



# CENTRAL BANK OF THE TRNC

## QUARTERLY BULLETIN



**2021 - III**





# QUARTERLY BULLETIN

2021/III



## I: FOREWORD

In the Economic Outlook Interim Report published by the OECD in September 2021, it was mentioned that global economic growth accelerated in 2021 with the help of strong policy support, the dissemination of effective vaccines and the resumption of economic activities. In the related report, it is projected that the global Gross Domestic Product for 2021 and 2022 will grow by 5.7 percent and 4.5 percent, respectively. As stated in the Global Economic Outlook report published by the IMF, the policy mix should continue to be tailored to local circumstances in order to achieve maximum sustainable employment while protecting the credibility of governmental policies.

After the meetings held in September and October 2021, the CBRT Monetary Policy Committee (MPC) reduced the policy rate, which is the one-week repo rate, by 100 basis points and 200 basis points, a total of 300 basis points, from 19 percent to 16 percent. The statement released after the meeting states that, till the end of the year, supply-side transitory factors leave limited room for the downward adjustment to the policy rate.

In the third quarter of 2021, inflation rates in the TRNC compared to the previous month have been 2.23, 2.54 and 2.08 percent in July, August and September, respectively. In the third quarter of 2021, annual inflation rates compared to the same month of the previous year have been 20.23, 20.54 and 21.01 percent in July, August and September, respectively. The sectors with the highest price increase at the end of September 2021 are furniture and home appliances with 33.99 percent, restaurants and hotels with 33.80 percent and, food and non-alcoholic beverages item with 28.05 percent. By the end of September 2021, the lowest price increase was in entertainment and culture item with 6.54 percent.

In the third quarter of 2021, budget revenues and budget expenditures have been 2,261.1 and 2,415.7 million TRY, respectively. Thus, public finance has recorded a 154.6 million TRY deficit in the third quarter of 2021. Tax revenues item with the largest share in budget revenues increased by 13.6 percent compared to the same period of the previous year and amounted to 1,583.4 million TRY. Non-tax revenues item, which had the second highest share in budget revenues, has become 301 million TRY in the third quarter of 2021. Thus, the shares of tax revenues and non-tax revenues in total budget revenues have become 70 percent and 13.3 percent, respectively. Current transfers and personnel expenditures, the first two items having the largest share in the budget expenditures, reached 1055.8 million TRY and 835.3 million TRY, respectively in the third quarter of 2021. The share of these items in total budget expenditures has been 43.7 percent for current transfers and 34.6 percent for personnel expenditures.

According to the foreign trade data announced by the TRNC Department of Trade, the export and import figures for the second quarter of 2021 have been 36.3 million and 308.8 million US dollars, respectively. Total exports increased by 26 percent in the second quarter of 2021, while total imports increased by 30 percent, compared to the same period of the previous year. In the first half of 2021, the first three items with the largest share in imports have been vehicles with 11.45 percent, fuel with 8.81 percent and animal feeds and additives with 3.79 percent.

In the third quarter of 2021, total assets of the banking sector increased by 4.41 percent and reached 59,399.6 million TRY as of the end of September. Gross loans and cash and cash equivalents have been the largest shares in the total assets with 54.13 percent and 29.14 percent, respectively. Total deposits, which have the largest share in the sector's total liabilities, amounted to 48,804.6 million TRY as of the end of September 2021. The share of deposits in total liabilities is 82.16 percent. In the banking sector, loans to deposits ratio decreased by 1.2 points in the third quarter of

2021 compared to the previous quarter and reached 65.88 percent. Sector's non-performing loans, amounting to 1,513.2 million TRY as of the end of June 2021, increased by 1.73 percent and reached 1,539.4 million TRY as of the end of September 2021.

In the third quarter of 2021, the sector's capital adequacy standard ratio increased by 0.74 points compared to the previous quarter and reached 17.05 percent, above the legal limit of 10 percent. CASR based on bank groups has been 16.07 percent in public banks, 12.82 percent in private banks and 22.97 percent in branch banks.

I would like to thank all of our employees who have contributed to the preparation of this bulletin, in which current main indicators of the selected economies and TRNC economy are included and the overview of the TRNC banking sector is reflected in detail as of the third quarter of 2021, and I hope that it will be beneficial for those interested in the subject.

Regards,



**Rifat GÜNAY**

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## II: ABBREVIATIONS

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

## III: DEFINITIONS

Gross Loans: Loans + Non-Performing Loans

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



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# 1 INTERNATIONAL DEVELOPMENTS

## 1.1 OVERVIEW AND CURRENT DEVELOPMENTS

In the Economic Outlook Interim Report published by the OECD in September 2021, it was mentioned that global economic growth accelerated in 2021 with the help of strong policy support, the dissemination of effective vaccines and the resumption of economic activities. In the report, it is foreseen that the GDP will grow by 5.7 percent in 2021 and 4.5 percent in 2022. It was also mentioned in the OECD report that the global GDP growth exceeded the pre-Covid-19 level. It was emphasized that the strong recovery in Europe, the possibility of additional financial support in the United States in the following year and the low household savings increased the growth expectations in developed economies. On the other hand, analysing the developing economies, especially countries with low vaccination rates, it is mentioned that production and employment deficits continue and this situation has a negative impact on the economic growth momentum.

In the OECD Economic Outlook Interim Report, it is mentioned that the uncertainties in the global economy continue. According to the first scenario on the agenda regarding this uncertainty, demand will increase and unemployment will decrease as a result of progress in vaccine distribution and a faster decline in household savings. However, this situation is likely to increase short-term inflationary pressures. Another scenario would be a weaker economic recovery and greater job losses as vaccination progresses slowly and new virus mutations continue to spread.

In the report, it was mentioned that governments need to ensure that all resources necessary are used to deploy vaccinations as quickly as possible throughout the world to save lives, preserve incomes and bring the virus under control. It is also highlighted that stronger international efforts are needed to provide low-income countries with the resources needed to vaccinate their populations for their own and global benefits.

The report states that fiscal policies should remain flexible and contingent on the state of the economy. It was suggested that a premature and abrupt withdrawal of policy support should be avoided whilst the near-

term outlook is still uncertain. It was underlined that stronger public investment and enhanced structural reforms are needed to boost resilience, and improve the prospects for sustainable and equitable growth.

In the World Economic Outlook report published by the IMF in October 2021, the global economy is projected to grow 5.9 percent in 2021, 0.1 percentage point lower for 2021 than in the previous report. For 2021, the downward revision reflects a downgrade for the advanced economies, largely because of supply disruptions, as well as for the low-income developing countries, mainly because of worsening pandemic dynamics. Some emerging market and developing economies that export commodities are expected to enjoy better near-term prospects as a result.

The report highlights the need to continue multilateral efforts to improve global vaccine access, alleviate economic pressures by providing liquidity and debt relief, mitigate climate change and adapt to it. It was also underlined that, while continuing to push for widespread testing and investing in therapeutics, the top policy priority should be accelerating vaccinations for the world population. This way, millions of lives could be saved, new variants could be prevented from arising, and global economic recovery could be hastened.

**Table 1.1: GDP Results and Forecasts**

	2019	2020 <sup>1</sup>	2020 <sup>2</sup>	2020	2021 <sup>3</sup>	2021 <sup>4</sup>
<b>IMF</b>	2.8	3.3	-3.1	-3.2	3.4	5.9
<b>World Bank</b>	2.3	2.5	-3.5	-3.4	2.6	5.6
<b>OECD</b>	2.7	2.4	-3.4	-3.4	3.3	5.7

Source: OECD. World Bank. IMF

<sup>1</sup> Last projection before Covid-19 outbreak.

<sup>2</sup> Last projection after Covid-19 outbreak.

<sup>3</sup> First projection of the year.

<sup>4</sup> Last projection of the year.

It is emphasized in the IMF report that the policy mix should continue to be tailored to local circumstances in order to achieve maximum sustainable employment while protecting the credibility of governmental policies.

In the fiscal policy, priority remains on spending related to health care. Whenever health metrics allow, the emphasis should shift to measures to secure the recovery and to invest in longer-term structural goals. To ensure debt sustainability, initiatives need to be

embedded in medium-term frameworks with credible revenue and expenditure measures.

The IMF report highlights that in general, central banks can look past transitory inflation pressures and avoid tightening until they have a better understanding of underlying price dynamics; however, they should be prepared to move quickly if the recovery strengthens faster than anticipated or inflation expectations rise.

## 1.2 ECONOMIC AND FINANCIAL OUTLOOK

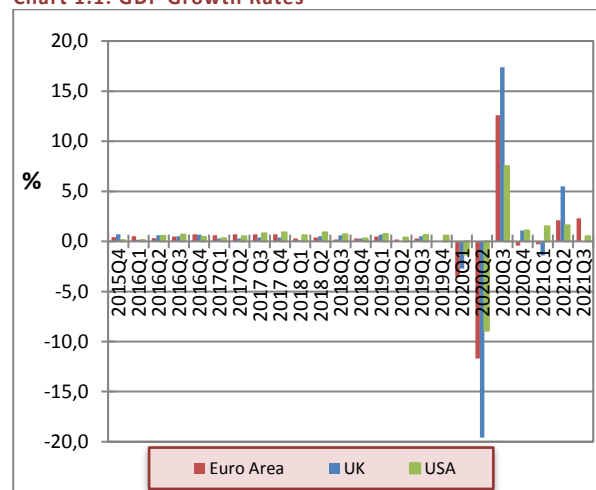
### 1.2.1 GROWTH

According to the data announced by the US Bureau of Economic Analysis, the US economy, grew by 2 percent in the third quarter of 2021 annually. After the annual growth of 6.7 percent in the second quarter, the US economy lost momentum due to the slowdown in consumption expenditures. The resurgence of Covid-19 cases has resulted in new restrictions and delays in reopening businesses in some parts of the country. Also, in the third quarter, state aid in the form of donated loans to businesses, grants to state and local governments, and social benefits for households was reduced.

According to the chained volume index data for the second quarter of 2021 released by the UK's Office for National Statistics, the UK economy has grown by 1.3 percent, compared to the previous quarter. Household consumption made the largest contribution to UK economic growth in the third quarter, while net trade contributed negatively due to the decline in stocks due to supply chain difficulties. The largest contribution to GDP came from the consumption expenditures item, which increased by 5.5 percent and contributed 4 percentage points.

Eurozone 2021 second quarter annual seasonally adjusted GDP growth, which was announced by EUROSTAT, was revised from 13.6 percent to 14.3 percent. According to the preliminary data announced for the third quarter of 2021, the seasonally adjusted GDP of the Euro Area grew by 2.2 percent compared to the previous quarter and by 3.7 percent compared to the same quarter of the previous year.

Chart 1.1: GDP Growth Rates



Source: OECD

Based on the chained volume index, Turkish economy grew by 7.4 percent in the third quarter of 2021, compared to the same period of the previous year. The growth in the last quarter of 2020 was revised from 5.9 percent to 6.2 percent, and the growth in the first quarter of 2021 was revised from 7.0 percent to 7.2 percent. The country's GDP expanded by 2.7 percent in the third quarter of 2021 compared to the previous quarter on a seasonally and calendar-adjusted basis.

Analysing the GDP according to the expenditure method in the third quarter of 2021, household consumption expenditures increased by 9.1 percent, public consumption expenditures increased by 9.6 percent, and exports of goods and services increased by 25.6 percent compared to the previous quarter, while imports of goods and services negatively affected growth by 8.3 percent.

### 1.2.2 INFLATION

Consumer prices in the USA increased by 0.3 percent on a monthly basis in September 2021, and by 5.3 percent on an annual basis. The rise in the US CPI in September was driven by the rise in demand for consumer goods and services, and the rise in energy and food prices.

According to ONS data, the UK annual CPI change has been 2.7 percent in the third quarter of 2021. Monthly CPI increase rate has been 2.1, 3, and 2.9 percent in July, August and September, respectively. In September 2021, the transportation item made the biggest contribution to the inflation rate with 0.91 percentage

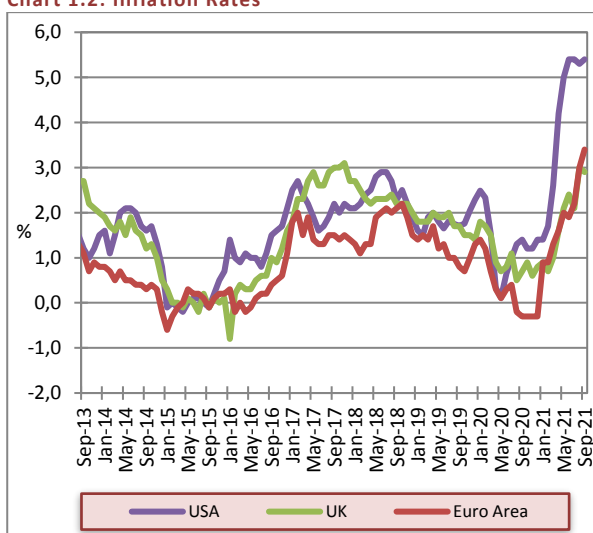
points. The transportation item was followed by housing and home appliances with 0.69 percentage points, restaurants and hotels with 0.34 percentage points, and entertainment and culture items with 0.31 percentage points.

According to EUROSTAT data, the harmonized annual CPI rates in the Eurozone have been 3 and 3.4 percent in August and September 2021. According to the forecast data announced for October 2021, it is predicted that the inflation rate, which reached its highest level in the last 13 years in September, will rise to 4.1 percent and break a record. The highest contribution to the euro area inflation rate came from energy, services, non-energy industrial goods, food, and alcohol & tobacco.

According to the data announced by the Turkish Statistical Institute, the annual change in the CPI in September 2021 was 19.58 percent, highest level of the last two and a half years. In the related period, annual D-PPI inflation increased by 43.96 percent. On a monthly basis, D-PPI increased by 1.55 percent.

Analysed by main expenditure groups, food was the group that made the highest contribution to CPI inflation with a price increase of 28.8 percent compared to the same month of the previous year. The food group was followed by the housing group with an annual price increase of 21 percent and the transportation group with an increase of 20.2 percent.

Chart 1.2: Inflation Rates



Source: OECD

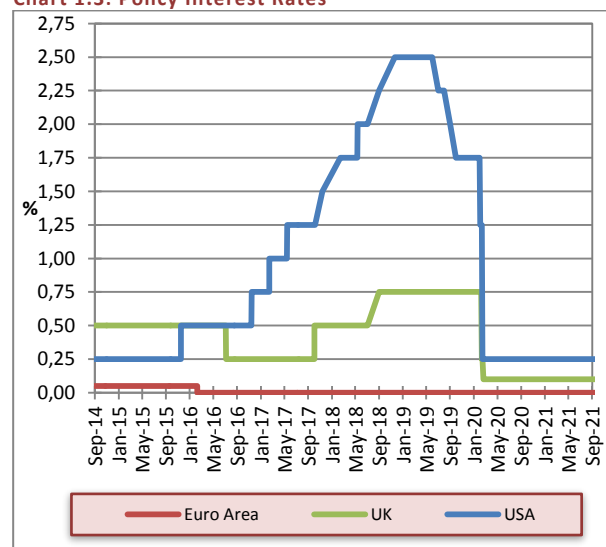
### 1.2.3 POLICY INTEREST RATES

After the Fed’s FOMC meeting held in November 2021, the policy rate of 0.00 - 0.25 percent was maintained. At the meeting, it was decided to reduce the monthly asset purchase program of 120 billion USD. It was stated that the said asset purchase program would be reduced by 15 billion USD in November and December. After the meeting, Chair of the Fed, Powell stated that interest rates would not be raised quickly and predicted that the U.S. would reach full employment next year.

After the monetary policy meeting held on November 2021, Bank of England (BoE) kept the policy rate unchanged at 0.1 percent and decided to maintain the bond purchase program unchanged at 895 billion GBP.

The European Central Bank’s (ECB) last meeting held on October 2021 maintained the policy rate at zero percent. In addition, it was stated that the purchases made within the scope of the Pandemic Emergency Purchase Program (PEPP) amounting to 1.85 trillion Euros will continue until March 2022.

Chart 1.3: Policy Interest Rates

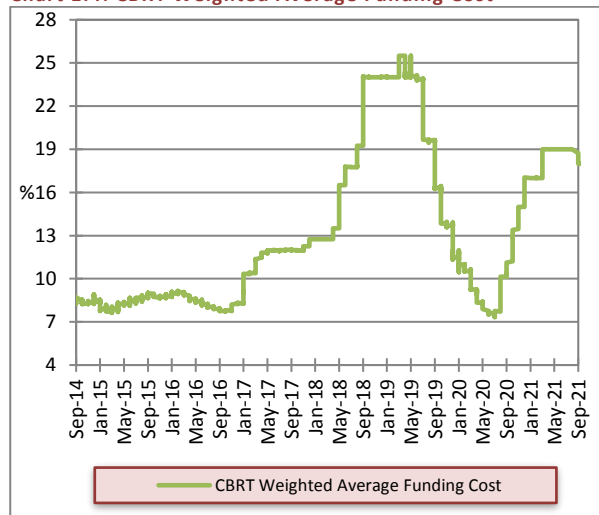


Source: FED, ECB, BoE

After the meeting held on September 23, 2021, CBRT Monetary Policy Committee (MPC) decided to decrease the policy rate by 100 base points from 19 percent to 18 percent. The summary of the meeting states that the tightness in monetary stance has started to have a higher than envisaged contractionary effect on commercial loans. Therefore a revision in monetary policy stance is needed and the policy rate was decided to be reduced.

At its meeting held in October 2021, the Committee decided to reduce the policy rate by 200 basis points, above the expectations from 18 to 16 percent. The summary released after the meeting highlights that recent increase in inflation has been driven by supply side factors such as rise in food and import prices, especially in energy, and supply constraints, increase in administered prices and demand developments due to the reopening. On the other hand, as emphasized in the previous meeting, the tightness in monetary stance has started to have a higher than envisaged contractionary effect on commercial loans. Accordingly, the Committee decided to reduce the policy rate. Additionally, the Committee assessed that, till the end of the year, supply-side transitory factors leave limited room for the downward adjustment to the policy rate.

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

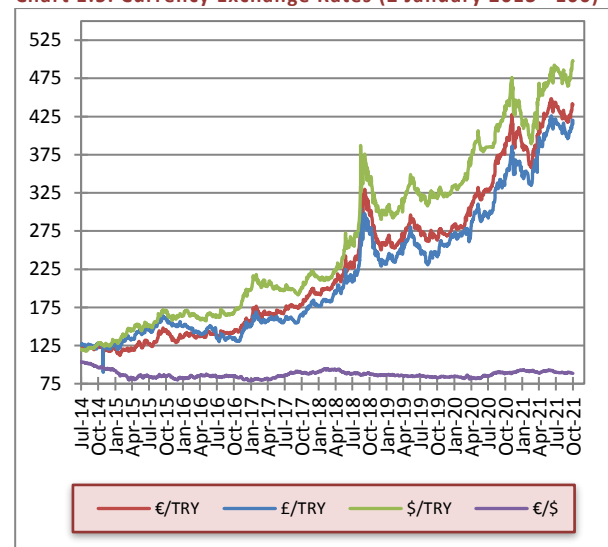


Source: CBRT

### 1.2.4 EXCHANGE RATES

In the third quarter of 2021, the Turkish lira experienced nearly 20 percent depreciation against the euro, pound sterling and US dollar, compared to the same period of the previous year. In the third quarter of 2020, while the average exchange rates for GBP/TRY, EUR/TRY, and USD/TRY were 9.29, 8.42 and 7.21, respectively, the averages for the same period of 2021 have been 11.74, 10.06 and 8.53, respectively. Comparing the third quarter exchange rates for 2020 and 2021, it is observed that the Turkish lira depreciated by 26.37 percent against the pound sterling, by 19.47 percent against the euro, and by 18.30 percent against the US dollar.

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



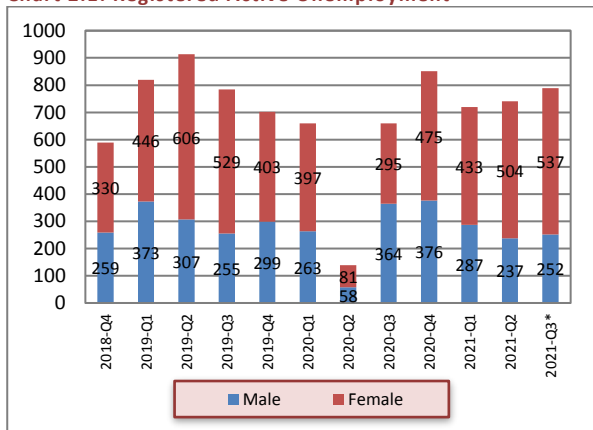
Source: Central Bank of TRNC

## 2 EMPLOYMENT AND PRICES

### 2.1 EMPLOYMENT

According to the unemployment data prepared by the TRNC Labour Office, the number of registered unemployed people, which was 741 by the end of the second quarter of 2021, increased to 789 as of the third quarter of 2021. Analysing the unemployment rate by gender composition, it is seen that about 68 percent of the active registered unemployed people are composed of women and 32 percent of them are men, as of the second quarter of 2021. The gender composition of the registered unemployed in the third quarter of 2021 remained at the same level as in the previous quarter.

Chart 2.1: Registered Active Unemployment



Source: Labour Office

\* Based on the data available for July and August.

The number of job seekers was 741 and the number of new job-seeking applicants was 440 by the end of the third quarter of 2021. 383 people were unregistered and 9 were employed by the end of the third quarter of 2020. The number of jobseekers has been 789 as of the end of the third quarter of 2021.

