,9	8.858,6	10.222,5	11.601,2	14.544,8	14.518,4
12. Net Factor Income from Abroad	66,9	48,4	38,9	35,4	50,2	-39,3	-27,5	-18,2	-11,7	4,2	6,9	-15,3
GNP	4.671,2	5.128,3	5.415,3	5.649,5	6.559,2	6.915,8	7.579,4	8.840,4	10.210,7	11.605,5	14.187,0	14.503,1

Source: SPO
(F) Forecast

Table B.32: Percentage Distribution of Gross Domestic Product

Sectors	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 ^(F)
1. Agriculture	6,3	5,1	5,6	5,9	5,6	5,6	5,3	5,5	6,0	5,6	4,5	5,9
2. Industry	9,4	10,7	9,6	9,8	8,6	8,4	8,4	8,8	9,2	9,2	9,7	9,5
2.1. Quarrying	1,1	0,8	0,7	0,6	0,7	0,6	0,6	0,5	0,7	0,7	0,9	0,7
2.2. Manufacturing Industry	4,4	4,0	3,2	2,3	2,5	2,8	2,9	3,1	3,7	3,7	3,3	3,9
2.3. Electricity-Water	3,9	5,9	5,8	6,9	5,3	5,1	4,8	5,1	4,8	4,8	5,5	4,9
3. Construction	7,9	7,1	6,5	5,6	6,3	4,8	4,9	4,2	4,7	4,4	5,8	4,7
4. Trade - Tourism	13,7	14,2	14,3	16,0	18,7	19,9	20,1	20,6	19,7	19,7	20,1	19,8
4.1. Wholesale and Retail Trade	9,5	9,7	9,0	10,7	11,1	11,4	11,2	12,3	10,7	11,0	11,1	10,5
4.2. Hotel and Restaurant Management	4,2	4,5	5,2	5,4	7,6	8,5	8,9	8,3	9,0	8,7	9,0	9,3
5. Transportation - Communication	11,6	12,1	11,1	9,4	8,5	9,3	9,4	8,9	8,8	8,3	8,0	8,7
6. Financial Institutions	6,7	7,1	7,2	7,2	7,2	7,3	7,6	7,2	7,0	7,6	6,9	6,9
7. Housing Ownership	3,1	3,5	3,8	3,9	4,2	4,4	4,7	4,5	4,4	4,6	4,5	4,5
8. Self-Employment and Services	10,7	10,3	11,3	11,6	11,2	11,5	11,7	11,6	13,9	14,5	15,7	14,9
9. Public Services	21,8	21,7	22,3	21,0	19,9	18,6	17,7	18,1	16,8	15,9	15,1	15,5
10. Import Taxes	8,8	8,2	8,3	9,6	9,8	10,2	10,2	10,6	9,5	10,2	9,7	9,5
GDP	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0

Source: SPO

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 ^(F)
1. Total Resources	4.996,3	5.629,3	5.516,7	6.065,0	6.849,7	7.141,1	7.664,8	8.866,0	9.470,2	10.499,0	12.259,9	13.948,6
2. Total Investments	1.089,2	1.049,1	946,6	1.049,6	1.266,5	1.175,5	1.147,8	1.276,7	1.598,5	1.791,2	2.138,6	2.447,3
3. Total Consumption	3.907,1	4.580,1	4.570,0	5.015,4	5.583,1	5.965,6	6.516,9	7.589,3	7.871,7	8.707,8	10.121,3	11.501,4
4. Public Disposable Income	904,7	1.105,6	751,9	962,2	1.059,2	1.491,8	1.341,3	1.688,9	2.123,1	2.317,2	2.586,1	2.777,4
5. Private Disposable Income	3.766,5	4.022,7	4.663,3	4.687,3	5.449,9	5.424,0	6.238,1	7.151,5	8.087,7	8.962,7	10.403,0	11.725,7
6. Private Savings Ratio (%)	29,0	20,1	33,9	26,0	28,0	20,8	25,0	23,3	29,8	29,4	28,1	26,1
7. Total Domestic Savings	764,2	548,2	845,2	634,1	976,1	950,3	1.062,5	1.251,0	2.339,0	2.572,1	2.867,8	3.001,7