Table 2.1: Registered Active Unemployment - Overview (persons)

	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3*
Jobseekers by the end of the previous period	660	139	659	851	720	741
Applicants applying for employment during the period	130	549	861	719	728	440
Persons employed during the period	12	18	28	19	6	9
Persons unregistered during the period	639	111	541	831	701	383
Jobseekers by the end of the period	139	659	851	720	741	789

Source: Labour Office

\* Based on the data available for July and August.

Examining the active vacancy listings, it is seen that 858 vacancies were transferred to July as of the second quarter of 2021 and 42 new vacancies were opened in the third quarter of 2021. As of the end of August 2021, 853 vacancies were transferred to the next period as a result of 9 filled and 38 cancelled vacancies.

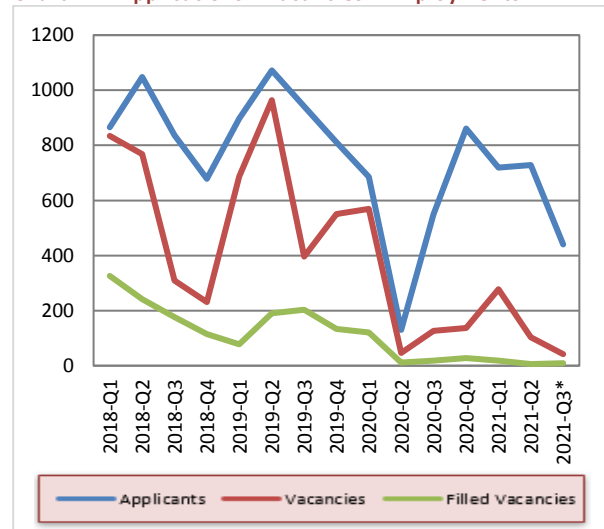
Table 2.2: Active Vacancy Listings (persons)

	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3*
Vacancies transferred from the previous period	1,755	1,770	615	644	799	858
Vacancies received during the period	46	127	137	278	103	42
Vacancies filled during the period	12	18	28	19	6	9
Vacancies cancelled during the period	19	1,264	80	106	38	38
Vacancies transferred to the next period	1,770	615	644	799	858	853

Source: Labour Office

\* Based on the data available for July and August.

Chart 2.2: Applications - Vacancies - Employments



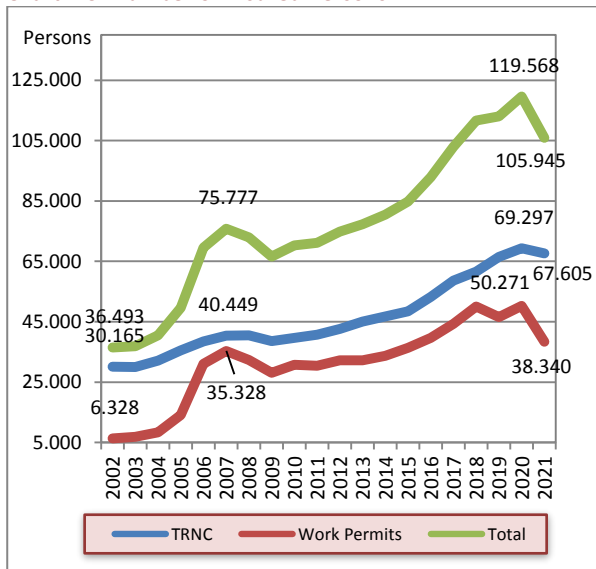
Source: Labour Office

\* Based on the data available for July and August.

## 2.2 PERSONS REGISTERED WITH SOCIAL INSURANCE

Due to the Covid-19 pandemic, which affected the whole world in 2020, there was a decrease in the total number of employees with active social insurance. The number of registered employees, which was 119,568 before the Covid-19, decreased by 13,623 people to 105,945 in January 2021. In the same period, the total number of insured employees with work permits decreased by 23.7 percent from 50,271 to 38,340, while the number of TRNC citizens decreased from 69,297 to 67,605.

Chart 2.3: Number of Insured Persons

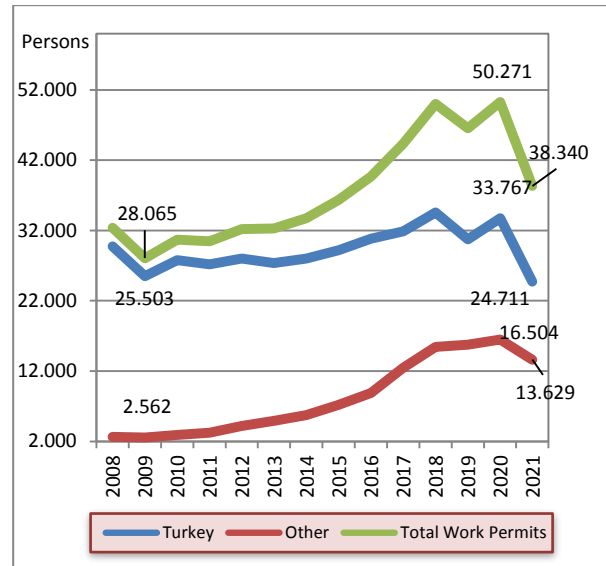


Source: Social Insurance Office

\*March data between 2002 and 2019, and January data for 2020 and 2021.

The total number of insured persons with work permits, which was 50,271 in 2020, decreased by 11,931 in 2021 with the impact of the Covid-19 pandemic. The largest share in this decrease in the number of insured persons with work permits is due to the decline in the number of insured employees from the Republic of Turkey. The number of insured persons with Turkish nationality, which was 33,767 at the beginning of 2020, decreased by 26.8 percent in 2021 to 24,711. In the same period, the number of insured employees from other countries decreased from 16,504 to 13,629.

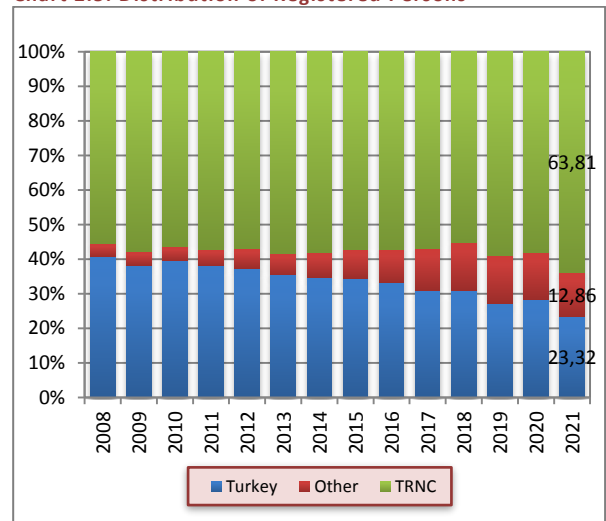
Chart 2.4: Active Insured Persons with Work Permits



Source: Social Insurance Office

While the share of TRNC citizen insured employees in total insured employees varied between 55 percent and 58 percent from 2008 to 2020, it increased to 63.81 percent in 2021, after the decrease in the number of employees with work permits due to the impact of the Covid-19. While the share of insured citizens from the Republic of Turkey in total insurance holders was 40.77 percent in 2008, this ratio decreased to 23.32 percent in 2021, while the share of insured employees with other nationalities increased from 3.63 percent to 12.86 percent in the same period.

Chart 2.5: Distribution of Registered Persons



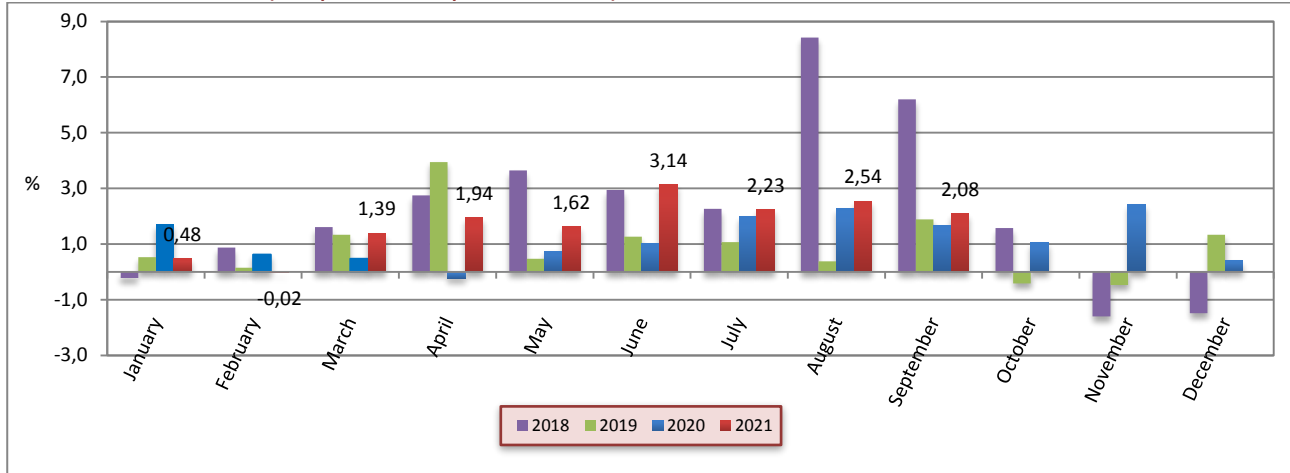
Source: Social Insurance Office

### 2.3 INFLATION

In the third quarter of 2021, inflation rates compared to the previous month have been 2.23, 2.54 and 2.08 percent in July, August and September, respectively. In the same period of 2020, inflation rates were 1.98, 2.28

and 1.68 percent, respectively. Inflation rate, which was 1.98 percent in the second quarter of 2020, increased to 2.28 percent in the second quarter of 2021.

Chart 2.6: Inflation Rates (Compared to the previous month)

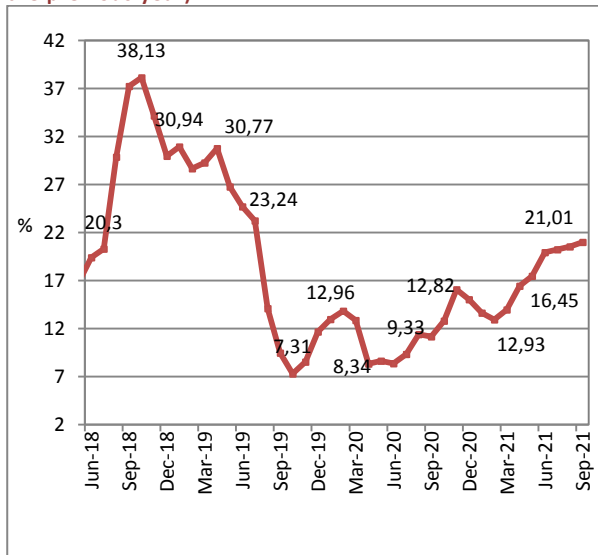


Source: TRNC Statistical Institute

In the third quarter of 2021, annual inflation rates compared to the same month of the previous year have been 20.23, 20.54 and 21.01 percent in July, August and September, respectively. In the same period of 2020, inflation rates were 9.33, 11.4 and 11.18 percent, respectively.

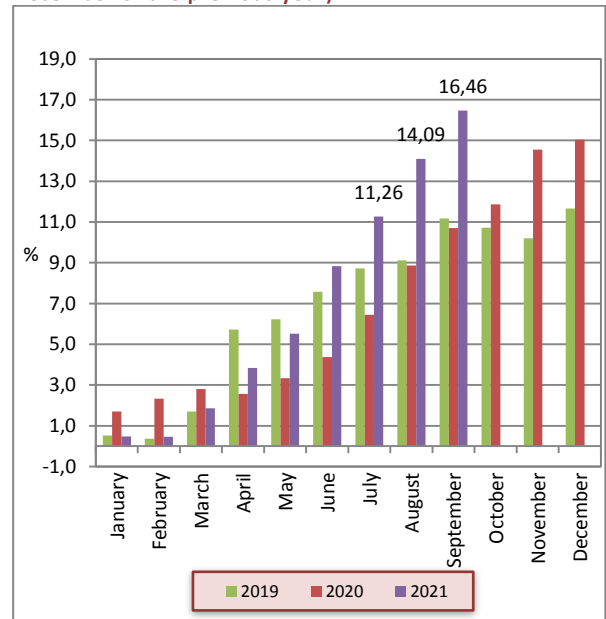
In the third quarter of 2021, inflation rates compared to December of the previous year have been 11.26, 14.09 and 16.46 percent in July, August and September, respectively. In the third quarter of 2020, inflation rates compared to December of the previous year were 6.44, 8.87 and 10.7 percent, respectively.

Chart 2.7: Inflation Rates (Compared to the same month of the previous year)



Source: TRNC Statistical Institute

Chart 2.8: Cumulative Inflation Rates (Compared to December of the previous year)

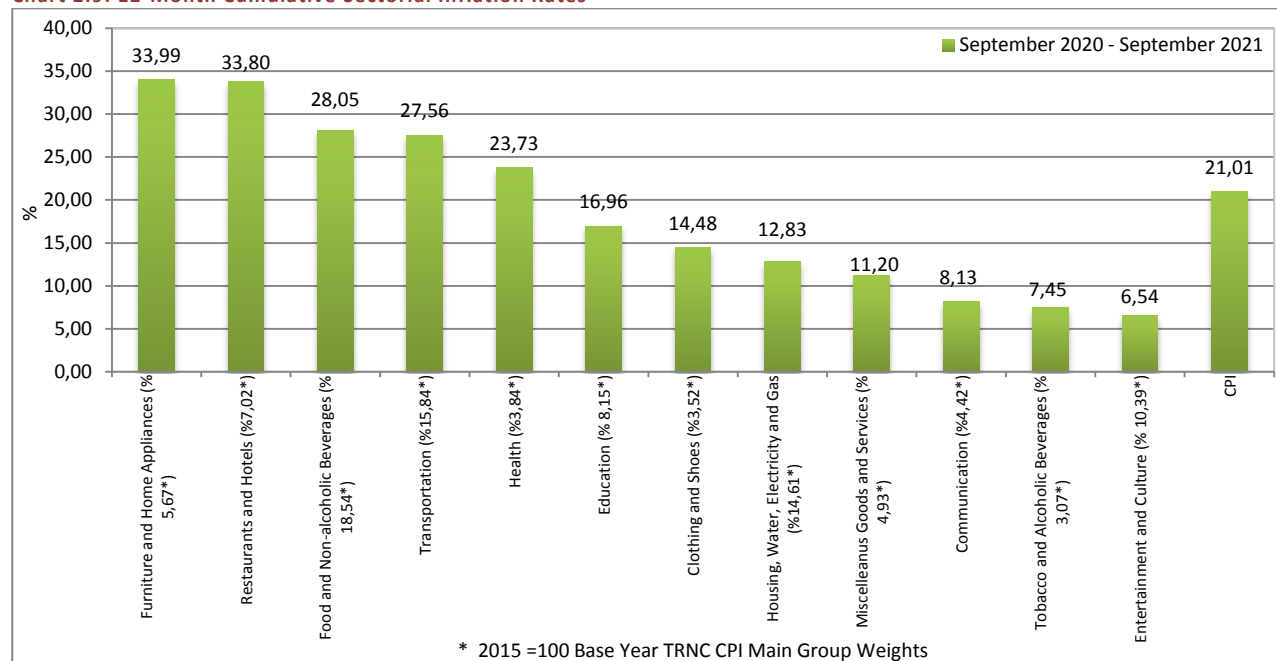


Source: TRNC Statistical Institute

The sectors with the highest price increase at the end of September 2021 are furniture and home appliances with 33.99 percent, restaurants and hotels with 33.80 percent and, food and non-alcoholic beverages item with 28.05 percent.

As of the end of September 2021, the item with the lowest price increase compared to the same period of the previous year has been the entertainment and culture item by 6.54 percent.

Chart 2.9: 12-Month Cumulative Sectorial Inflation Rates



Source: TRNC Statistical Institute



Change rates in the Consumer Price Index for the years 2020, 2019 and 2021 are presented in Table 2.3, monthly, annually and compared to the end of the previous year.

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

	Months	Monthly	Compared to the End of the Previous Year	Compared to the Same Period of the Previous Year
2020	January	1,7	1,7	12,96
	February	0,62	2,33	13,84
	March	0,47	2,8	12,87
	April	-0,23	2,57	8,34
	May	0,75	3,34	8,64
	June	1,01	4,38	8,36
	July	1,98	6,44	9,33
	August	2,28	8,87	11,4
	September	1,68	10,7	11,18
	October	1,04	11,86	12,82
	November	2,41	14,55	16,08
	December	0,41	15,03	15,03
2021	January	0,48	0,48	13,65
	February	-0,02	0,46	12,93
	March	1,39	1,86	13,97
	April	1,94	3,84	16,45
	May	1,62	5,52	17,46
	June	3,14	8,83	19,93
	July	2,23	11,26	20,23
	August	2,54	14,09	20,54
	September	2,08	16,46	21,01

Source: TRNC Statistical Institute



## 3 FOREIGN TRADE, TOURISM, AND HIGER EDUCATION

(Exports and imports data for the third quarter of 2021 prepared by the TRNC Department of Trade could not be obtained. Therefore, the data of the relevant period hasn't been updated.)

### 3.1 EXPORTS AND IMPORTS

According to the exports and imports data announced by the Department of Trade, total exports increased by 26.49 percent in the second quarter of 2021, compared to the same period of the previous year. Examining the export figures of TRNC in the second quarter of 2020, total exports was 28.7 million USD, while it has increased to 36.3 million USD in the same period of 2021. Analysing the export figures of TRNC in the first

six months of 2020, total exports was 65.9 million USD, while this number has increased to 82.5 million USD in the same period of 2021.

In the second quarter of 2021, total imports increased by 30.18 percent, compared to the same period of the previous year. Compared to the same month of the previous year, imports in the second quarter of 2021 increased by 107.58 percent in April and by 86.33 percent in May, and decreased by 39.84 percent in June.

**Table 3.1: Exports and Imports**

	Exports (US dollar)			Imports (US dollar)		
	2020	2021	Percentage Change	2020	2021	Percentage Change
January	11,817,646	9,849,496	-16.65	110,434,030	92,869,614	-15.90
February	15,155,057	15,494,630	2.24	117,802,188	86,865,338	-26.26
March	10,259,962	20,798,228	102.71	89,076,873	103,452,361	16.14
<b>Quarter I</b>	<b>37,232,665</b>	<b>46,142,354</b>	<b>23.93</b>	<b>317,313,091</b>	<b>283,187,313</b>	<b>-10.75</b>
April	14,181,526	14,642,291	3.25	49,839,864	103,457,221	107.58
May	8,060,696	9,736,726	20.79	73,415,226	136,796,762	86.33
June	6,472,777	11,941,653	84.49	113,963,990	68,562,184	-39.84
<b>Quarter II</b>	<b>28,714,999</b>	<b>36,320,670</b>	<b>26.49</b>	<b>237,219,080</b>	<b>308,816,167</b>	<b>30.18</b>
<b>Total (January - June)</b>	<b>65,947,664</b>	<b>82,463,024</b>	<b>25.04</b>	<b>554,532,171</b>	<b>592,003,480</b>	<b>6.76</b>

Source: Department of Trade

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

Having the second-largest share in imports in the first six months of 2020, the import figure of vehicles increased by 20.51 percent in the same period of 2021, compared to the previous year and reached the first rank with 11.45 percent in the total share. Fuel item, which has the second-highest share in the first six months of 2021, increased by 14.06 percent compared to the same period of the previous year.

Construction iron item, which has the third-highest share, increased by 79.56 percent compared to the same period of the previous year, and its share in the total imports increased from 2.26 to 3.79 percent.

The share of ten selected import items within the total was 34.83 percent in the first six months of 2020. This figure has become 36.83 percent in the same period of 2021. Total import figures of the selected ten items increased by 15.95 percent in the first half of 2021, compared to the previous year.

Table 3.2: Main Import Goods (US dollar)

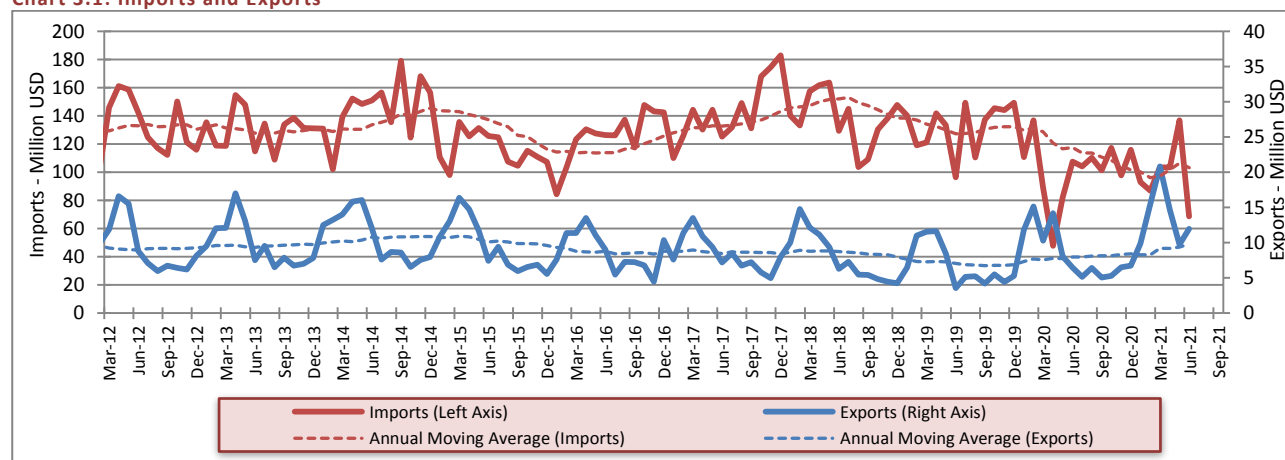
Type of Goods	2020 (January – June)	Share in the Grand Total	2021 (January – June)	Share in the Grand Total	Percentage Change
Vehicles	56,251,785	10.14	67,786,375	11.45	20.51
Fuel	45,723,667	8.25	52,151,385	8.81	14.06
Construction Iron	12,511,436	2.26	22,465,166	3.79	79.56
Animal Feeds and Additives	17,546,970	3.16	18,176,278	3.07	3.59
Medications	22,038,095	3.97	12,689,345	2.14	-42.42
Telephone Handset	10,950,433	1.97	10,825,491	1.83	-1.14
Mobile Phones	10,249,975	1.85	10,226,213	1.73	-0.23
Corn	9,082,930	1.64	10,687,629	1.81	17.67
Barley	0	0	10,490,166	1.77	100
LPG	8,803,387	1.59	8,466,613	1.43	-3.83
<b>Total</b>	<b>193,158,678</b>	<b>34.83</b>	<b>223,964,661</b>	<b>37.83</b>	<b>15.95</b>
<b>Grand Total</b>	<b>554,538,171</b>		<b>592,003,480</b>		<b>6.76</b>

Source: Department of Trade

Analysing the TRNC exports and imports data for 10 years between the period June 2011 and June 2021, 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 total exports displayed a steady upward trend in the period between 2010 and 2014, then it started to decrease and displayed a steady downward trend in the period after May 2015. Average monthly exports, which were at the level of 8.8 million US dollars in the first six months of 2019, increased to 10.9 million US dollars in 2020 and 13.7 million US dollars in 2021.

Examining the imports, the lowest level since August 2008 has been recorded as 40.8 million USD in April 2020. Looking at the moving average of imports, it is seen that it remained steady until February 2020, then it declined rapidly as of March 2020 due to the Covid-19 spread, and remained low until the second quarter of 2021. While the monthly import average of the first six months of 2019 was 125.3 million USD, the monthly import average of the same period of 2021 was 98.7 million USD.

Chart 3.1: Imports and Exports

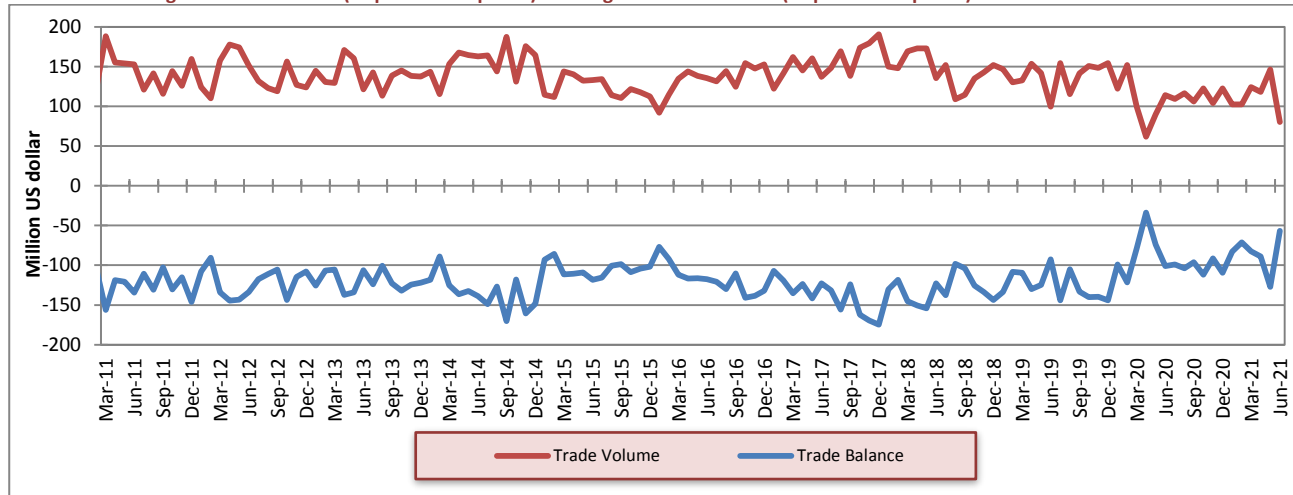


Source: Department of Trade

The average monthly trade volume, which was 106.6 million USD in the first six months of 2020, increased to 112.4 million USD in the same period of 2021. In the relevant periods, average foreign trade deficit figures are 84.6 million USD and 84.9 million USD, respectively. The average exports to imports ratio had been 5

percent between 2006 and 2010, then it reached 7.3 percent in the 2011 - 2015 period. Between 2016 and 2020, the average figure was 6.4 percent. In 2020, the ratio of exports to imports reached 9.29 percent, and in the first six months of 2021, it was 13.9 percent due to the continuing impact of the Covid-19 on imports.

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



Source: Department of Trade

In 2020, the share of Turkey, EU countries and Middle East and Arab countries groups in total exports decreased compared to the previous year, while the share of other European countries and other countries increased.

Compared to 2020, exports to Turkey and other countries increased, while exports to EU Countries, other EU countries and the Middle East and Arab Countries decreased in 2021. The share of Turkey, which has the largest share in total exports of TRNC, has been 53 percent by the first two quarters of 2021.

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

Years	Turkey	EU Countries	Other EU Countries	Middle Eastern Countries	Other Countries
2006	47.6	15.0	15.1	17.8	4.5
2007	58.4	15.8	8.8	11.6	5.4
2008	49.9	20.5	5.9	17.0	6.7
2009	54.2	18.5	1.7	19.5	6.1
2010	46.4	12.2	3.6	32.3	5.5
2011	53.3	8.3	1.3	32.0	5.1
2012	51.0	7.7	1.0	35.7	4.6
2013	52.2	7.6	2.3	31.9	6.0
2014	60.1	3.7	0.6	31.1	4.5
2015	56.1	5.2	3.2	30.2	5.3
2016	62.5	10.2	0.9	22.7	3.7
2017	60.4	7.9	1.6	21.1	9.0
2018	51.7	10.3	2.5	25.9	9.6
2019	52.3	2.6	2.7	37.0	5.4
2020	49.0	2.0	10.3	31.2	7.5
2021 (January – June)	53.0	1.2	7.1	22.2	16.5

Source: Department of Trade

Referring to the figures for the first six months of 2021, the share of imports from Turkey has been 63.2 percent, while the share of imports from the EU countries has been 15.6 percent. Compared to 2020, imports from

Turkey and other countries increased, while imports from EU countries, Far Eastern countries, other EU countries, and Middle Eastern and Arab countries decreased.

**Table 3.4: TRNC Imports by Country Groups (percentage share)**

Years	Turkey	EU Countries	Far Eastern Countries	Other EU Countries	Middle Eastern Countries	Other Countries
2006	68.8	18.0	6.0	1.2	4.8	1.2
2007	67.9	16.1	7.3	2.6	4.3	1.8
2008	69.8	14.0	6.5	4.7	3.4	1.6
2009	69.6	15.5	6.6	2.3	4.0	2.0
2010	70.9	15.6	5.7	1.9	4.3	1.6
2011	68.6	16.8	4.9	2.5	5.2	2.0
2012	72.4	14.5	4.8	1.7	4.8	1.8
2013	66.7	15.8	6.6	3.8	5.4	1.7
2014	64.7	15.5	8.1	4.6	4.9	2.2
2015	64.5	18.1	7.7	3.0	4.7	2.0
2016	60.4	20.9	8.7	3.3	4.5	2.2
2017	58.6	21.7	8.4	3.4	4.9	2.7
2018	58.8	19.6	8.2	4.9	5.5	2.8
2019	58.4	18.1	9.6	5.4	6.0	2.4
2020	59.9	16.9	12.0	3.4	4.7	3.1
<b>2021 (January – June)</b>	<b>63.2</b>	<b>15.6</b>	<b>10.4</b>	<b>2.9</b>	<b>4.5</b>	<b>3.4</b>

Source: Department of Trade

### 3.2 TOURISM

In 2021, the number of passengers entering the country continued to remain low due to the ongoing measures taken against the Covid-19 outbreak, however, it increased in the third quarter. The number of passengers arriving to the country by air and sea has been 39,050, 71,159 and 101,684 respectively in July, August, and September 2021.

According to these figures, the number of passengers arriving in the country in the third quarter of 2021

increased to 211,893 compared to the same period of 2020. In the third quarter, 171,606 arriving passengers were Turkish citizens, 40,287 were from third countries.

By the end of the third quarter of 2021, the total number of passengers arriving to the country by air and sea decreased by 22 percent compared to the same period of 2020.

**Table 3.5: Number of Visits to the TRNC by Air and Sea**

Period	Turkish Citizen			Third Country Citizen			Total		
	2020	2021	Percentage Change	2020	2021	Percentage Change	2020	2021	Percentage Change
January	92,100	3,079	-96.7	20,132	2,216	-89.0	112,232	5,295	-95.3
February	99,746	2,307	-97.7	28,988	4,641	-84.0	128,734	6,948	-94.6
March	34,452	3,639	-89.4	9,655	6,393	-33.8	44,107	10,032	-77.3
<b>Quarter I</b>	<b>226,298</b>	<b>9,025</b>	<b>-96.0</b>	<b>58,775</b>	<b>13,250</b>	<b>-77.5</b>	<b>285,073</b>	<b>22,275</b>	<b>-92.2</b>
April	24	5,688	-	43	4,973	-	67	10,661	-
May	36	7,686	-	1	3,368	-	37	11,054	-
June	169	14,892	-	308	4,224	-	477	19,116	-
<b>Quarter II</b>	<b>229</b>	<b>28,266</b>	<b>12243.2</b>	<b>352</b>	<b>12,565</b>	<b>3469.6</b>	<b>581</b>	<b>40,831</b>	<b>6927.7</b>
July	18,218	31,561	73.2	2,010	7,489	272.6	20,228	39,050	93.3
August	30,688	60,296	96.5	4,431	10,863	145.2	35,119	71,159	102.6
September	8,000	79,749	896.9	3,727	21,935	488.5	11,727	101,684	767.1
<b>Quarter III</b>	<b>56,906</b>	<b>171,606</b>	<b>201.6</b>	<b>10,168</b>	<b>40,287</b>	<b>296.2</b>	<b>67,074</b>	<b>211,893</b>	<b>215.9</b>
<b>Total</b>	<b>283,433</b>	<b>208,897</b>	<b>-26.3</b>	<b>69,295</b>	<b>66,102</b>	<b>-4.6</b>	<b>352,728</b>	<b>274,999</b>	<b>-22.0</b>

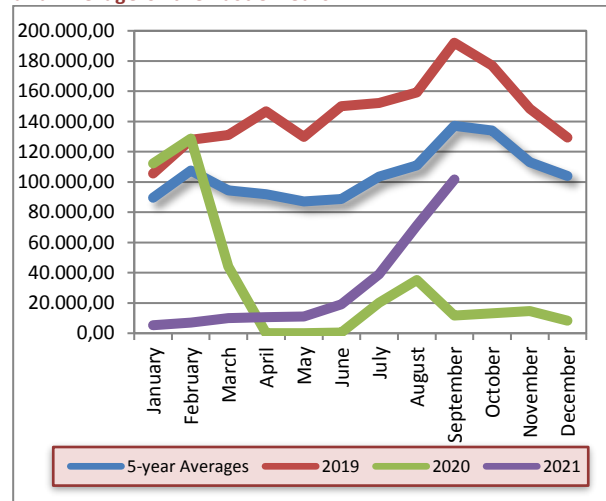
Source: Tourism Planning Department

In the third quarter of 2021, the number of arriving passengers exceeded the first six months due to the loosening of the measures taken due to the pandemic, approaching the five-year average. In September 2021, the number of passengers arriving by air and sea reached 101,684, the peak of the period after the pandemic started. In the third quarter of 2021, the number of passengers arriving by air and sea increased by 215.9 percent compared to the same period of 2020.

It is observed that the border gate entries (excluding TRNC citizens) was 766,583 in the first nine months of 2020, while this figure decreased by 4.3 percent to 733,932 during the period January - September 2021. Analysing the border gate entries in the first nine months of 2021, it is seen that the entries of Southern Cyprus citizens increased by 5 percent to 496,643 compared to the same period of the previous year,

while the entries of the citizens of other countries decreased by 19.2 percent to 237,289.

Chart 3.3: Number of Visits in 2021 Compared to 2019, 2020 and Average of the Last 5 Years



Source: Tourism Planning Department

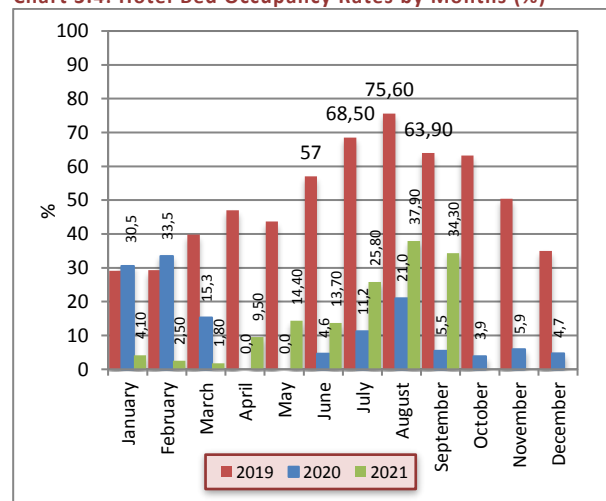
Table 3.6: Border Gate Entries to TRNC

Nationality	Southern Cyprus		Other Countries		Total	
	2020	2021	2020	2021	2020	2021
January	197,924	134	120,772	959	318,696	1,093
February	182,753	213	124,300	907	307,053	1,120
March	52,878	1,099	33,104	2,484	85,982	3,583
April	17	1,165	547	2,395	564	3,560
May	29	3,729	79	2,916	108	6,645
June	921	90,680	430	39,340	1,351	130,020
July	9,951	119,204	3,628	57,318	13,579	176,522
August	13,979	142,201	4,675	63,570	18,654	205,771
September	14,461	138,218	6,135	67,400	20,596	205,618
<b>Total</b>	<b>472,913</b>	<b>496,643</b>	<b>293,670</b>	<b>237,289</b>	<b>766,583</b>	<b>733,932</b>

Source: Tourism Planning Department

The occupancy rate of touristic facilities in our country has been 25.8 percent in July, 37.9 percent in August and 34.3 percent in September 2021. In the same period of 2020, these rates were 11.2, 21 and 5.5 percent in the same months, respectively, due to the lockdowns.

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

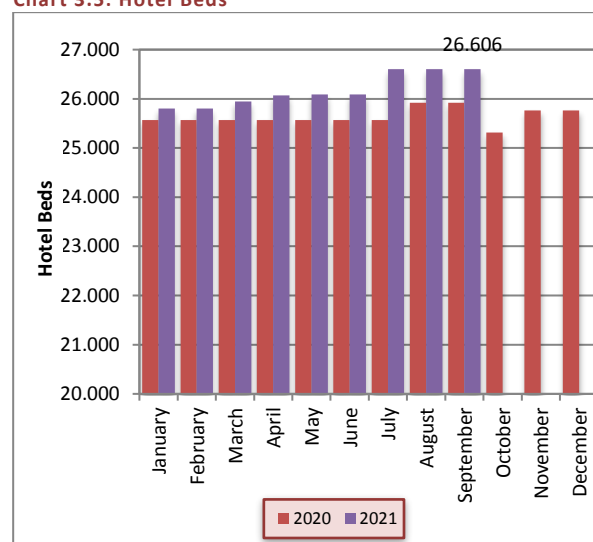


Source: Tourism Planning Department

\*After March 2020, occupancy rates are calculated based on facilities that have the "Advanced Hygiene Standards and Measures Certificate".

It is seen that the total number of hotel beds, which was 25,766 at the end of 2020, has reached 26,606 at the end of the third quarter of 2021. Increased by 0.8 percent in 2020 compared to the end of 2019, total number of hotel beds increased by 2.65 percent in the first month months of 2021, compared to the same period of 2020.

Chart 3.5: Hotel Beds



Source: Tourism Planning Department

The total number of people staying at the tourist accommodation facilities in the TRNC were 246.803 and 197,044 in the first nine-month period of 2020 and 2021, respectively. It is observed that the total bed nights were 739.432 and 672,910 in the same periods, respectively.

The average length of stay, which is obtained by dividing the total overnights by the number of tourist accommodation, was calculated as 3 nights for Turkish citizens and 4 nights for citizens of other countries in the first nine-month periods of 2020 and 2021.

Table 3.7: Tourist Accommodations and Bednights

	Tourist Accommodations			Bednights		
	2020	2021	Percentage Change	2020	2021	Percentage Change
<b>TR</b>	142,997	116,200	-18.7	396,398	435,615	9.9
<b>Other</b>	65,139	29,819	-54.2	266,264	125,581	-52.8
<b>TRNC</b>	38,667	51,025	32.0	76,770	111,714	45.5
<b>Total</b>	<b>246,803</b>	<b>197,044</b>	<b>-20.2</b>	<b>739,432</b>	<b>672,910</b>	<b>-9.0</b>

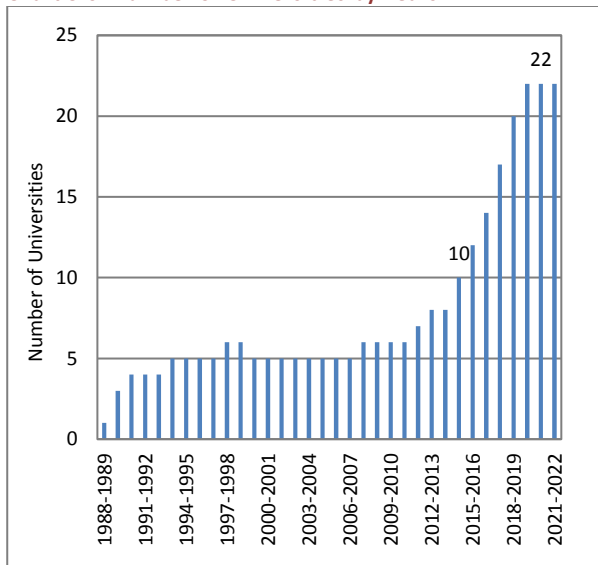
Source: Tourism Planning Department



### 3.3 HIGHER EDUCATION

Higher education in the Turkish Republic of Northern Cyprus began in 1979 with the establishment of the Institute of High Technology, now called the Eastern Mediterranean University. Girne American University was established in 1985, Near East University in 1988, European University of Lefke in 1990 and Cyprus International University in 1997. The first five universities established today rank among the top five universities in the country according to the number of students. Our country has steadily increased its number of universities over the years, and as of 2021, there are 22 institutions.

Chart 3.6: Number of Universities by Years

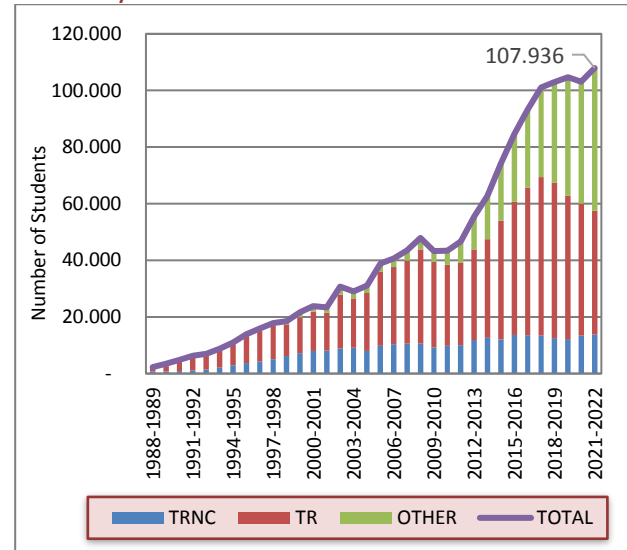


Source: Ministry of Education

#### 3.3.1 NUMBER OF STUDENTS IN UNIVERSITIES

The number of students studying at TRNC universities reached 107,936 in the 2021-2022 academic year. The total number of citizens includes 13 percent from the TRNC, 45 percent from the Republic of Turkey, and 42 percent from other countries. The TRNC is home to 94,115 students from the Republic of Turkey and other countries for higher education, which corresponds to 87.2 percent of the total number of students.

Chart 3.7: Distribution of University Students by Nationality



Source: Ministry of Education



## 4 BUDGETARY DEVELOPMENTS

### 4.1 THIRD QUARTER 2021 RESULTS

In the third quarter of fiscal year 2021, TRNC total budget revenues decreased by 3 percent and total expenditures increased by 8.3 percent, compared to the same period of the previous year. Following these changes, budget revenues and budget expenditures have been 2,261.1 and 2,415.7 million TRY respectively, in the third quarter of 2021. In the third quarter of 2020, public finance, which had a surplus of 100.5 million TRY, had a deficit of 154.6 million TRY in the same period of 2021.