Source: SPO

(F) Forecast

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

Sectors	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 ^(F)
1. Agriculture	0,4	-18,2	8,2	10,0	10,8	3,7	-1,6	4,8	14,5	-7,3	4,9	8,5
2. Industry	-0,9	-10,3	-9,1	-0,2	3,4	-0,7	1,7	8,5	19,5	7,3	4,4	4,7
3. Construction	4,2	-8,0	-18,5	3,8	3,3	-16,0	-0,3	-4,5	6,5	5,7	10,6	3,0
4. Trade-Tourism	-2,7	-2,1	-8,7	18,3	6,0	6,1	1,4	8,5	-0,8	4,8	9,0	3,4
5. Transportation-Communication	-3,6	2,2	-2,8	-20,0	-4,3	5,7	2,0	3,2	5,7	1,8	6,9	3,0
6. Financial Institutions	6,3	9,6	1,7	0,3	1,4	8,1	7,5	0,8	1,6	2,0	3,1	2,5
7. Housing Ownership	4,6	2,7	3,8	4,0	3,9	3,7	3,2	2,6	3,0	3,5	3,8	3,5
8. Self-Employment and Services	6,6	4,3	3,4	-5,3	4,3	1,5	2,3	8,8	9,5	3,6	7,7	5,5
9. Public Services	8,2	1,2	-5,0	0,4	2,8	1,9	1,4	-0,1	0,1	-0,2	-0,8	0,5
10. Import Taxes	12,3	-0,8	-7,1	18,6	3,9	8,9	-2,1	7,9	-9,6	9,0	0,5	3,0
11. GDP	2,8	-2,9	-5,5	3,7	3,9	1,8	1,1	4,8	4,0	3,6	5,4	3,8
12. Net Factor Income from Abroad	-47,3	-36,4	-28,2	-9,8	27,1	-174,5	35,3	40,5	41,9	133,0	37,9	0,0
GNP	1,5	-3,4	-5,7	3,6	4,0	0,5	1,3	4,9	4,1	3,8	5,5	3,8

Source: SPO

(F) Forecast

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 ^(F)
1. Current Accounts Balance	-250,4	-390,3	-65,4	-275,8	-173,1	-125,1	-44,7	-11,7	271,6	287,6	294,4	140,7
2. Balance of Capital Movements	335,0	410,5	495,0	438,5	326,5	346,2	259,7	186,9	168,9	71,4	131,4	157,9
3. Reserve Movements (- Increase, + Decrease)	-41,2	269,5	-172,1	-94,4	-47,3	-340,8	-219,9	-176,7	-75,8	-79,4	-826,6	-298,7
4. Net Errors and Omissions	-43,4	-289,7	-257,5	-68,3	-106,1	119,7	4,9	1,5	-364,7	-279,6	400,8	0,0

Source: SPO
(F) Forecast

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

Months	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
January	1,8	3,4	0,7	-0,9	1,0	1,3	1,6	-0,1	-0,27	1,39	-0,70	1,00	2,09	-0,88	0,47	2,56	-0,22
February	3,9	6,0	0,3	-0,9	0,7	2,0	2,2	0,1	-0,31	2,10	-0,95	0,46	4,43	-2,14	0,31	4,00	1,39
March	6,2	7,9	1,8	-0,9	2,5	3,5	3,8	1,1	0,00	3,88	-0,03	0,66	5,02	-0,41	0,09	4,61	2,26
April	7,3	9,8	2,4	0,5	4,2	4,2	6,3	1,2	0,71	4,85	1,83	1,51	5,38	1,09	1,09	6,54	5,07
May	7,3	12,9	4,6	-0,2	6,4	4,3	7,9	2,5	0,29	6,46	1,69	1,80	4,56	2,73	1,86	6,95	8,91
June	8,2	9,0	4,2	-0,4	8,5	3,4	9,8	3,2	0,31	5,95	0,73	3,30	4,89	3,18	2,33	7,68	12,11
July	11,4	6,9	4,2	-0,2	10,2	3,6	11,5	0,8	0,92	7,02	-0,28	3,21	5,15	1,90	3,23	9,29	14,64
August	15,2	7,1	6,5	0,5	12,6	5,9	11,3	2,6	1,92	9,49	0,84	4,17	5,77	2,72	4,00	9,75	24,29
September	16,9	9,1	8,4	2,0	15,9	7,7	14,3	3,3	2,58	10,39	2,57	6,30	5,84	5,78	4,63	10,31	31,99
October	20,7	10,9	10,3	2,5	18,6	9,3	15,6	4,9	3,61	11,90	3,52	7,89	7,69	7,39	5,85	11,32	34,08
November	21,9	11,7	10,9	2,3	19,0	9,0	16,4	6,0	3,54	13,91	3,61	8,29	6,97	6,38	7,36	12,78	
December	24,5	12,6	11,6	2,7	19,2	9,4	14,5	5,7	3,27	14,72	3,60	10,22	6,49	7,78	10,19	14,68	