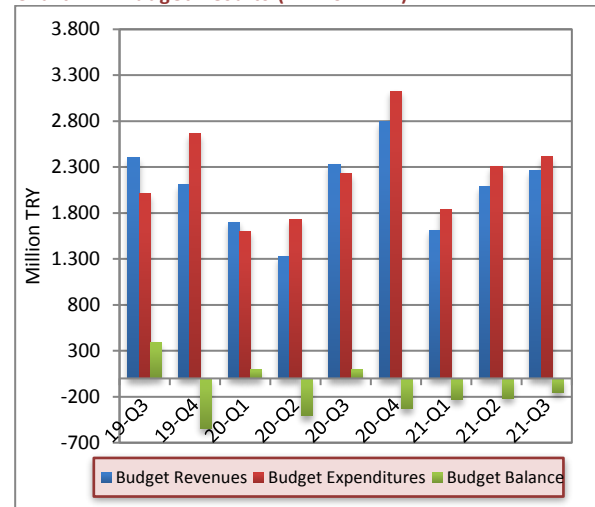
Table 4.1: Budget Balance (Million TRY)

	2020		2021		% Change
	Annual Results	July-Sept. Results	Annual Forecast	July-Sept. Results	
<b>Budget Revenues</b>	8,160.0	2,331.9	9,380.0	2,261.1	-3.0
<b>Budget Expenditures</b>	8,696.2	2,231.4	10,210.0	2,415.7	8.3
<b>Budget Balance</b>	-536,2	100,5	-830,0	-154,60	-253.8

Source: Ministry of Finance

28.6 percent of the total budget revenues of 8,160 million TRY obtained in 2020 were collected in the third quarter. In the same period of 2021, 24.1 percent of the foreseen 9,380 TRY total budget revenues have been collected. In 2021, 23.7 percent of 10,210 million TRY, estimated to be used in the execution of services and activities was used within the third quarter. This rate was 25.7 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 2021, budget revenues decreased by 70.8 million TRY to 2,261.1 million TRY, compared to the same period of the previous year. In the third quarter of 2021, tax revenues item with the largest share in budget revenues increased by 13.6 percent compared to the same period of the previous year and amounted to 1,583.4 million TRY. Total tax revenues were 1,393.9 million TRY in the same period of 2020.

Non-tax revenues item, which has the second highest share in budget revenues became 301 million TRY in the third quarter of 2021 and 333,6 million TRY in the same period of the previous year. In the third of 2021, other revenues item increased compared to the same period of the previous year and reached 3.6 million TRY. In the third quarter of 2021, donations, grants and loans item has been 373.1 million TRY, the same item was 602.9 million TRY in the same period of 2020.

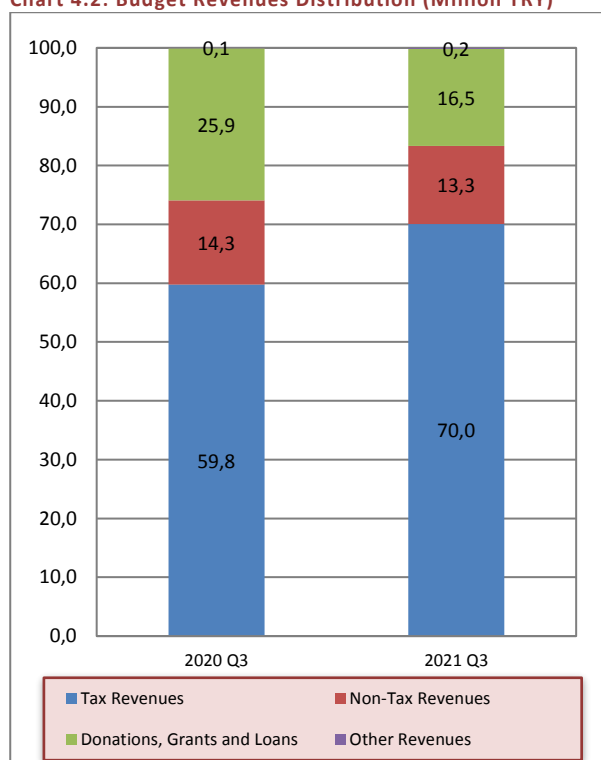
Table 4.2: Budget Revenues (Million TRY)

	2020 July-Sept.	2021 July-Sept.	% Change
<b>Tax Revenues</b>	1,393.9	1,583.4	13.6
<b>Non-Tax Revenues</b>	333,6	301,0	-9.8
<b>Donations, Grants and Loans</b>	602,9	373,1	-38.1
<b>Other Revenues</b>	1,5	3,6	140.0
<b>Total</b>	<b>2,331.9</b>	<b>2,261.1</b>	<b>-3.0</b>

Source: Ministry of Finance

While the share of tax revenues in total budget revenues was 59.8 percent in the third quarter of 2020, it has declined to 70 percent in the same period of 2021. In the third quarter of 2021, the share of non-tax revenues item decreased from 14.3 to 13.3 percent, and while the share of other revenues increased from 0.1 to 0.2 percent, compared to the same period of 2020. On the other hand, the share of donations, grants and loans decreased from 25.9 to 16.5 percent.

Chart 4.2: Budget Revenues Distribution (Million TRY)



Source: Ministry of Finance

### 4.3 EXPENDITURES

As of the third quarter of 2021, total budget expenditures increased by 8.3 percent compared to the same period of the previous year and reached 2,415.7 million TRY from 2,231.4 million TRY. In the third quarter of 2021, current transfers, capital expenditures and transfers, personnel expenditures and other expenditures items increased by 6.1, 145.9 and 37.7 percent, respectively, compared to the same period of 2020. In the mentioned periods, personnel expenditures and goods and service purchase expenditures items decreased by 0.2 and 34.1 percent, respectively.

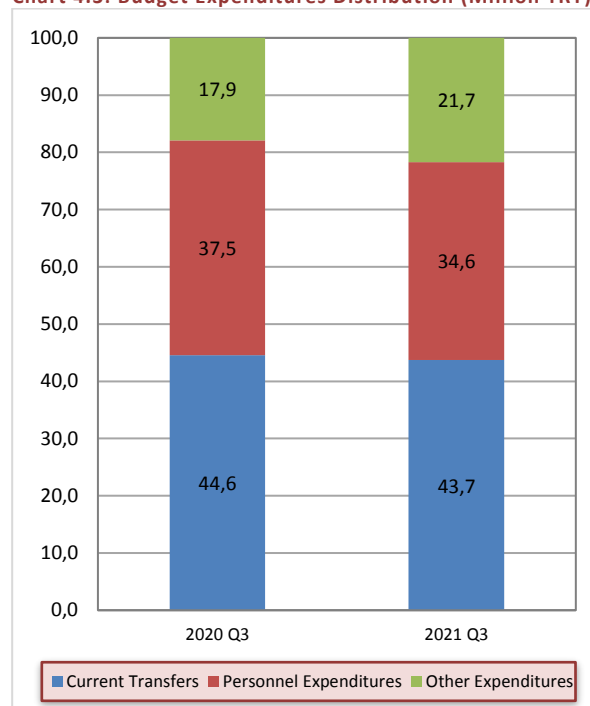
Table 4.3: Budget Expenditures (Million TRY)

	2020 July-Sept.	2021 July-Sept.	% Change
<b>Current Transfers</b>	994.8	1,055.8	6.1
<b>Personnel Expenditures</b>	837.2	835.3	-0.2
<b>Capital Expenditures and Transfers</b>	114.2	280.8	145.9
<b>Goods and Service Purchase Expenditures</b>	207.4	136.7	-34.1
<b>Other Expenditures</b>	77.8	107.1	37.7
<b>Total</b>	<b>2,231.4</b>	<b>2,415.7</b>	<b>8.3</b>

Source: Ministry of Finance

The share of personnel expenditures item in total expenditures was 37.5 percent in the third quarter of 2020, while it is 34.6 percent in the third quarter of 2021. The share of the current transfers constituting 44.6 percent of the total budget expenditures in the third quarter of 2020, has decreased to 43.7 percent in the third quarter of 2021. The share of personnel expenditures and current transfers in budget expenditures was 82.1 percent in the third quarter of 2020 and it has become 78.3 percent in the same period of 2021.

Chart 4.3: Budget Expenditures Distribution (Million TRY)



Source: Ministry of Finance

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

#### 4.4 BUDGET IMPLEMENTATION RESULTS

At the end of the third quarter of 2021, 63.6 percent of the budget revenues expected for 2021 have been collected and 64.3 percent of the expected total budget expenditures have been spent. For the same period of 2020, these rates were 65.7 and 64 percent, respectively.

In the first nine months of 2020, budget revenues totalled 5,364.2 million TRY, while reaching 5,969.3 million TRY in the same period of 2021. By the end of the first nine-month period of 2020, budget revenues

totalled 5,568.3 million TRY, while reaching 6,568.7 million TRY in the same period of 2021. Examining the first nine-month data, by the end of the third quarter of 2020, budget balance, which gave a deficit of 204.1 million TRY, has given a deficit of 599.4 million TRY in the same period of 2021.

The budget deficit, which was 536.2 million TRY in 2020, is expected to reach 830 million TRY with an increase of 54.8 percent, according to the 2021 budget forecast.

Table 4.4: Budget Implementation Results (Million TRY)

	2020 Results	2021 Forecast	2020-2021 Change (%)	2020 Nine-Month Results	2021 Nine-Month Results	2020 Nine-Month Results (%)	2021 Nine-Month Results (%)	
<b>Revenues</b>	Tax Revenues	4,842.5	5,351.8	10.52	3,387.7	3,833.0	69.96	71.62
	Non-Tax Revenues	1,502.0	1,426.2	-5.05	1,138.8	1,077.2	75.82	75.52
	Donations, Grants and Loans	1,627.3	2,500.0	53.63	656.9	902.2	40.37	36.09
	Other Revenues	188.2	102.0	-45.80	180.8	156.9	96.07	153.82
	<b>Grand Total</b>	<b>8,160.0</b>	<b>9,380.0</b>	<b>14.95</b>	<b>5,364.2</b>	<b>5,969.3</b>	<b>65.74</b>	<b>63.64</b>
<b>Expenditures</b>	Current Transfers	3,807.4	4,335.6	13.87	2,537.1	2,887.6	66.64	66.60
	Personnel Expenditures	3,142.3	3,288.6	4.66	2,095.2	2,310.1	66.68	70.25
	Capital Expenditures and Transfers	654.2	353.3	-46.00	173.3	629.8	26.49	178.26
	Goods and Service Purchase Expenditures	640.4	783.4	22.33	394.4	435.2	61.59	55.55
	Other Expenditures	451.9	1,449.1	220.67	368.3	306.0	81.50	21.12
	<b>Grand Total</b>	<b>8,696.2</b>	<b>10,210.0</b>	<b>17.41</b>	<b>5,568.3</b>	<b>6,568.7</b>	<b>64.03</b>	<b>64.34</b>
<b>Revenues - Expenditures</b>	<b>-536.2</b>	<b>-830.0</b>		<b>-204.1</b>	<b>-599.4</b>			

Source: Ministry of Finance

## 4.5 FINANCING BALANCE

Financing balance, which is equal to the gap between the total revenues figure (obtained by subtracting the loans extended by Turkey from the budget revenues) and budget expenditures, has had a deficit of 224.2 million TRY in the third quarter of 2021. Total loans extended by Turkey, used as a source of funding to meet the budget deficit has reached 69.6 million TRY in the third quarter of 2021. Loans extended by Turkey used in the same period of 2020 amounted to 66 million TRY.

Domestic income item increased by 9.2 percent and reached 1,888 million TRY in the third quarter of 2021, compared to the same period of 2019.

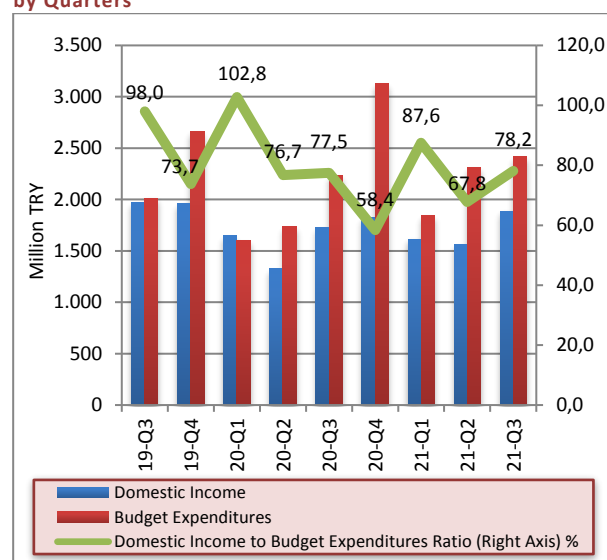
**Table 4.5: Financing Balance (Million TRY)**

	2020 July-Sept.	2021 July-Sept.
<b>Budget Revenues - Loans Extended by Turkey</b>	<b>2,265.9</b>	<b>2,191.5</b>
<b>1. Domestic Income</b>	<b>1,729.0</b>	<b>1,888.0</b>
Tax Revenues	1,393.9	1,583.4
Non-Tax Revenues	333.6	301.0
Other Revenues	1.5	3.6
<b>2. Foreign Aids</b>	<b>536.9</b>	<b>303.5</b>
Grants Extended by Turkey	536.9	303.5
<b>Budget Expenditures</b>	<b>2,231.4</b>	<b>2,415.7</b>
Personnel Expenditures	994.8	1,055.8
Current Transfers	837.2	835.3
Capital Expenditures	114.2	280.8
Other Expenditures	285.2	243.8
<b>Financing Balance</b>	<b>34.5</b>	<b>-224.2</b>
<b>Financing</b>	<b>66.0</b>	<b>69.6</b>
Loans Extended by Turkey	66.0	69.6
Domestic Borrowing		

Source: Ministry of Finance

According to the budget figures of the third quarter of 2021, the domestic income to budget expenditures ratio has reached 78.2 percent. The same ratio was 77.5 percent in the third quarter of 2020.

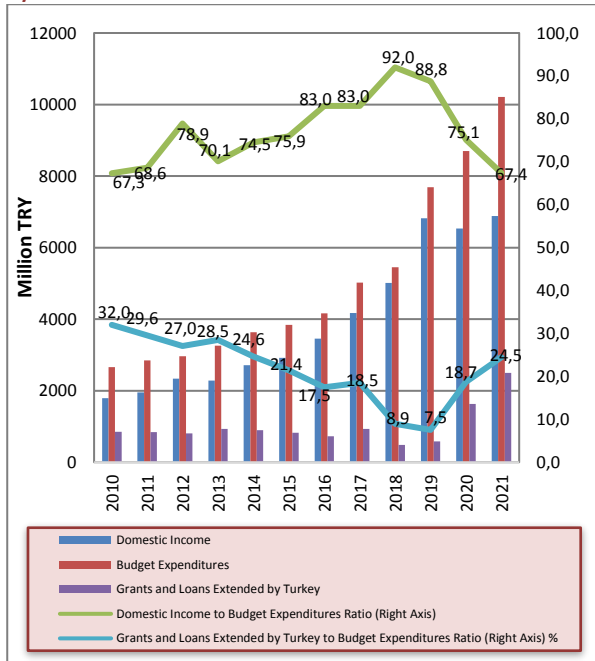
**Chart 4.4: Domestic Income to Budget Expenditures Ratio by Quarters**



Source: Ministry of Finance

The domestic income (calculated by subtracting the grants and loans extended by Turkey from the budget revenues) to budget expenditures ratio is projected to reach 67.4 percent in 2021. This ratio was 92, 88.8, and 75.1 percent in 2018, 2019 and 2020, respectively. Ratio of the grants and loans extended by Turkey to the budget expenditures, which is the most important resource for financing the gap between the domestic income and the budget expenditures, is projected to rise to 24.5 percent in 2021. This ratio was 8.9, 7.5, and 18.7 percent in 2018, 2019 and 2020, respectively. Although there has been a positive outlook in the domestic income to budget expenditures ratio in the last 10 years, this outlook has changed due to the effects of the Covid-19 pandemic on economic activity in 2020, and there has been a serious decline in the ratio of domestic income to budget expenditures.

Chart 4.5: Domestic Income to Budget Expenditures Ratio by Years

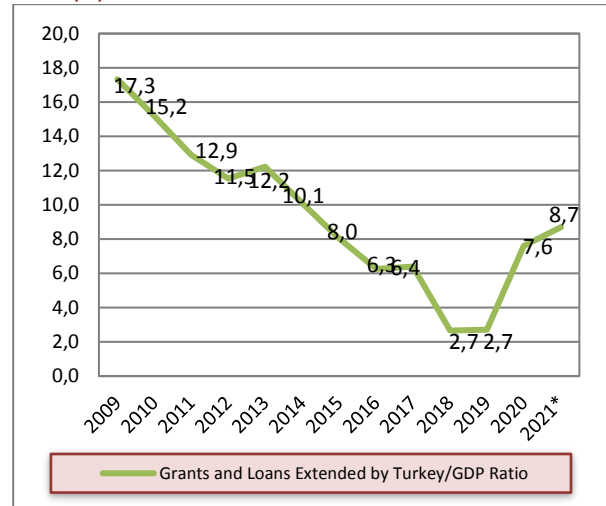


Source: Ministry of Finance

Note: 2021 budget forecast data is used.

Analysing the total loans extended by Turkey to GDP ratio, used as a source of funding to meet the budget deficit, it is observed that there has been a decrease over the years until 2020. Grants and loans extended by Turkey to GDP ratio, which was 17.3 percent in 2009, was 2.7 percent as of the end of 2019 and has become 7.6 percent as of the end of 2020. Analysing the 2021 fiscal year budget forecast data and the 2021 GDP forecast data, it is estimated that this ratio will be 8.7 percent in 2021.

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



Source: Ministry of Finance, TRNC Statistical Institute

Not: For 2021, SPO's Medium Term Plan (2020-2022) GDP target figure is used.

Note: 2021 budget forecast data is used.

2021 Fiscal Year Budget Law envisages covering the budget expenditures by creating a net internal resource of 830 million TRY, in addition to the grants, aid and loans to be received from the Republic of Turkey. Considering the 801 million TRY domestic borrowing made in the first nine months of the year, the total net domestic borrowing that the Ministry of Finance can make in the remaining two quarters of the year is 30 million TRY.

In the third quarter of 2021, a total of 233 million TRY was borrowed through the Government Domestic Borrowing Bond (GDBB) (DIBS) tenders and 133 million TRY repayments were made. At the end of the third quarter of 2021, the total balance of GDBB (DIBS) stock has been 351 million TRY. In the third quarter of 2021, a net borrowing of 100 million TRY was made through GDBB issuances.

In the first nine months of 2021, 128 million TRY was borrowed with a nominal value through the Government Domestic Borrowing Bond (GDBB) tender. In addition to this borrowing, a total of 456.7 million TRY short-term advances were made available to the Ministry of Finance by the Central Bank in the same period. At the end of the first nine months of 2021, the total domestic borrowing stock is 801 million TRY.

**Table 4.6: TRY Government Domestic Borrowing Bond (DIBS) Tenders**

ISIN CODE		KKT 070922T12*	KKB 101221T13	KKT 290922T16**	KKB 070122T10	KKB 050422T19
Effective Date		07.09.2021	07.09.2021	29.09.2021	29.09.2021	29.09.2021
Redemption Date		07.09.2022	10.12.2021	29.09.2022	07.01.2022	05.04.2022
Term		365 days	94 days	365 days	100 days	188 days
Amount Tendered	Nom.	15,000,000	146,000,000	10,000,000	126,500,000	15,000,000
Agreed Amount	Nom.	-	93,000,000	10,000,000	115,000,000	15,000,000
Agreed Interest Rate (%)	Lowest	-	19.25	TLREF+2.00	19.00	19.00
	Highest	-	21.00	TLREF+2.00	20.40	20.50
	Ave.	-	20.41	TLREF+2.00	19.68	19.53
	Average Annual Compound	-	22.01		21.13	20.46

Source: Central Bank of TRNC

\* Government bond issued by the TRNC Ministry of Finance on September 6, 2021, through the Central Bank of the TRNC, with a maturity of 365 days, floating rate, and a semi-annual coupon.

\*\* Government bond issued by the TRNC Ministry of Finance on September 28, 2021, through the Central Bank of the TRNC, with a maturity of 365 days, floating rate, and a semi-annual coupon.

TLREF: Turkish Lira Overnight Reference Interest Rate announced by BIST.  
TLREF on 06.09.2021: 19.0029%  
TLREF on 28.09.2021: 17.9411%



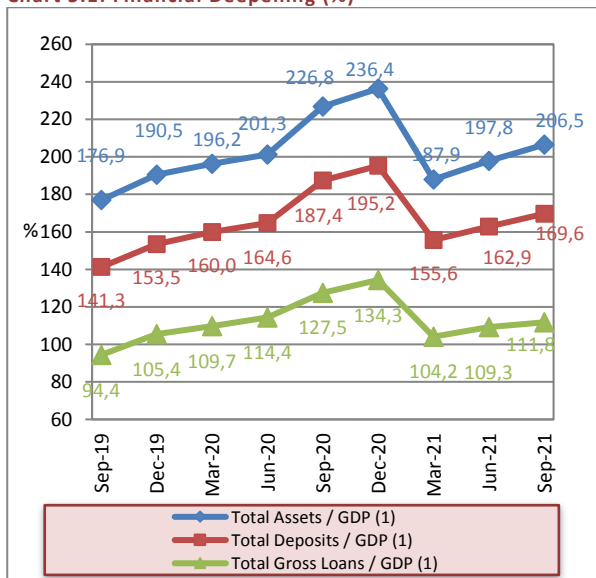
## 5 MONETARY AND FINANCIAL DEVELOPMENTS

### 5.1 OVERVIEW OF THE BANKING SECTOR

#### 5.1.1 FINANCIAL DEEPENING

Financial deepening figures for the third quarter of 2021 increased compared to the previous quarter. Total gross loans to GDP ratio increased from 109.3 percent to 111.3 percent, total assets to GDP ratio from 197.8 percent to 206.5 percent and total deposits to GDP ratio from 162.9 percent to 169.6 percent.

Chart 5.1: Financial Deepening (%)



Source: Central Bank of the TRNC. SPO. TRNC Statistical Institute

Note: (1) 2021 GDP target figures by SPO.

#### 5.1.2 PERFORMANCE RATIOS OF THE BANKING SECTOR

In the banking sector, the share of cash and cash equivalents in total assets has increased from 28.63 to 29.14 percent in the third quarter of 2021, compared to the previous quarter. This rate was 27.92 percent in the same period of the previous year.

The CASR (Capital Adequacy Standard Ratio), which was 16.31 percent at the end of June 2021, increased by 0.74 points to 17.05 percent in the third quarter of 2021.

The share of NPL in gross loans decreased from 4.81 to 4.79 percent at the end of September 2021, compared to the previous quarter.

Gross loans to deposits ratio decreased by 1.2 percentage points to 65.88 percent in the third quarter of 2021, compared to the previous quarter.

The share of gross loans in total assets, which was 56.23 percent in September 2020, has declined to 54.13 percent in the third quarter of 2021. It has decreased by 1.12 points, compared to the previous quarter.

Gross loans increased by 2.29 percent in the third quarter of 2021, compared to the previous quarter. Gross loans increased by 11.51 percent in the same period of the previous year.

Deposits increased by 4.66 percent in the second quarter of 2021, and then by 4.15 percent in the third quarter of 2021.

The financial leverage ratio, which was 10.14 at the end of June 2021, has become 9.78 in the third quarter of 2021.

Table 5.1: Performance Ratios

	2020		2021		
	Sept.	Dec.	Mar.	Jun. Sept.	
Cash and Cash Equivalents / Total Assets (%)	27.92	29.17	29.22	28.63	29.14
CASR (%)	15.69	15.91	15.93	16.31	17.05
NPL / Gross Loans (%)	5.48	5.41	5.12	4.81	4.79
Gross Loans / Total Deposits (%)	68.06	68.82	66.93	67.08	65.88
Gross Loans / Total Assets (%)	56.23	56.83	55.45	55.25	54.13
Quarterly Growth Rate on Gross Loans (%)	11.51	5.32	4.21	4.88	2.29
Quarterly Growth Rate on Gross Loans (%)	13.82	4.16	7.15	4.66	4.15
Financial Leverage <sup>1</sup>	10.46	10.33	10.43	10.14	9.78

Source: Central Bank of TRNC

Note: (1) Liabilities / Total Shareholders' Equity

### 5.1.3 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 in the third quarter of 2021 is 54.71 percent, and the share of the top ten banks is 80.99 percent.

In terms of the size of gross loans in the same period, share of the first five banks in the sector is 56.67 percent and the share of the top ten banks is 83.55 percent.

In terms of deposit size, the share of the five largest banks in total deposits is 56.11 percent and the share of the top ten banks is 82.81 percent.

Lastly, in terms of the size of the debts to the banks item, share of the first five banks in the sector is 70.58 percent and the share of the top ten banks is 91.83 percent,

In terms of the size of shareholders' equity in the relevant period, share of the first five banks in total shareholders' equity is 55.69 percent, while the share of the top ten banks is 82.27 percent.

Table 5.2: Concentration in the Banking Sector (%)

Shares of the First Five Banks in the Sector	2020			2021	
	September	December	March	June	September
<b>Assets</b>	54.44	54.21	53.84	53.91	54.71
<b>Gross Loans</b>	55.59	56.62	56.18	56.16	56.67
<b>Deposits</b>	55.81	55.84	55.63	56.20	56.11
<b>Debts to Banks</b>	68.30	69.49	69.75	74.92	70.58
<b>Shareholders' Equity</b>	54.95	54.15	54.83	54.81	55.69
<b>Shares of the First Ten Banks in the Sector</b>					
	80.45	81.10	80.65	80.57	80.99
<b>Gross Loans</b>	82.31	82.94	82.90	83.09	83.55
<b>Deposits</b>	81.84	82.59	82.16	82.52	82.81
<b>Debts to Banks</b>	94.53	94.95	93.11	95.22	91.83
<b>Shareholders' Equity</b>	82.21	82.45	82.80	82.17	82.27

Source: Central Bank of TRNC

### 5.1.4 BANKS. BRANCHES. PERSONNEL AND ATMS

The number of banks operating in the banking sector is 21 at the end of September 2021. Among the 21 banks

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

Table 5.3: Banks

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

Source: Central Bank of TRNC

The number of bank branches in the sector is 216 in the third quarter of 2021. When the distribution of branch numbers based bank groups is examined, it is seen that

67.13 of the total number of branches are private banks, 18.06 are branch banks and 14.81 are public banks.

Table 5.4: Branches and Personnel

		Number of Branches							
	Sept.19	Dec.19	Mar.20	Jun.20	Sept.20	Dec.20	Mar.21	Jun.21	Sept.21
Public Banks	32	32	32	32	32	32	32	32	32
Private Banks	160	160	160	152	152	150	144	144	145
Branch Banks	39	39	39	39	39	39	39	39	39
<b>Total</b>	<b>232</b>	<b>232</b>	<b>232</b>	<b>224</b>	<b>224</b>	<b>222</b>	<b>216</b>	<b>215</b>	<b>216</b>
		Number of Personnel							
Public Banks	528	522	512	508	514	511	508	509	509
Private Banks	2,096	2,122	2,120	2,090	2,081	2,071	2,057	2,067	2,072
Branch Banks	539	549	542	537	538	536	531	528	528
<b>Total</b>	<b>3,163</b>	<b>3,193</b>	<b>3,174</b>	<b>3,135</b>	<b>3,133</b>	<b>3,118</b>	<b>3,096</b>	<b>3,104</b>	<b>3,109</b>

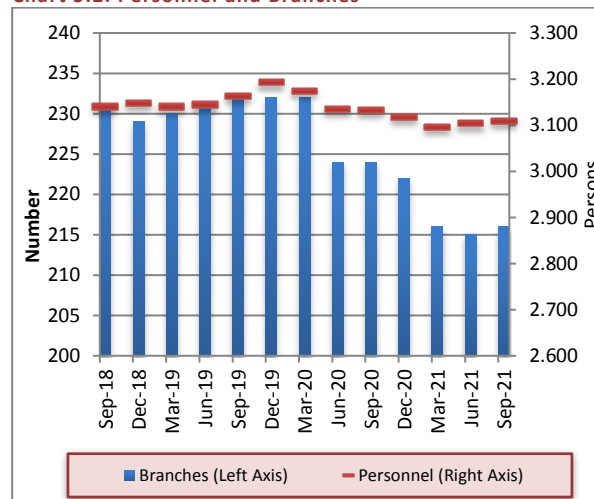
Source: Central Bank of TRNC

The number of personnel employed in the sector increased by 5 persons from 3,104 to 3,109 during June 2021 - September 2021 period. 509 of these personnel are working in public banks, 2,072 in private banks and 528 in branch banks. In this period, the number of personnel employed in private banks increased from 2,067 to 2,072, the number of personnel in public banks and branch banks remained unchanged as 509 and 528 respectively.

During September 2020 - September 2021 period, the number of personnel working in the banking sector decreased by 24 persons from 3,133 to 3,109. In the mentioned period, when the change in the number of personnel is analysed based on bank groups, there was a decrease of 9 persons employed in private banks, 10 person in branch banks, and 5 persons in public banks.

In the third quarter of 2021, it is observed that 16.37 percent of the personnel working in the sector belong to the public banks, 66.65 percent belong to the private banks and 16.98 percent belong to the branch banks.

Chart 5.2: Personnel and Branches



Source: Central Bank of TRNC

As of the third quarter of 2021, the number of ATMs are 544. Analysing the distribution of ATMs by bank groups, branch banks rank first with 253 ATMs. Branch banks are followed by private banks with 234 ATMs and public banks with 57 ATMs. During September 2020 - September 2021 period, the number of ATMs increased from 509 to 544.

Table 5.5: ATMs

	Sept.20	Dec.20	Mar.21	Jun.21	Sept.21
Public Banks	57	57	57	57	57
Private Banks	219	224	225	229	234
Branch Banks	233	234	234	234	253
<b>Total</b>	<b>509</b>	<b>515</b>	<b>516</b>	<b>520</b>	<b>544</b>

Source: Central Bank of TRNC

## 5.2 BANKING SECTOR CONSOLIDATED BALANCE SHEET

Total assets of the banking sector, which was 56,892.3 million TRY at the end of June 2021, have increased by 4.41 percent at the end of September 2021 and reached 59,399.6 million TRY. In the aforementioned period, cash and cash equivalents increased by 6.25 percent, securities portfolio by 5.6 percent, gross loans by 2.29 percent and other assets by 10.98 percent.

Total assets of the sector increased by 22.33 percent in September 2020 - September 2021 period. In the same period, cash and cash equivalents increased by 27.67,

gross loans by 17.75 percent, and securities portfolio by 32.39 percent. In the same period, deposits increased by 21.66 percent and shareholders' equity by 30.07 percent.

Deposits, which is the most important funding source of the sector increased by 4.15 percent and the shareholders' equity by 7.89 percent in June 2021 - September 2021 period.

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

	2020			2021		Percentage Change	
	September	December	March	June	September	06/2021 - 09/2021	09/2020 - 09/2021
<b>Cash and Cash Equivalents</b>	13,556.6	14,761.7	15,794.1	16,290.4	17,307.8	6.25	27.67
<b>Securities Portfolio</b>	3,498.0	3,546.4	3,960.0	4,385.5	4,631.1	5.60	32.39
<b>Total Gross Loans</b>	27,305.2	28,758.3	29,969.3	31,432.4	32,151.5	2.29	17.75
<b>Other Assets</b>	4,196.9	3,534.9	4,328.6	4,784.0	5,309.2	10.98	26.50
<b>Total Assets/Liabilities</b>	<b>48,556.7</b>	<b>50,601.3</b>	<b>54,052.0</b>	<b>56,892.3</b>	<b>59,399.6</b>	<b>4.41</b>	<b>22.33</b>
<b>Deposits</b>	40,117.0	41,787.6	44,774.9	46,859.3	48,804.6	4.15	21.66
<b>Debts to Banks</b>	2,517.5	2,531.0	2,786.7	2,894.9	2,785.5	-3.78	10.65
<b>Other Liabilities</b>	1,685.1	1,815.3	1,761.1	2,030.1	2,298.3	13.21	36.39
<b>Shareholders' Equity</b>	4,237.1	4,467.4	4,729.3	5,108.0	5,511.2	7.89	30.07

Source: Central Bank of TRNC

### 5.2.1 ASSETS AND LIABILITIES STRUCTURE

In the third quarter of 2021, the largest share in the sector's total assets is gross loans with 54.13 percent. Gross loans are followed by cash and cash equivalents with a share of 29.14 percent, other assets with a share of 8.94 percent and securities portfolio with 7.8 percent.

Evaluating the banking sector in terms of the share of the items constituting the asset structure of September 2020 - September 2021 period, an increase in cash and cash equivalents, securities portfolio and other assets, and a decrease in gross loans is observed.

As of September 2021, 82.16 percent of the total liabilities is deposits, 9.28 percent is shareholders' equity, 4.69 percent is debts to banks and 3.87 percent is other liabilities.

Evaluating the items constituting the liability structure of the banking sector in terms of their shares in September 2020 - September 2021 period, it is seen that there is a decrease in deposits and debts to banks items, while other liabilities and shareholders' equity items increased.

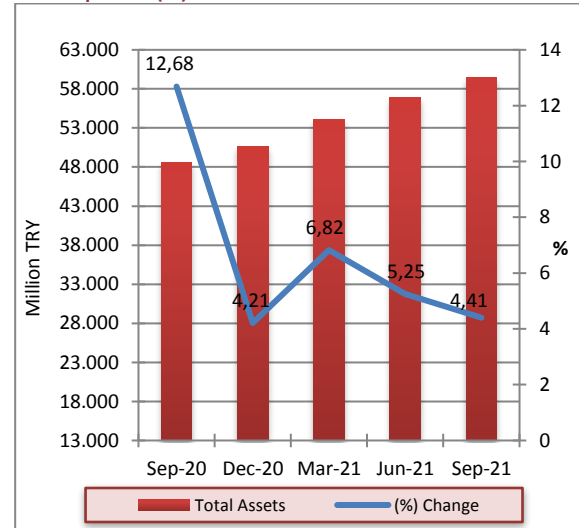
Table 5.7: Structural Percentage Distribution of Banking Sector Assets / Liabilities (%)

Assets	2020			2021	
	September	December	March	June	September
Cash and Cash Equivalents	27.92	29.17	29.22	28.63	29.14
Securities Portfolio	7.20	7.01	7.33	7.71	7.80
Total Gross Loans	56.23	56.83	55.45	55.25	54.13
Other Assets	8.65	6.99	8.00	8.41	8.94
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
Liabilities					
Total Deposits	82.62	82.58	82.84	82.36	82.16
Debts to Banks	5.18	5.00	5.16	5.09	4.69
Other Liabilities	3.47	3.59	3.25	3.57	3.87
Shareholders' Equity	8.73	8.83	8.75	8.98	9.28
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

Source: Central Bank of TRNC

Quarter-on-quarter increase of the banking sector's total assets has been 4.41 percent in September 2021, and 12.68 percent in the same period of 2020. In the period of September 2020 - September 2021, there was an increase of 10,842.9 million TRY in the total assets of the banking sector.

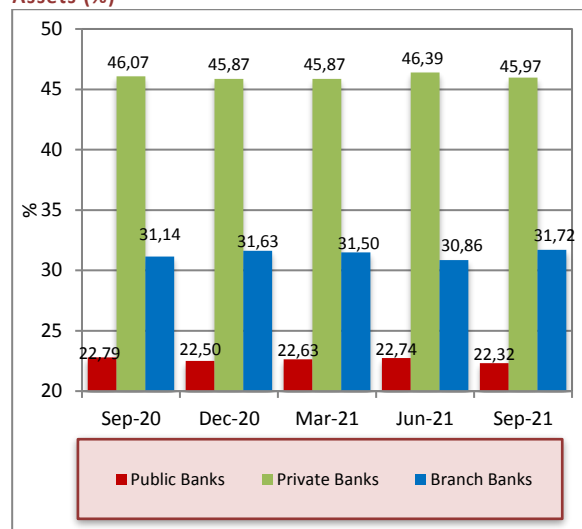
Chart 5.3: Assets of the Banking Sector and Quarterly Development (%)



Source: Central Bank of TRNC

In the third quarter of 2021, sector's total assets decreased from 46.39 to 45.97 percent in the private banks group, from 22.74 to 22.32, while it increased from 30.86 to 31.72 percent in the branch banks group. In September 2020 - September 2021 period, there has been a downsizing in the public banks and private banks groups, and a growth in branch banks group.

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



Source: Central Bank of TRNC

In the third quarter of 2021, public banks' total assets increased by 2.46 percent, private banks' total assets by 3.44 percent and branch banks' total assets by 7.29 percent, compared to the previous quarter. Total assets

increased by 19.81 percent in public banks, by 22.06 percent in private banks and by 24.58 percent in branch banks, compared to the same period of the previous year.

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

	2020			2021		Percentage Change	
	September	December	March	June	September	06/2021-09/2021	09/2020-09/2021
Public Banks	11,064.2	11,386.1	12,233.2	12,937.6	13,256.1	2.46	19.81
Private Banks	22,369.8	23,208.8	24,791.8	26,395.1	27,304.2	3.44	22.06
Branch Banks	15,122.7	16,006.4	17,027.0	17,559.6	18,839.3	7.29	24.58
<b>Total</b>	<b>48,556.7</b>	<b>50,601.3</b>	<b>54,052.0</b>	<b>56,892.3</b>	<b>59,399.6</b>	<b>4.41</b>	<b>22.33</b>

Source: Central Bank of TRNC

Analysing the TRY and FX distribution of gross loans as of September 2021, the share of TRY loans increased from 44.41 to 44.78 percent compared to the previous quarter, while the share of FX loans decreased from 55.59 to 55.22 percent. The share of TRY deposits

decreased from 32.58 percent to 32.31 percent as of September 2021, while the share of FX deposits increased from 67.42 percent to 67.69 percent, compared to the previous quarter.

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

	2020				2021					
	September		December		March		June		September	
	TRY	FX	TRY	FX	TRY	FX	TRY	FX	TRY	FX
Loans	46.11	53.89	49.04	50.96	45.89	54.11	44.41	55.59	44.78	55.22
Deposits	35.08	64.92	34.74	65.26	33.31	66.69	32.58	67.42	32.31	67.69

Source: Central Bank of TRNC

### 5.2.2 CASH AND CASH EQUIVALENTS

Total of cash assets, receivables from banks, receivables from the Central Bank and receivables from the interbank money market transactions, which constitute the cash and cash equivalents of the banking sector, increased by 6.25 percent in the third quarter of 2021 and reached from 16,290.4 million TRY to 17,307.8 million TRY, compared to the previous quarter.

In this period, an increase of 45.4 million TRY in the cash values item, 483.6 million TRY in the receivables from the Central Bank item, 103.3 million TRY in the receivables from the IMM (Interbank Money Market)

transactions item, and 385.1 million TRY in the receivables from the banks item has been recorded.

Cash and cash equivalents amounting to 13,556.6 million TRY at the end of September 2020 increased to 17,307.8 million TRY by the end of September 2021. In the period, cash assets increased by 29 million TRY, receivables from the Central Bank by 1,562.6 million TRY, receivables from IMM transactions by 1,300.7 million TRY and receivables from banks by 858.9 million TRY.

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

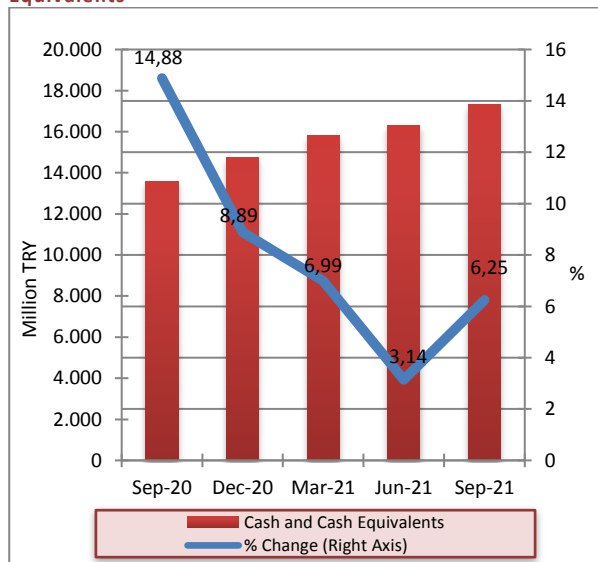
	2020		March	2021		Percentage Change 06/2021 - 09/2021
	September	December		June	September	
Cash Assets	503.2	478.6	570.8	486.8	532.2	9.33
Receivables from the Central Bank	4,655.2	5,206.7	5,287.1	5,734.2	6,217.8	8.43
Receivables from IMM Transactions	3,080.0	3,916.7	4,270.1	4,277.4	4,380.7	2.42
Receivables from Banks	5,318.2	5,159.7	5,666.1	5,792.0	6,177.1	6.65
<b>Total</b>	<b>13,556.6</b>	<b>14,761.7</b>	<b>15,794.1</b>	<b>16,290.4</b>	<b>17,307.8</b>	<b>6.25</b>

Source: Central Bank of TRNC

Cash and cash equivalents increased by 6.25 percent in the third quarter of 2021, compared to the previous quarter. In the period of September 2020 - September 2021, there was an increase of 3,751.2 million TRY in the cash and cash equivalents.

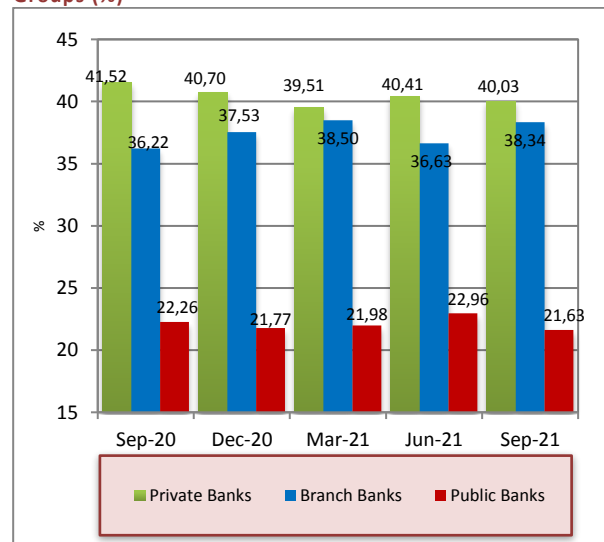
In the third quarter of 2021, shares of private and public banks decreased, while the share of branch banks increased. In September 2020 - September 2021 period, there has been a downsizing in the private banks and public banks groups, and a growth in branch banks.

Chart 5.5: Quarterly Percentage Change of Cash and Cash Equivalents



Source: Central Bank of TRNC

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



Source: Central Bank of TRNC

### 5.2.3 LOANS

Business loans, which amounted to 21,525.5 million TRY as of September 2021, are in the first rank as in the previous periods. They are followed by consumer loans with a total of 6,651 million TRY.