Source: SPO

Table B.37: TRNC and TR Inflation Rates

Years	TRNC	TR	Years	TRNC	TR	Years	TRNC	TR
1984	70,7	49,7	1998	66,5	69,7	2012	3,60	6,16
1985	43,0	44,2	1999	55,3	68,8	2013	10,22	7,40
1986	48,1	30,7	2000	53,2	39,0	2014	6,49	8,17
1987	43,0	55,1	2001	76,8	68,5	2015	7,78	8,81
1988	62,6	77,1	2002	24,5	29,8	2016	10,19	8,53
1989	51,8	64,3	2003	12,6	18,4	2017	14,68	11,92
1990	69,4	60,4	2004	11,6	9,3	2018 ⁽¹⁾	38,13	24,52
1991	46,3	71,1	2005	2,7	7,7			
1992	63,4	66,0	2006	19,2	9,7			
1993	61,2	71,1	2007	9,4	8,4			
1994	215,0	125,5	2008	14,5	10,1			
1995	72,2	76,1	2009	5,7	6,5			
1996	87,5	79,8	2010	3,2	6,4			
1997	81,7	99,1	2011	14,7	10,4			

Source: SPO, CBRT

⁽¹⁾: Updated according to October 2018 data.

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

Main Groups	Change Rates of Main Goods and Services Groups Compared to the Previous Month											
	2018											
	1	2	3	4	5	6	7	8	9	10	11	12
1. Food and Non-Alcoholic Beverages	0,06	0,64	-0,01	1,80	1,45	3,35	2,51	8,38	10,41	2,08		
2. Alcoholic Beverages and Tobacco	0,01	0,00	0,01	7,21	0,97	0,29	-0,06	1,39	3,34	1,72		
3. Clothing & Shoes	-0,13	-0,20	-0,04	13,35	1,52	1,48	-0,49	-3,93	2,23	10,16		
4. Housing, Water, Electricity, Gas and Other Fuels	0,01	0,10	0,06	1,27	5,78	2,36	7,92	7,41	2,13	2,16		
5. Furniture, Home Appliances and Home Maintenance Services	0,15	0,07	0,15	1,34	4,23	-0,28	0,59	17,67	5,94	5,08		
6. Health	0,04	0,16	0,02	2,17	0,95	3,02	0,22	11,33	2,25	2,00		
7. Transportation	-0,01	0,47	0,14	4,64	3,90	3,09	0,79	9,07	15,13	2,94		
8. Communication	-0,01	0,04	0,00	0,13	0,30	0,07	1,56	4,83	2,60	-0,71		
9. Entertainment and Culture	-0,34	0,19	0,17	3,19	6,02	5,83	2,83	12,08	-1,70	-1,21		
10. Education	-0,03	0,08	0,08	2,55	2,45	2,42	0,88	8,23	6,44	-2,00		
11. Restaurants and Hotels	-0,03	0,03	0,06	1,64	8,81	6,20	0,60	7,73	2,17	-1,85		
12. Miscellaneous Goods and Services	0,06	0,03	0,23	0,64	1,59	0,85	0,92	3,82	6,33	2,59		
General	-0,22	1,61	0,87	2,75	3,65	2,94	2,26	8,42	6,20	1,58		