During the period from September 2020 to September 2021, business loans increased from 16,623.8 million TRY to 21,525.5 million TRY and consumer loans increased from 6,288.5 million TRY to 6,651 million TRY.

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

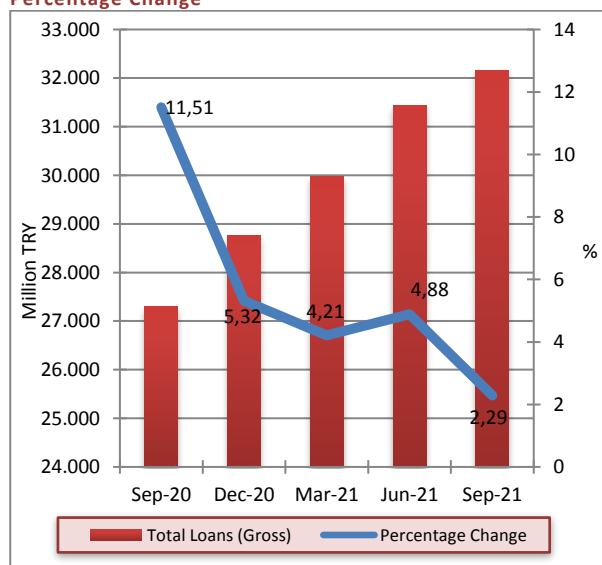
	2020			2021	
	September	December	March	June	September
<b>Business Loans</b>	16,623.8	18,868.7	19,929.9	20,909.0	21,525.5
<b>Consumer Loans</b>	6,288.5	6,329.0	6,512.4	6,757.2	6,651.0
Credit Cards	639.6	703.4	687.2	837.6	909.4
Discount Loans	217.1	263.3	296.3	335.1	382.0
Other Investment Loans	173.2	208.6	216.5	221.9	214.9
Import Loans	5.2	5.4	5.6	5.7	5.7
Loans of Funds Originated	26.0	24.8	27.3	28.4	28.9
Directed Loans	73.5	87.2	94.3	98.8	92.7
Export Loans	0.3	0.0	0.0	0.0	0.0
Loans Extended by Central Bank of the TRNC	5.3	5.0	5.7	0.0	3.0
Loans Extended Through Central Bank of the TRNC	0.0	0.0	0.0	0.0	0.0
Loans to Purchase Security for Customers	0.0	0.0	0.0	0.0	0.0
Export Guaranteed Investment Loans	0.0	73.4	81.8	86.2	87.8
Other Loans	1,757.7	633.6	578.4	639.3	711.2
<b>Total Loans</b>	<b>25,810.2</b>	<b>27,202.4</b>	<b>28,435.4</b>	<b>29,919.2</b>	<b>30,612.1</b>

Source: Central Bank of TRNC

Note: Non-performing loans are not included.

Gross loans increased by 2.29 percent in the third quarter of 2021, compared to the previous quarter. In the period of September 2020 - September 2021, there was an increase of 4,846.3 million TRY in the gross loans.

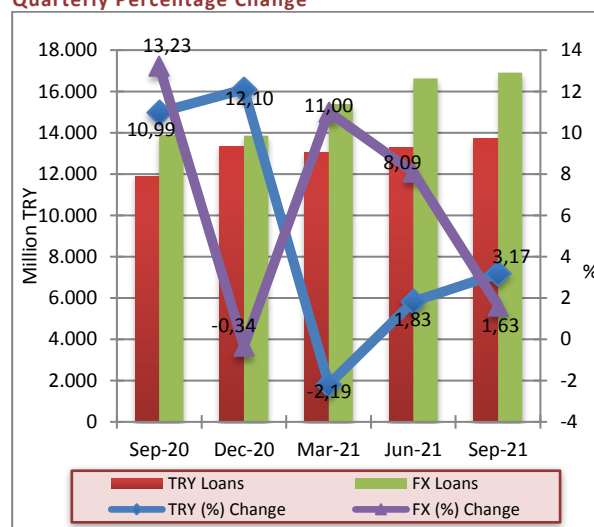
Chart 5.7: Development of Gross Loans and Quarterly Percentage Change



Source: Central Bank of TRNC

In the third quarter of 2021, 13,708.8 million TRY of the loans is in TRY currency and 16,903.3 million TRY is in foreign currency. In the period, there has been an increase of 3.17 percent in TRY loans and 1.63 percent in FX loans, compared to the previous quarter.

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



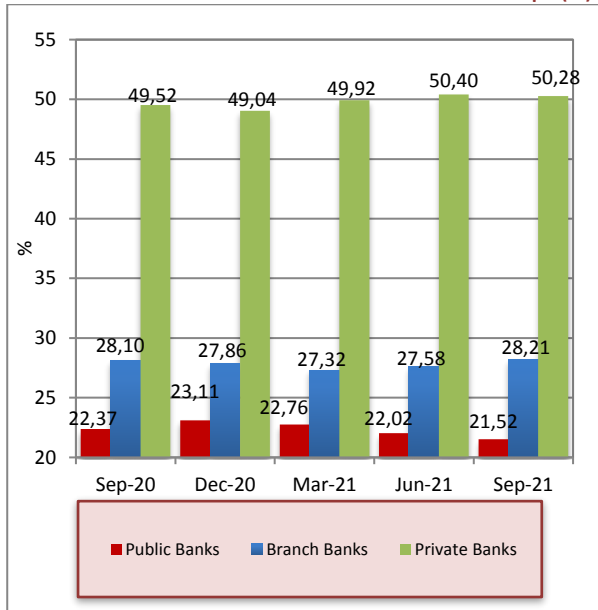
Source: Central Bank of TRNC

Note: Non-performing loans are not included.



Analysing the shares of gross loans by bank groups, the share of public banks decreased from 22.02 to 21.52 percent, and the share of private banks 50.4 to 50.28 percent, while the share of branch banks increased from 27.58 to 28.21 percent in the third quarter of 2021, compared to the previous quarter. During September 2020 - September 2021 period, the share of private banks and branch banks in total loans increased, while the share of public banks decreased.

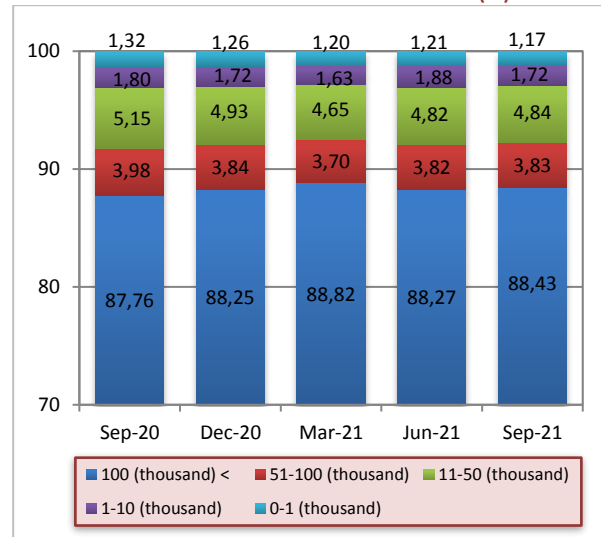
Chart 5.9: Share of Gross Loans Based on Bank Groups (%)



Source: Central Bank of TRNC

By the end of the third quarter of 2021, the share of loans over 100 thousand TRY in total loans has been 88.43 percent. In this period, 11-50 thousand TRY loans take the second place in loan sizes with a share of 4.84 percent. Loans amounting to 51-100 thousand TRY and 1-10 thousand TRY constitute 3.83 and 1.72 percent of the total loans, respectively. The lowest loan use in the sector has been in loans up to 1 thousand TRY with a share of 1.17 percent.

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

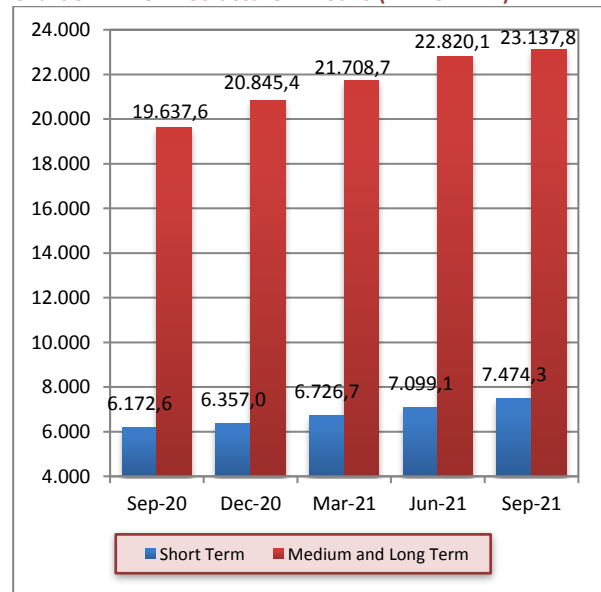


Source: Central Bank of TRNC

Note: Non-performing loans are not included.

In the third quarter of 2021, short-term loans increased from 7,099.1 million TRY to 7,474.3 million TRY, and medium and long-term loans from 22,820.1 million TRY to 23,137.8 million TRY. In the period of September 2020 - September 2021, short-term loans increased by 21.09 percent and medium and long-term loans increased by 17.82 percent.

Chart 5.11: Term Structure in Loans (Million TRY)



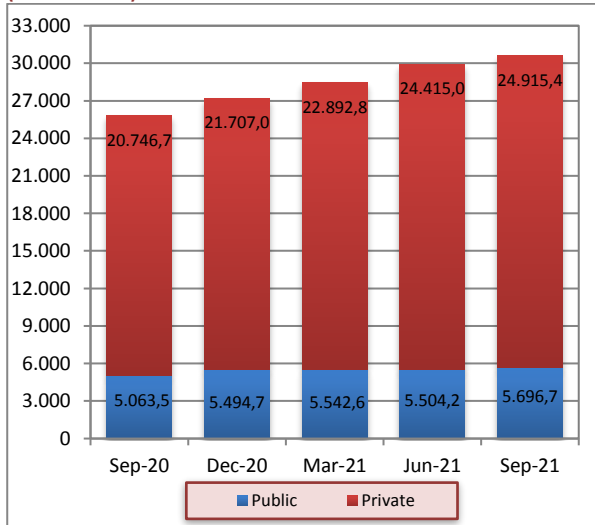
Source: Central Bank of TRNC

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

As of September 2021, 81.39 percent of the banking sector’s total loans has been extended to the private sector and 18.61 percent to the public sector. Compared to the previous quarter, loans used by the public sector increased from 5,504.2 million TRY to 5,696.7 million TRY and private sector loans increased from 24,415 million TRY to 24,915.4 million TRY.

In September 2020 - September 2021 period, the increase rate of the loans used by the public has been 12.51 percent and the loans used by the private sector has increased by 20.09 percent.

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

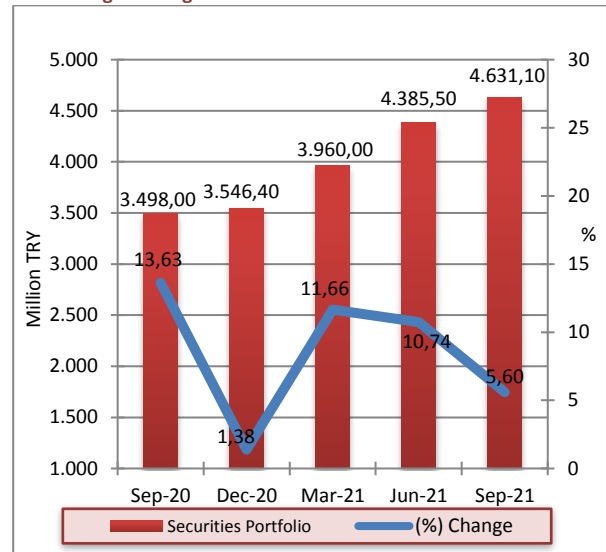


Source: Central Bank of TRNC

### 5.2.4 SECURITIES PORTFOLIO

Securities portfolio increased by 5.6 percent in September 2021, compared to the previous quarter and by 1,133.1 percent compared to September 2020.

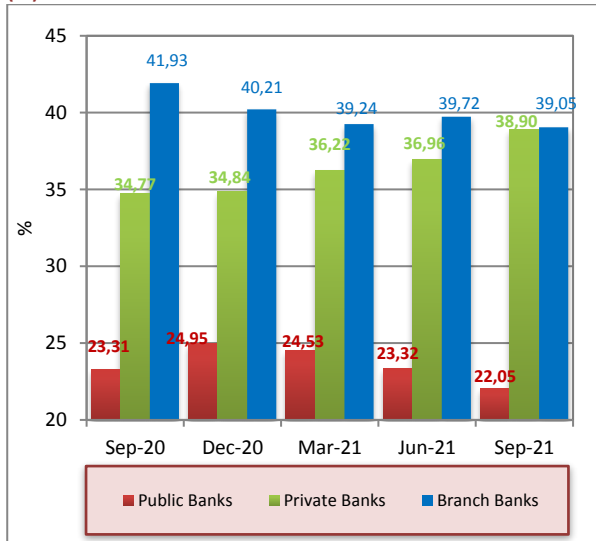
**Chart 5.13: Securities Portfolio Totals and Quarterly Percentage Change**



Source: Central Bank of TRNC

By the third quarter of 2021, the share of public banks in total SP decreased from 23.32 TO 22.05 percent and the share of branch banks from 39.72 percent to 39.05 percent, while the share of private banks increased from 36.96 percent to 38.9 percent, compared to the previous quarter. During September 2020 - September 2021 period, the shares of public banks and branch banks in total loans decreased, while the share of private banks increased.

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



Source: Central Bank of TRNC

## 5.2.5 DEPOSITS

Deposits, which is the most important funding source of the sector increased by 4.15 percent in the third quarter of 2021, compared to the previous quarter. Deposits increased by 21.66 percent in one-year period and amounted to 48,804.6 million TRY at the end of September 2021.

As of the end of September 2021, it is observed that the largest share belongs to savings deposits with 34,919.8 million TRY as it was in the previous periods. This is followed by commercial deposits with 10,051.6 million TRY and official deposits with 2,821 million TRY. In September 2020 - September 2021 period, savings deposits increased by 20.79 percent, commercial deposits by 27.02 percent, while official deposits decreased by 7.99 percent.

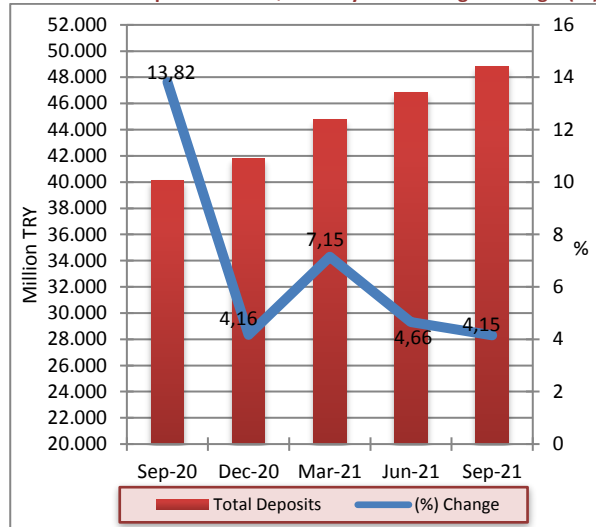
**Table 5.12: Development of Deposits by Type (Million TRY)**

	2020			2021		Percentage Change	
	September	December	March	June	September	06/2021 – 09/2021	09/2020 – 09/2021
<b>Savings</b>	28,910.3	29,453.4	32,055.9	33,980.6	34,919.8	2.76	20.79
<b>Commercial</b>	7,913.7	8,630.3	8,752.3	9,092.4	10,051.6	10.55	27.02
<b>Official</b>	2,612.3	3,184.6	3,162.6	2,917.8	2,821.0	-3.32	7.99
<b>Other</b>	680.7	519.3	804.1	868.5	1,012.2	16.55	48.70
<b>Total Deposits</b>	<b>40,117.0</b>	<b>41,787.6</b>	<b>44,774.9</b>	<b>46,859.3</b>	<b>48,804.6</b>	<b>4.15</b>	<b>21.66</b>
<b>Debts to Banks</b>	2,517.5	2,531.0	2,786.7	2,894.9	2,785.5	-3.78	10.65
<b>Total Deposits Including Debts to Banks</b>	<b>42,634.5</b>	<b>44,318.6</b>	<b>47,561.6</b>	<b>49,754.2</b>	<b>51,590.1</b>	<b>3.69</b>	<b>21.01</b>

Source: Central Bank of TRNC

In 2021, total deposits increased by 4.15 percent in the third quarter, compared to the previous quarter. In the period of September 2020 - September 2021, there was an increase of 8,687.6 million TRY in deposits.

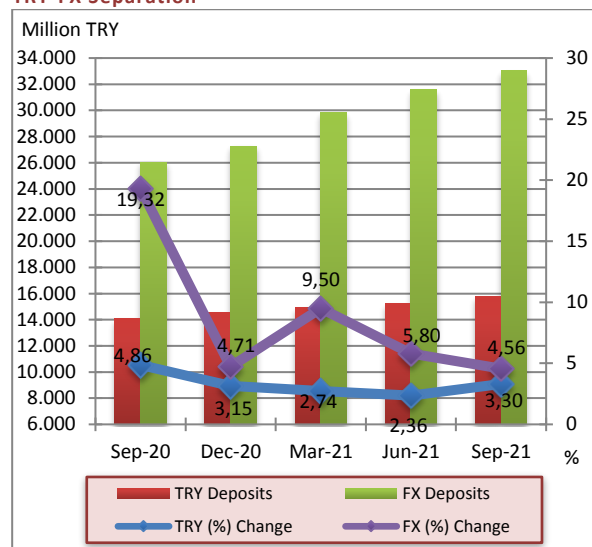
Chart 5.15: Deposits and Quarterly Percentage Change (%)



Source: Central Bank of TRNC

In the third quarter of 2021, it is observed that deposits amounted to 15,770 million TRY in Turkish Lira currency and 33,034.6 million TRY in foreign currency. In this period, TRY deposits increased by 3.3 percent and FX deposits increased by 4.56 percent, compared to the previous quarter.

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



Source: Central Bank of TRNC

At the end of September 2021, compared to the previous quarter, TRY deposits of public banks increased by 8.6 per mille, FX deposits by 8.5 per mille, private banks' TRY deposits by 2.18 percent and FX deposits by 3.61 percent, and TRY deposits of branch banks by 7.18 percent, and FX deposits by 9.67 percent.

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

	June 2021			September 2021			Percentage Change		
	TRY	FX	Total	TRY	FX	Total	TRY	FX	Total
Public Banks	4,981.5	6,486.0	11,467.5	5,024.3	6,540.9	11,565.2	0.86	0.85	0.85
Private Banks	5,557.6	17,159.6	22,717.2	5,678.8	17,778.3	23,457.1	2.18	3.61	3.26
Branch Banks	4,727.6	7,947.0	12,674.6	5,066.9	8,715.4	13,782.3	7.18	9.67	8.74
<b>Total Deposits</b>	<b>15,266.7</b>	<b>31,592.6</b>	<b>46,859.3</b>	<b>15,770.0</b>	<b>33,034.6</b>	<b>48,804.6</b>	<b>3.30</b>	<b>4.56</b>	<b>4.15</b>

Source: Central Bank of TRNC

As in previous periods, maturity concentration of the banking sector deposits belongs to 1-month deposits with a share of 51.43 percent in September 2021. 1-month deposits are followed by demand deposits with a share of 18.27 percent, 3-month deposits with a share of 17.35 percent, 1-year deposits with a share of 9.92 percent and 6-month deposits with a share of 3.04 percent.

Comparing the maturity distribution of deposits to the previous quarter, there has been an increase of 1.42 points in demand deposits, while a 0.13 points decrease in 1-month deposits, 0.83 points in 3-month deposits, 0.33 points in 6-month deposits, and 0.12 points in 1-year deposits.

During September 2020 - September 2021 period, demand and 1-month deposits increased by 1.03 and 1.78 points respectively, while 3-month, 6-month and 1-year deposits decreased by 1.05, 1.02 and 0.73 points, respectively.

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

	2020			2021		Change (Points)	
	September	December	March	June	September	06/2021-09/2021	09/2020-09/2021
<b>Demand</b>	17.24	18.57	16.51	16.85	18.27	1.42	1.03
<b>1-Month</b>	49.65	49.61	52.32	51.56	51.43	-0.13	1.78
<b>3-Month</b>	18.40	18.03	18.02	18.18	17.35	-0.83	-1.05
<b>6-Month</b>	4.06	3.54	3.32	3.37	3.04	-0.33	-1.02
<b>1-Year</b>	10.65	10.25	9.83	10.04	9.91	-0.12	-0.73
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>		

Source: Central Bank of TRNC

Analysing the distribution of deposits in the banking sector by their size, 0-5 thousand TRY decreased from 342 million TRY to 341.8 million TRY, while 5-10 thousand TRY deposits increased from 387.4 million TRY to 391.5 million TRY, 10-50 thousand TRY deposits from 2,772.7 to 2,795.9 million TRY, 50-100 thousand TRY deposits from 3,248.1 million TRY to 3,291.7 million

TRY, and deposits over 100 thousand TRY deposits from 40,109.1 million TRY to 41,983.7 million TRY as of the end of September 2021, compared to the previous quarter. In the third quarter of 2021, the share of deposits over 100 thousand TRY has been 86.02 percent, and deposits of 50-100 thousand TRY had a share of 6.74 percent.

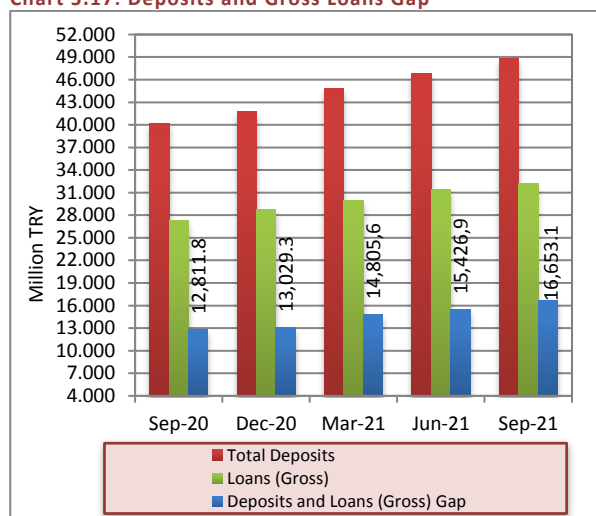
**Table 5.15: Distribution of Deposits by Size (Million TRY)**

	2020			2021	
	September	December	March	June	September
<b>0-5 thousand TRY</b>	341.0	349.9	346.4	342.0	341.8
<b>5-10 thousand TRY</b>	410.9	422.4	405.9	387.4	391.5
<b>10-50 thousand TRY</b>	2,712.0	2,787.5	2,732.4	2,772.7	2,795.9
<b>50-100 thousand TRY</b>	3,390.6	3,367.7	3,346.8	3,248.1	3,291.7
<b>Over 100 thousand TRY</b>	33,262.5	34,860.1	37,943.4	40,109.1	41,983.7
<b>Total Deposits</b>	<b>40,117.0</b>	<b>41,787.6</b>	<b>44,774.9</b>	<b>46,859.3</b>	<b>48,804.6</b>

Source: Central Bank of TRNC

Total deposits and gross loans gap, which was 15,426.9 million TRY at the end of June 2021, has increased by 1,226.2 million TRY and rose to 16,653.1 million TRY at the end of September 2021.

Chart 5.17: Deposits and Gross Loans Gap

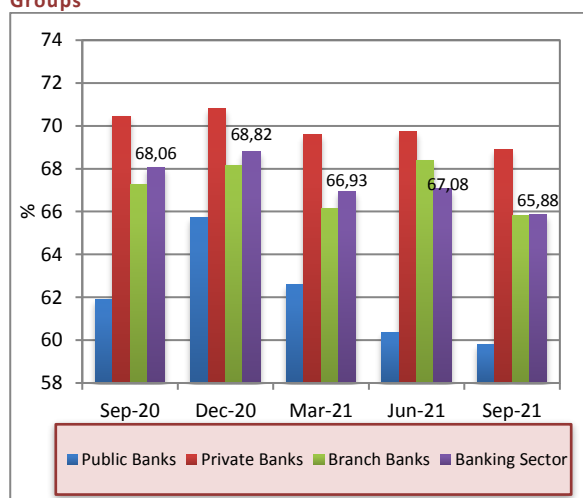


Source: Central Bank of TRNC

Loans to total deposits ratio, which is one of the indicators of the banking sector's depth and intermediary function, was 67.08 percent at the end of June 2021, then, it has declined to 65.88 percent at the end of September 2021. Loans to total deposits ratio decreased by 2.18 points in one-year period.

Examining loans to deposits ratio at the end of September 2021 on the basis of bank groups, private banks rank first with 68.91 percent. Private banks are followed by branch banks with a rate of 65.81 percent. Public banks have a conversion rate of 59.81 percent.

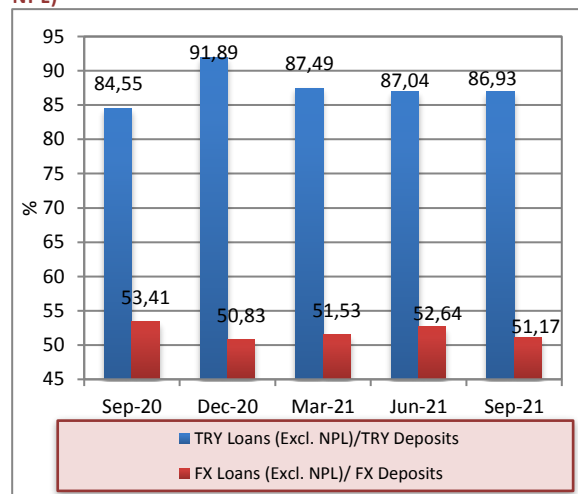
Chart 5.18: Deposits to Loans (Gross) Ratio Based on Bank Groups



Source: Central Bank of TRNC

TRY deposits to TRY loans ratio (excluding NPL) decreased from 87.04 to 86.93 percent as of September 2021 compared to the previous quarter, and FX deposits to FX loans ratio (excluding NPL) decreased from 52.64 to 51.17 percent. TRY and FX deposits to loans ratio was 84.55 percent and 53.41 percent, respectively, in September 2020.

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



Source: Central Bank of TRNC

## 5.2.6 EQUITY

Shareholders' equity, which is of great importance in terms of stability and healthy development of the sector, increased by 7.89 percent, compared to the previous quarter and reached 5,511.2 million TRY in the third quarter of 2021.

Shareholders' equity increased by 30.07 percent in September 2020 - September 2021 period. In the one-year period, the paid-in capital of the sector increased by 114.4 million TRY and reserve requirements increased by 480 million TRY.

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

	2020		2021		September
	September	December	March	June	
Paid-in Capital	1,401.4	1,470.7	1,492.6	1,506.1	1,515.8
Legal Reserves	1,366.6	1,369.1	1,693.2	1,842.6	1,846.6
Fixed Asset Revaluation Fund	3.6	10.4	10.4	10.4	10.4
Securities Value Increment Fund	215.0	220.1	256.9	262.5	261.6
Period Profit (Loss)	513.0	671.2	301.7	639.7	1,038.7
Accumulated Profit (Loss)	737.5	725.9	974.5	846.7	838.1
<b>Total</b>	<b>4,237.1</b>	<b>4,467.4</b>	<b>4,729.3</b>	<b>5,108.0</b>	<b>5,511.2</b>

Source: Central Bank of TRNC

### 5.3 MONEY SUPPLY

Money supply classified as narrow money, which is also called as M1 increased by 9.99 percent at the end of September 2021 compared to June 2021 and rose from 11,257.1 million TRY to 12,381.7 million TRY. M1 increased by 27.32 percent in one-year period.

Money supply qualified as M2, which amounted to 47,658.2 million TRY at the end of June 2021, increased by 4.34 percent in the third quarter of 2021 and reached 49,727 million TRY. M2 increased by 22.23 percent in one-year period.

M3 money supply classified as broad money, which is estimated by adding official deposits and other deposits within Central Bank of the TRNC to the M2, increased by 3.92 percent in the third quarter of 2021 compared to the previous quarter and rose from 50,639.9 million TRY to 52,622.7 million TRY. The increase rate of M3 is 20.18 percent, compared to the same period of the previous year.

Table 5.17: Money Supply (Million TRY)

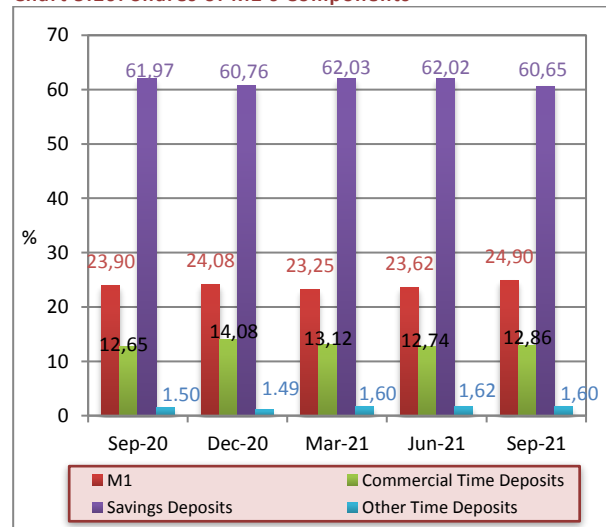
Years	Period	M1	Annual Percentage Change	M2	Annual Percentage Change	M3	Annual Percentage Change
2017	III	4,126.2	30.66	19,847.4	29.85	21,240.3	30.16
	IV	4,403.3	24.24	21,181.5	24.99	22,789.8	26.63
2018	I	4,826.2	28.53	22,844.7	26.78	24,492.6	27.50
	II	5,342.4	36.75	24,489.5	31.17	26,341.2	31.27
	III	6,244.7	51.34	28,565.7	43.93	30,698.9	44.53
	IV	5,726.7	30.05	26,846.9	26.75	28,868.4	26.67
2019	I	6,297.8	30.49	29,051.7	27.17	31,226.9	27.50
	II	6,581.7	23.20	30,066.1	22.77	32,390.9	22.97
	III	6,775.1	8.49	30,109.1	5.40	33,243.7	8.29
	IV	7,386.0	28.97	33,164.4	23.53	35,890.4	24.32
2020	I	7,872.2	25.00	34,635.5	19.22	37,612.4	20.45
	II	8,529.4	29.59	35,839.0	19.20	38,294.3	18.23
	III	9,724.8	43.54	40,684.0	35.12	43,787.2	31.72
	IV	10,077.1	36.44	41,842.8	26.17	45,299.2	26.22
2021	I	10,491.4	33.27	45,118.5	30.27	48,624.9	29.28
	II	11,257.1	31.98	47,658.2	32.98	50,639.9	32.24
	III	12,381.7	27.32	49,727.0	22.23	52,622.7	20.18

Source: Central Bank of TRNC

As in previous periods, the largest share in M2 is 60.65 percent with the savings deposits as of September 2021. This is followed by M1 with a share of 24.9 percent, commercial time deposits with 12.86 percent and other time deposits with a ratio of 1.6 percent.

Savings time deposit, which constitutes the largest share of the structure of M2, decreased by 1.32 points from 61.97 percent to 60.65 percent in September 2020 - September 2021 period. In the mentioned period, M1, one of the other subcomponents of M2, increased from 23.9 to 24.9 percent, commercial time deposits from 12.65 to 12.86 percent, and other time deposits from 1.5 to 1.62 percent.

Chart 5.20: Shares of M2's Components



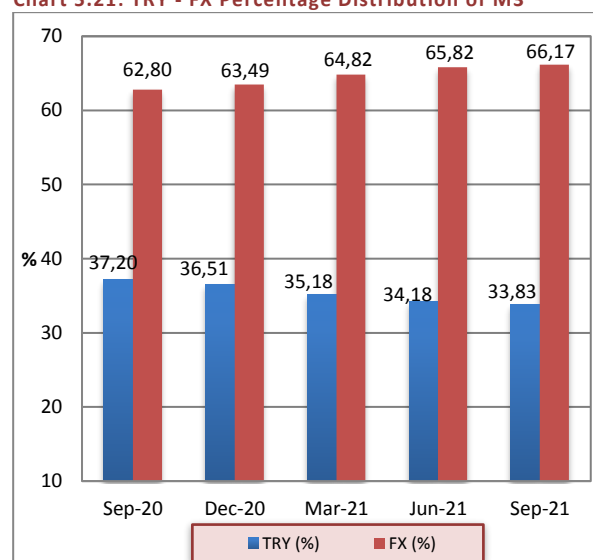
Source: Central Bank of TRNC

Analysing the TRY-FX percentage distribution of M3 as of September 2021, it is observed that the share of TRY deposits in M3 is 33.83 percent and the share of FX deposits is 66.17 percent. These shares were 37.2 percent in TRY and 62.8 percent in FX at the end of September 2020.

#### 5.4 OVERVIEW OF INTERBANK MONEY MARKET

As of the third quarter of 2021, there have been 828 transactions in TRY, 687 transactions in USD, 271 transactions in EUR and 521 transactions in GBP currency, within the interbank money market operating under the TRNC Central Bank. In this period, transactions of 60,451 million TRY in Turkish Lira currency, 4,168 million USD, 5,260 million EUR and 7,382 million GBP in foreign currency were made.

Chart 5.21: TRY - FX Percentage Distribution of M3



Source: Central Bank of TRNC

Table 5.18: Transaction Volume (x 1.000) and Amount

	TRY		\$		€		£	
	Number	Volume	Number	Volume	Number	Volume	Number	Volume
2020 - Q3	787	59,058,150	675	2,272,575	252	3,157,825	479	5,112,275
2020 - Q4	870	47,981,400	707	3,993,200	303	5,356,100	427	8,130,350
2021 - Q1	760	65,818,400	622	3,028,600	275	5,397,300	452	7,728,650
2021 - Q2	769	58,101,100	623	3,694,425	280	6,168,850	525	8,923,100
2021 - Q3	828	60,450,950	687	4,167,750	271	5,259,700	521	7,381,725

Source: Central Bank of TRNC



Looking at the volume distributions of overnight transactions made in the third quarter of 2021, it is observed that the shares are 99.82 percent in TRY, 99.97 percent in USD, and 100 percent in EUR and GBP. In the same period, the share one-week transactions

was 2 per ten thousand in TRY, the share of one-month transactions was 1.6 per mille in TRY and 1 per ten thousand in USD. In the same period, the share 3-month transactions was 2 per ten thousand in USD.

Table 5.19: Transaction Volume (x 1.000)

	TRY		\$		€		£	
	Volume	Share (%)	Volume	Share (%)	Volume	Share (%)	Volume	Share (%)
<b>2020 Q3</b>	<b>59,058,150</b>		<b>2,272,575</b>		<b>3,157,825</b>		<b>5,112,275</b>	
ON	59,053,650	99.99	2,270,575	99.91	3,121,600	98.85	5,112,275	100.00
1W								
2W								
3W								
1M	4,500	0.01	2,000	0.09	34,225	1.08		
3M					2,000	0.06		
<b>2020 Q4</b>	<b>47,981,400</b>		<b>3,993,200</b>		<b>5,356,100</b>		<b>8,130,350</b>	
ON	47,912,900	99.86	3,992,225	99.98	5,312,800	99.19	8,130,350	100.00
1W	50,000	0.10			25			
2W								
3W								
1M	18,500	0.04	975,000	0.02	43,275	0.81		
3M								
<b>2021 Q1</b>	<b>65,818,400</b>		<b>3,028,600</b>		<b>5,397,300</b>		<b>7,728,650</b>	
ON	65,807,400	99.98	3,028,600	100.00	5,376,900	99.62	7,728,650	100.00
1W	4,000	0.01						
2W								
3W								
1M	7,000	0.01			20,400	0.38		
3M								
<b>2021 Q2</b>	<b>58,101,100</b>		<b>3,694,425</b>		<b>6,168,850</b>		<b>8,923,100</b>	
ON	58,083,100	99.97	3,689,925	99.88	6,168,850	100.00	8,923,100	100.00
1W	6,000	0.01						
2W								
3W								
1M	12,000	0.02	3,500	0.09				
3M			1,000	0.03				
<b>2021 Q3</b>	<b>60,450,950</b>		<b>4,167,750</b>		<b>5,259,700</b>		<b>7,381,725</b>	
ON	60,343,950	99.82	4,166,450	99.97	5,259,700	100.00	7,381,725	100.00
1W	10,000	0.02						
2W								
3W								
1M	97,000	0.16	300	0.01				
3M			1,000	0.02				

Source: Central Bank of TRNC

Note: ON: Overnight

W: Week

M: Month

Average interest rates for overnight transactions made in the third quarter of 2021 were 15.75 percent in TRY, 0.6 percent in USD, 0.25 percent in EUR, and 0.35 percent in GBP. Average interest rate for one-week

transactions has been 18 percent in TRY, the rates for one-month transactions have been 18.58 percent in TRY, and 1.5 percent in USD, while the rate for 3-month transactions has been 1.5 percent in USD.

**Table 5.20: Average Interest Rates (%)**

		2020			2021	
		Q3	Q4	Q1	Q2	Q3
TRY	ON	6.14	10.43	14.25	15.73	15.75
	1W		14.43	16.50	18.00	18.00
	2W					
	1M	9.50	13.28	16.80	18.50	18.58
	3M					
\$	ON	0.54	0.75	0.67	0.60	0.60
	1W					
	2W					
	3W					
	1M	0.60	2.11		1.13	1.50
	3M				1.50	1.50
€	ON	0.13	0.30	0.28	0.25	0.25
	1W		1.25			
	2W					
	3W					
	1M	0.36	0.55	0.58		
	3M	1.30				
£	ON	0.28	0.40	0.37	0.35	0.35
	1W					
	2W					
	3W					
	1M					

Source: Central Bank of TRNC

Note: ON: Overnight

W: Week

M: Month

## 5.5 CREDIT CARDS MAXIMUM INTEREST RATES

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

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

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

**Table 5.21: Credit Cards Maximum Interest Rates (%)**

Effective Date	TRY		FX	
	Monthly Max. Contract	Monthly Max. Overdue Interest	Monthly Max. Contract	Monthly Max. Overdue Interest
01/07/2016 (OG 85)	2.14	2.64	1.26	1.76
01/10/2016 (OG 123)	2.12	2.62	1.24	1.74
02/01/2017 (OG 2)	2.06	2.56	1.23	1.73
03/04/2017 (OG 61)	2.00	2.50	1.21	1.71
03/07/2017 (OG 113)	1.97	2.47	1.20	1.70
02/10/2017 (OG 161)	2.00	2.50	1.18	1.68
02/01/2018 (OG 1)	2.06	2.56	1.17	1.67
02/04/2018 (OG 303)	2.16	2.66	1.16	1.66
02/07/2018 (OG 102)	2.26	2.76	1.15	1.65
01/10/2018 (OG 143)	2.54	3.04	1.18	1.68
02/01/2019 (OG 1)	3.40	3.90	1.18	1.68
01/04/2019 (OG 45)	3.22	3.72	1.18	1.68
01/07/2019 (OG 90)	3.18	3.68	1.20	1.70
01/10/2019 (OG 714)	2.98	3.48	1.21	1.71
02/01/2020 (OG 1)	2.35	2.85	1.21	1.71
01/04/2020 (OG 56)	1.00	1.50	0.75	1.25
01/07/2020 (OG 123)	1.00	1.50	0.75	1.25
01/10/2020 (OG 188)	1.00	1.50	0.75	1.25
01/01/2021 (OG 238)	1.95	2.45	1.13	1.63
01/04/2021 (OG 73)	2.29	2.79	1.09	1.59
01/07/2021 (OG 145)	2.54	3.04	1.09	1.59
01/10/2021 (OG 219)	2.60	3.10	1.09	1.59

Source: Central Bank of TRNC

## 5.6 NON-BANK FINANCIAL INSTITUTIONS

### 5.6.1 INTERNATIONAL BANKING UNITS

As of September 2021, total asset size of the six International Banking Units increased by 11.73 percent compared to the end of 2020 and reached 428.6 million USD. In the aforementioned period, cash and cash equivalents increased by 37.75 percent to 208 million USD, gross loans decreased by 4.42 percent to 207.8 million USD, and other assets decreased 15.79 percent to 12.8 million USD.

Total deposits increased by 17.47 percent in December 2020 - September 2021 period and increased to 374.6 million USD. Debts to banks decreased by 80.2 percent, reaching 2 million USD, shareholders' equity decreased by 5.96 percent to 50.5 million USD, while other liabilities item increased by 66.67 percent to 1.5 million USD.

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

	December 2020	September 2021	Percentage Change
<b>Cash and Cash Equivalents</b>	<b>151.0</b>	<b>208.0</b>	<b>37.75</b>
<b>Loans (Gross)</b>	<b>217.4</b>	<b>207.8</b>	<b>-4.42</b>
<b>Other Assets</b>	<b>15.2</b>	<b>12.8</b>	<b>-15.79</b>
<b>Assets/Liabilities</b>	<b>383.6</b>	<b>428.6</b>	<b>11.73</b>
<b>Deposits</b>	<b>318.9</b>	<b>374.6</b>	<b>17.47</b>
<b>Debts to Banks</b>	<b>10.1</b>	<b>2.0</b>	<b>-80.20</b>
<b>Shareholders' Equity</b>	<b>53.7</b>	<b>50.5</b>	<b>-5.96</b>
<b>Other Liabilities</b>	<b>0.9</b>	<b>1.5</b>	<b>66.67</b>

Source: Central Bank of TRNC

### 5.6.2 EXCHANGE OFFICES

There are 47 operating exchange offices as of the end of 2020. Analysing the consolidated balance sheet of the exchange offices as of the end of 2020, it is seen that there is an increase in all items except other current assets, compared to the previous year. In this period, an increase of 9.2 million TRY in the cash values item, 1.3 million TRY in commercial and other receivables item and 2.4 million TRY in the stocks item has been recorded.

As of the end of 2020, consolidated asset size of the exchange offices increased by 31.72 percent compared to the previous year and reached 54.4 million TRY. As of the end of 2020, short-term liabilities in the liability structure amounted to 8.2 million TRY, long-term liabilities amounted to 600 million TRY, shareholders' equity to 45.6 million TRY and the profit amounted to 1.1 million TRY.