Source: SPO

Table B.39: Minimum Wage Developments

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

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			
21.05.2014	3,63	3,81	3,66	3,26	3,26
12.06.2014	3,63	3,81	3,64	3,25	3,25
03.07.2014	3,76	3,94	3,75	3,35	3,35
24.07.2014	3,74	3,92	3,71	3,31	3,31
14.08.2014	3,70	3,89	3,71	3,31	3,31
26.09.2014	3,69	3,88	3,70	3,29	3,29
17.10.2014	3,64	3,83	3,65	3,24	3,24
07.11.2014	3,49	3,68	3,53	3,12	3,12
28.11.2014	3,42	3,61	3,48	3,07	3,07
19.12.2014	3,18	3,37	3,26	2,86	2,86
14.01.2015	2,99	3,18	3,06	2,67	2,67
04.02.2015	2,95	3,14	2,97	2,58	2,58
25.02.2015	3,04	3,23	3,06	2,67	2,67
18.03.2015	3,13	3,32	3,15	2,76	2,76
01.05.2015	3,31	3,50	3,32	2,93	2,93
23.05.2015	3,40	3,59	3,41	3,02	3,02
07.07.2015	3,40	3,59	3,39	2,99	2,99
28.07.2015	3,30	3,49	3,22	2,82	2,82
18.08.2015	3,27	3,46	3,22	2,82	2,82
09.09.2015	3,27	3,46	3,22	2,85	2,85
30.09.2015	3,29	3,48	3,26	2,92	2,92
21.10.2015	3,27	3,46	3,23	2,92	2,92
16.01.2016	3,18	3,38	3,07	2,86	2,86
23.01.2016	3,18	3,38	2,97	2,86	2,86
06.02.2016	3,12	3,32	2,86	2,86	2,86
19.03.2016	3,20	3,40	2,94	2,94	2,94
05.05.2016	3,27	3,47	3,03	2,94	3,02
26.05.2016	3,39	3,59	3,20	-	3,17
17.06.2016	3,41	3,61	3,29	-	3,26
12.07.2016	3,41	3,61	3,29	-	3,26
24.08.2016	3,47	3,67	3,30	-	3,26
20.09.2016	3,54	3,74	3,36	-	3,32
11.10.2016	3,57	3,77	3,36	-	3,35
01.11.2016	3,63	3,83	3,45	-	3,41
07.01.2017	3,83	4,03	3,62	-	3,56
11.03.2017	3,76	3,96	3,59	-	3,51
01.04.2017	3,71	3,91	3,51	-	3,43
18.05.2017	3,67	3,87	3,47	-	3,39
29.11.2017	3,67	3,87	3,63	-	3,40
03.02.2018	3,85	4,04	3,78	-	3,55
17.03.2018	3,88	4,07	3,82	-	3,59
11.04.2018	4,19	4,37	4,02	-	3,78
03.05.2018	4,30	4,48	4,13	4,13	3,91
10.07.2018	4,32	4,50	4,13	4,13	4,01
31.07.2018	4,42	4,60	4,18	4,18	4,11
28.08.2018	4,97	5,16	4,76	4,76	4,65
20.09.2018	5,81	6,01	5,76	5,76	5,59
01.11.2018	5,61	5,71	5,55	5,76	5,46

Source: Ministry of Economy and Energy

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

Years	Turkey	European Union Countries	Other EU Countries	Middle East Countries	Other Countries	Total Exports
2006	30.875.362	9.708.799	9.805.754	11.543.938	2.933.694	64.867.547
2007	48.907.443	13.225.555	7.369.006	9.702.231	4.480.578	83.684.813
2008	41.770.636	17.147.124	4.953.414	14.220.270	5.572.694	83.664.138
2009	38.482.808	13.156.210	1.206.347	13.833.521	4.384.880	71.063.766
2010	44.741.216	11.816.654	3.475.821	31.104.188	5.282.030	96.419.909
2011	61.333.755	9.515.772	1.514.866	36.886.525	10.645.168	119.896.086
2012	58.878.076	8.678.585	1.014.857	39.821.898	9.873.712	116.267.128
2013	62.969.817	9.145.514	2.733.484	38.472.891	7.359.533	120.681.239
2014	78.446.382	8.304.840	835.323	40.583.800	5.814.745	133.985.090
2015	66.228.637	6.195.715	3.811.828	35.611.170	5.885.294	117.732.644
2016	65.926.162	10.664.066	893.816	23.981.854	4.022.010	105.487.908
2017	63.818.406	8.335.579	1.681.343	22.247.673	9.532.987	105.615.988
2018 (Jan.-Aug.)	44.328.969	3.804.380	2.489.315	18.077.463	7.762.661	76.462.788

Source: Ministry of Economy and Energy

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

Years	Turkey	European Union Countries	Far Eastern Countries	Other EU Countries	Middle East Countries	Other Countries	Total Imports
2006	946.978.969	247.072.030	82.977.243	16.460.425	65.267.005	17.464.606	1.376.220.278
2007	1.044.965.855	248.220.981	111.304.222	40.423.905	66.253.726	28.022.604	1.539.191.293
2008	1.172.502.792	236.344.802	109.156.742	78.503.072	56.482.297	27.673.475	1.680.657.180
2009	923.438.219	205.604.209	87.720.997	30.311.431	52.507.371	26.582.965	1.326.165.192
2010	1.137.378.970	251.285.189	90.266.660	29.873.873	69.000.395	26.375.578	1.604.180.665
2011	1.165.712.306	286.204.302	82.493.886	42.982.735	87.880.256	34.654.478	1.699.927.963
2012	1.234.214.030	247.749.409	81.109.808	28.245.460	81.484.144	31.111.112	1.703.913.963
2013	1.155.334.547	257.018.820	113.400.316	59.110.065	86.239.017	28.323.666	1.699.426.431
2014	995.563.199	238.330.438	125.280.677	70.915.525	75.481.630	33.204.743	1.538.776.212
2015	967.563.226	271.360.515	115.042.857	45.084.868	70.781.057	30.744.861	1.500.577.384
2016	940.845.300	326.806.415	133.943.157	51.872.616	69.557.193	34.165.573	1.557.190.254
2017	1.040.958.559	381.381.939	148.683.585	61.153.637	87.579.546	48.692.756	1.768.450.022
2018⁽¹⁾	562.946.113	148.846.091	78.015.863	41.642.448	54.836.353	25.873.327	921.160.195

Source: Ministry of Economy and Energy

⁽¹⁾Data available until August 2018 were used.

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 (January-September)	1.501.411	73.879	19.907	344	1.595.541

Source: Tourism Planning Department

Table B.44: Total Entries and Exits from Southern Cyprus Border Gates in 2018 by Months

	Southern Cyprus			
	Entries	Exits	Total Entries	Total Exits
January	93.241	93.268	186.509	320.639
February	83.267	83.043	166.310	321.002
March	97.704	96.731	194.435	367.727
April	106.602	106.953	213.555	383.357
May	110.945	111.087	222.032	405.956
June	123.941	123.027	246.968	428.636
July	133.585	133.785	267.370	445.904
August	180.729	179.618	360.347	508.821
September	186.477	185.846	372.323	521.524
October	183.490	183.944	367.434	530.236
Total	1.299.981	1.297.302	2.597.283	4.233.802

Source: Tourism Planning Department

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

Countries	Number of Persons							
	2011	2012	2013	2014	2015	2016	2017	2018⁽¹⁾
Turkey	393.238	459.529	464.397	529.909	588.045	621.819	656.365	585.659
TRNC	45.243	45.175	40.125	49.598	52.335	53.224	42.491	38.265
Other	156.381	183.651	209.379	224.881	235.661	266.208	317.984	230.847
Grand Total	594.862	688.355	713.901	804.387	876.041	941.251	1.016.840	854.771

Source: Tourism Planning Department

⁽¹⁾Data available until September 2018 were used.

ANNEX C. NOTES

Money Supply

'Money Supply' in the broadest sense refers to the sum of means that are in circulation and used as money in an economy. Although they vary from country to country or time, the 'money supply' is defined as M1 (Narrow Money Supply), M2 (Intermediate Money

Supply) and M3 (Wide Money Supply) according to their liquidity ratios and is calculated as follows.

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

M2= M1 + Time Deposits in the Banks

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

Deposits and Loans

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

Bank

It describes the banks established under the "Companies Law" and "TRNC Banking Law" numbered 39/2001 and the branches of foreign banks opened in the Turkish Republic of Northern Cyprus. There are currently 22 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 22 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'.

Conversion Method

In the bulletin, the daily exchange rates determined by our bank are used when calculating the Turkish Lira equivalents of foreign currency amount. Such conversion is made by using the "Foreign Currency Buying Rate" of the relevant foreign currency.

Other Points Related to the Bulletin

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

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

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