**Table 5.23: Consolidated Balance Sheet of Exchange Offices (Million TRY)**

	2019	2020	Percentage Change
<b>Current Assets</b>	<b>40.7</b>	<b>53.5</b>	<b>31.45</b>
- Cash and Cash Equivalents	21.4	30.6	42.99
- Commercial and Other Receivables	0.8	2.1	162.50
- Stocks	18.3	20.7	13.11
- Other Current Assets	0.2	0.1	-50.00
<b>Fixed Assets</b>	<b>0.6</b>	<b>0.9</b>	<b>50.00</b>
<b>Assets/Liabilities</b>	<b>41.3</b>	<b>54.4</b>	<b>31.72</b>
<b>Foreign Resources</b>	<b>7.1</b>	<b>8.8</b>	<b>23.94</b>
- Short Term	6.4	8.2	28.13
- Long Term	0.7	0.6	-14.29
<b>Shareholders' Equity</b>	<b>34.2</b>	<b>45.6</b>	<b>33.33</b>
- Profit/Loss	0.8	1.1	37.50
- Other Shareholders' Equity	33.4	44.5	33.23

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

Note: Year-end consolidated balance sheet of 2019 consists of the data of 39 exchange offices, and year-end consolidated balance sheet of 2020 consists of the data of 43 exchange offices.

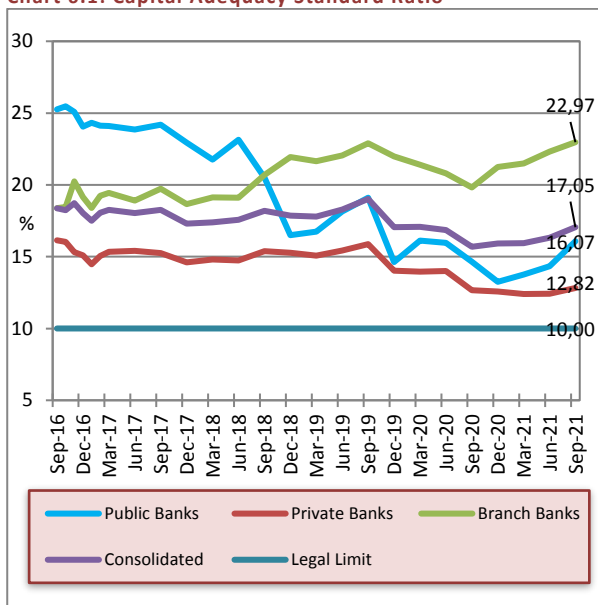
## 6 FINANCIAL STABILITY ANALYSIS

### 6.1 CAPITAL ADEQUACY

In the third quarter of 2021, the sector’s capital adequacy standard ratio increased by 0.74 points compared to the previous quarter and reached 17.05 percent, above the legal limit of 10 percent.

As of September 2021, CASR based on bank groups has been 16.07 percent in public banks, 12.82 percent in private banks and 22.97 percent in branch banks. As of June 2021, these ratios were 14.33, 12.42 and 22.32 percent, respectively. Compared to the same period of the previous year, CASR increased by 1.42 points in public banks, by 0.15 points in private banks and by 3.16 points in branch banks in September 2021.

Chart 6.1: Capital Adequacy Standard Ratio



Source: Central Bank of TRNC

Comparing the risk-weighted assets of the sector to the previous quarter at the end of September 2021, assets with 0 percent risk weight increased by 7.7 percent, assets with 50 percent risk weight increased by 1.2 percent, assets with 100 percent risk weight increased by 7.5 percent, while assets with 20 percent risk weight decreased by 2.3 percent. In the period, the total of market risk and operational risk increased by 123.3 million TRY and reached 6,219.4 million TRY, compared to the previous period. Total market risk and operational risk of the sector increased by 976.9 million TRY in one-year period (September 2020 - September 2021).

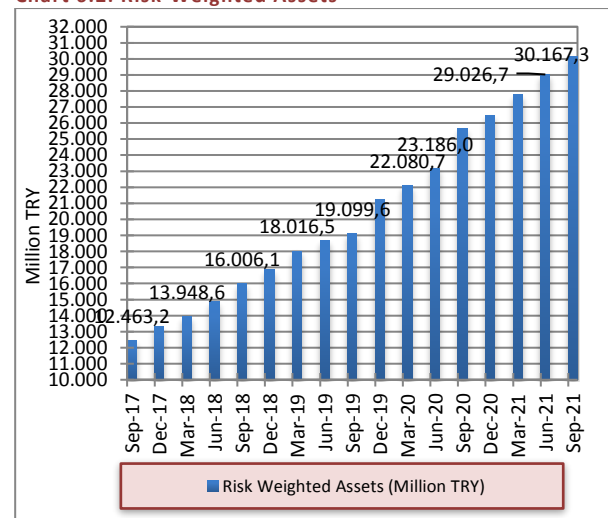
Table 6.1: Risk-Weighted Assets(Million TRY)

	Sept.20	Dec.20	Mar.21	Jun.21	Sept.21	Percentage Change (06/21-09/21)
0 %	18,330.9	19,681.3	21,040.7	22,765.8	24,511.5	7.7
20 %	8,202.0	8,555.1	9,336.5	9,636.0	9,419.4	-2.3
50 %	13,527.5	14,099.7	15,446.9	16,138.6	16,335.7	1.2
100 %	11,995.1	11,979.5	12,234.3	12,934.1	13,896.2	7.5
Market Risk + Operational Risk	5,242.5	5,737.1	5,951.5	6,096.1	6,219.4	2

Source: Central Bank of TRNC

In the third quarter of 2021, risk-weighted assets increased by 3.9 percent, compared to the previous quarter. The weighted sum of risk-weighted assets, which amounted to 29,026.7 million TRY as of June 2021, increased by 1,140.6 million TRY at the end of September 2021 and reached 30,167.3 million TRY. Risk-weighted assets of the sector increased by 17.6 percent in September 2020 - September 2021 period.

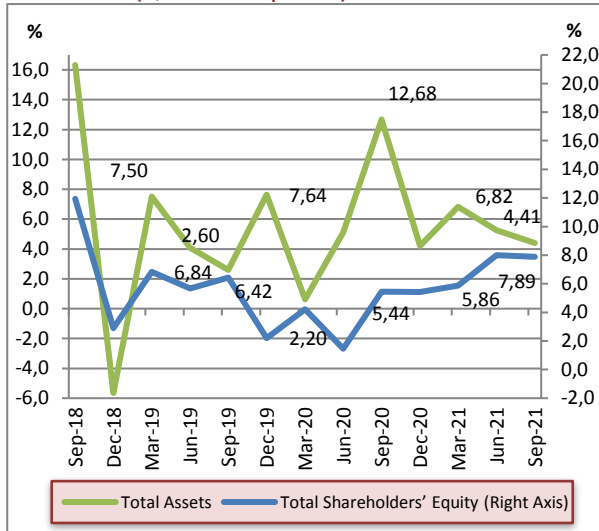
Chart 6.2: Risk-Weighted Assets



Source: Central Bank of TRNC

As of the end of September 2021, total assets increased by 4.41 percent and total shareholders' equity increased by 7.89 percent, compared to June 2021. Total assets and shareholders' equity increased by 22.33 percent and 30.07 percent, respectively, compared to the same period of the previous year.

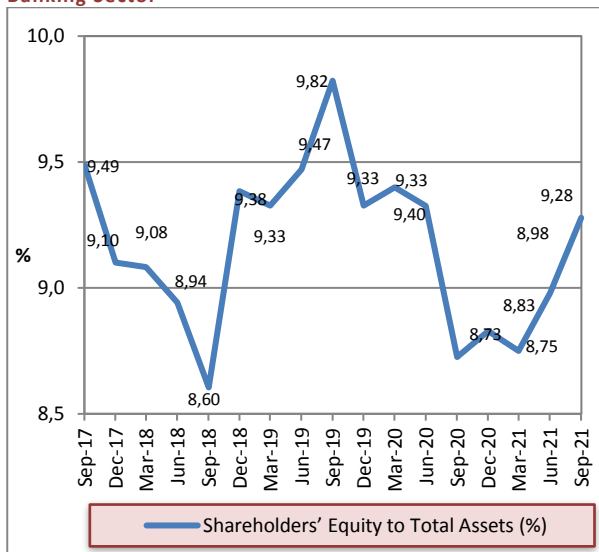
**Chart 6.3: Increase Rates in Total Shareholders' Equity and Total Assets (Quarter-on-quarter)**



Source: Central Bank of TRNC

The ratio of total shareholders' equity to total assets in the banking sector, which decreased in the second and third quarter of 2020, started to increase as of the end of 2020. The ratio of total shareholders' equity to total assets, which was 8.98 percent in June 2021, increased and reached 9.28 percent in September 2021.

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

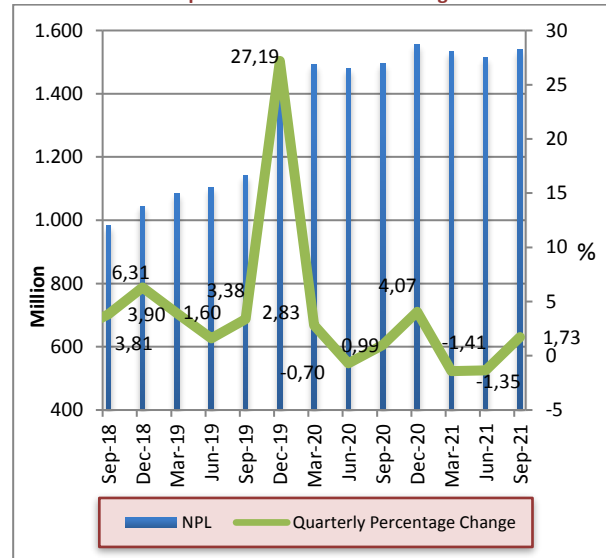


Source: Central Bank of TRNC

## 6.2 NON-PERFORMING LOANS

Sector's non-performing loans, amounting to 1,513.2 million TRY as of the end of June 2021, increased by 1.73 percent and reached 1,539.4 million TRY as of the end of September 2021. Non-performing loans increased by 2.97 percent, compared to the same period of the previous year.

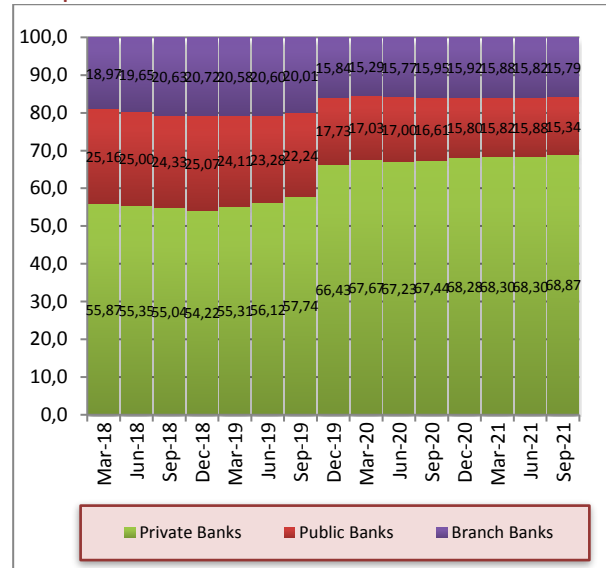
**Chart 6.5: Development of Non-Performing Loans**



Source: Central Bank of TRNC

As of the end of the third quarter of 2021, it is seen that the share of public banks and branch banks in total NPL decreased, while the share of private banks increased, compared to the previous quarter. Accordingly, in June 2021 - September 2021 period, the share of public banks decreased from 15.99 percent to 15.34 percent, the share of branch banks 15.98 to 15.79 percent, while the share of private banks increased from 68.03 to 68.87 percent. Accordingly, in September 2020 - September 2021 period, the share of private banks increased from 67.44 percent to 68.87 percent, while the share of public banks decreased from 16.61 to 15.34 percent, and the share of branch banks from 15.95 to 15.79 percent.

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



Source: Central Bank of TRNC

In the third quarter of 2021, total assets amounts to 59,399.62 million TRY, total gross loans amounts to 32,151.53 million TRY, non-performing loans amounts to 1,539.4 million TRY and provisions for non-performing loans amounts to 883.56 million TRY. Analysed by bank groups, as of September 2021, total assets in public banks are 13,256.14 million TRY, total gross loans are 6,917.5 million TRY, non-performing loans are 236.14 million TRY and provisions for non-performing loans are 224.14 million TRY.

In the private banks, total assets amounts to 27,304.15 million TRY, total gross loans amounts to 16,164.47 million TRY, non-performing loans amounts to 1,060.23 million TRY and provisions for non-performing loans amounts to 464.23 million TRY. Branch banks have total assets of 18,839.33 million TRY, total gross loans of 9,069.55 million TRY, non-performing loans of 243.03 million TRY and provisions for non-performing loans of 195.19 million TRY.

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

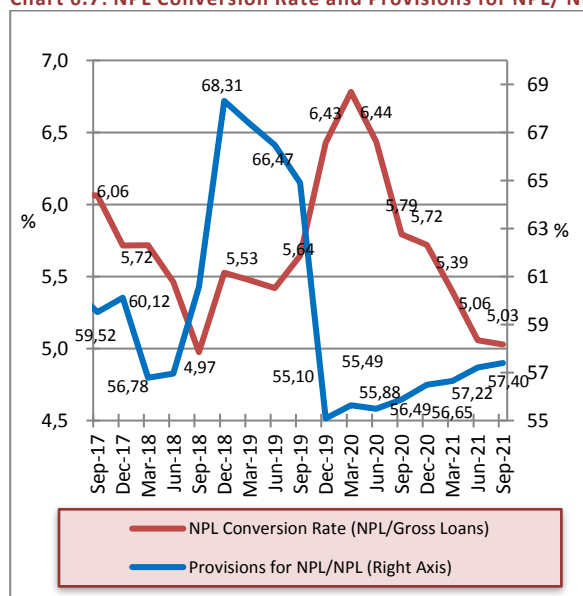
	Total Assets			Total Gross Loans			NPL			Provisions for NPL		
	Mar.21	Jun.21	Sept.21	Mar.21	Jun.21	Sept.21	Mar.21	Jun.21	Sept.21	Mar.21	Jun.21	Sept.21
<b>Public Banks</b>	12,233.23	12,937.63	13,256.14	6,821.67	6,922.05	6,917.50	242.65	242.02	236.14	219.66	218.32	224.14
<b>Private Banks</b>	24,791.81	26,395.07	27,304.15	14,961.44	15,840.36	16,164.47	1,047.65	1,029.4	1,060.23	454.93	454.44	464.23
<b>Branch Banks</b>	17,026.95	17,559.60	18,839.33	8,186.19	8,669.95	9,069.55	243.65	241.80	243.03	194.42	193.03	195.19
<b>Total</b>	<b>54,051.99</b>	<b>56,892.30</b>	<b>59,399.62</b>	<b>29,969.29</b>	<b>31,432.36</b>	<b>32,151.53</b>	<b>1,533.95</b>	<b>1,513.2</b>	<b>1,539.40</b>	<b>869.01</b>	<b>865.79</b>	<b>883.56</b>

Source: Central Bank of TRNC

NPL conversion rate, which was 6.2 percent as of March 2017, started to fall as of this period and declined to 4.97 percent by September 2018. Rising again in December 2018, NPL conversion rate reached 6.43 percent at the end of December 2019. NPL conversion rate, which was 6.78, 6.44, 5.79 and 5.72 percent in March, June, September and December 2020, respectively, continued to decrease in 2021 and reached 5.39 percent in the first quarter, 5.06 percent in the second quarter and 5.03 percent in the third quarter.

While the ratio of provisions for NPL to total NPL had been 55.6 percent by the end of March 2020, it decreased by 0.1 points to 55.5 percent in June 2020 and increased by 0.3 points to 55.8 percent in September, then reached 56.5 with an increase of 0.6 points. Continuing to climb 2021, the ratio of provisions for NPL to total NPL increased by 0.16 points to 56.65 percent in March, and by 0.57 points to 57.22 percent in June, then to 57.4 percent with an increase of 0.18 points.

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



Source: Central Bank of TRNC

### 6.3 RETURN ON ASSETS AND RETURN ON EQUITY

Sector's return on assets, which was 1.91 percent at the end of June 2021, increased to 2.22 percent in the third quarter of 2021, return on equity, which was 21.57 percent increased to 24.65 percent and net interest margin from 3.62 percent to 3.76 percent. In the period of September 2020 - September 2021, return on assets of the sector increased from 1.34 percent to 2.22 percent, return on equity from 15.56 to 24.65 percent, and net interest margin from 3.2 to 3.76 percent.

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

Description	2020			2021	
	Sept.	Dec.	Mar.	Jun.	Sept.
Return on Assets <sup>1</sup>	1.34	1.47	1.64	1.91	2.22
Return on Equity <sup>2</sup>	15.56	16.32	18.35	21.57	24.65
Net Interest Margin <sup>3</sup>	3.2	3.3	3.48	3.62	3.76

Source: Central Bank of TRNC

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

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

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

Net Profit: 12-month cumulative total

Total Assets: 12-month average

Total Shareholders' Equity: 12-month average

Net Interest Margin + Provisions for NPL: 12-month cumulative total



## ANNEX A. ECONOMIC DECISIONS

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

Title	Notifications, Notices and Executive Board Decisions Published in the Official Gazette		Official Gazette	
	Date	Number	Date	Number
Credit Cards Monthly Maximum Contractual and Default Interest Rates Change			01.10.2021	219
Turkish Lira Deposit and Reserve Requirement Accounts Interest Rates and Turkish Lira Rediscount, Discount and Advance Interest Rate Change	27.10.2021	1233	27.10.2021	237

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

Title	Law/Draft Law/Bill		Official Gazette	
	Date	Number	Date	Number
<b>Statutory Decrees</b>				
Statutory Decree on Financial Regulation on Cash Assets	02.08.2021	E.S.(K-I)977-2021	03.08.2021	170
Statutory Decree on the Annulment of the Statutory Decree on Financial Regulation on Cash Assets	25.08.2021	E.S.(K- I)1196-2021	25.08.2021	189
Statutory Decree on the Premium Payment Support Applicable to Those Insured Under the Social Security Law (September 2021 - February 2022)	15.09.2021	E.S.(K-I)1393-2021	22.09.2021	213
Statutory Decree on the Premium Payment Support Applicable to Those Insured Under the TRNC Social Insurance Law (September 2021 - February 2022)	15.09.2021	E.S.(K-I)1394-2021	22.09.2021	213
Statutory Decree on Amendment of the Statutory Decree on the Premium Payment Support Applicable to Those Insured Under the TRNC Social Insurance Law (September 2021 - February 2022)	28.09.2021	E.S.(K-I)1471-2021	30.09.2021	218
Statutory Decree on Amendment of the Statutory Decree on the Premium Payment Support Applicable to Those Insured Under the Social Security Law (September 2021 - February 2022)	28.09.2021	E.S.(K-I)1472-2021	30.09.2021	218
<b>Regulations</b>				
Regulation on Promoting Local Labour Employment (Amendment No. 6)	21.09.2021	E.S.(K-I)1402-2021	23.09.2021	214
<b>Draft Laws</b>				
Draft Law on Financial Regulation on Cash Assets			27.08.2021	191

## ANNEX B. STATISTICAL DATA

**Table B.1: Selected Balance Items (TRY)**

Date	Liquid Assets	Loans	Other Assets	Total Assets	Shareholders' Equity	Deposits	Reserve Requirements	Other Liabilities	Total Liabilities
<b>30 Jun. 2017</b>	6.981.906.564	134.992.949	2.841.955	<b>7.119.741.468</b>	367.060.935	2.317.720.970	1.512.813.049	2.922.146.514	<b>7.119.741.468</b>
<b>30 Sept. 2017</b>	7.630.043.970	191.469.924	2.907.269	<b>7.824.421.163</b>	368.577.947	2.505.097.829	1.615.196.100	3.335.549.287	<b>7.824.421.163</b>
<b>31 Dec. 2017</b>	8.118.080.496	114.227.729	3.260.499	<b>8.235.568.724</b>	384.891.701	2.681.914.710	1.729.000.717	3.574.231.898	<b>8.370.039.032</b>
<b>31 Mar. 2018</b>	8.545.422.968	219.540.337	4.339.065	<b>8.769.302.370</b>	436.642.697	2.870.588.126	1.851.557.638	3.610.513.909	<b>8.769.302.370</b>
<b>30 Jun. 2018</b>	9.341.542.297	155.660.857	2.673.006	<b>9.499.876.160</b>	439.621.419	3.105.622.819	1.993.912.015	3.960.719.907	<b>9.499.876.160</b>
<b>30 Sept. 2018</b>	11.073.132.669	172.557.057	2.684.160	<b>11.248.373.886</b>	445.771.689	3.717.146.751	2.052.867.163	5.032.588.283	<b>11.248.373.886</b>
<b>31 Dec. 2018</b>	10.499.595.834	61.335.607	294.637.228	<b>10.855.568.669</b>	480.942.598	3.917.979.147	1.885.311.620	4.571.335.304	<b>10.855.568.669</b>
<b>31 Mar. 2019</b>	10.833.216.002	188.417.441	12.142.380	<b>11.033.775.823</b>	565.586.996	4.040.009.260	2.011.711.161	4.416.468.406	<b>11.033.775.823</b>
<b>30 Jun. 2019</b>	11.423.695.382	198.753.741	4.705.193	<b>11.627.154.316</b>	569.937.350	4.264.704.130	2.101.571.020	4.690.941.816	<b>11.627.154.316</b>
<b>30 Sept. 2019</b>	12.024.932.318	188.602.841	99.806.315	<b>12.313.341.474</b>	574.939.219	4.069.005.293	2.134.892.647	5.534.504.315	<b>12.313.341.474</b>
<b>31 Dec. 2019</b>	12.816.365.963	50.103.991	612.537.467	<b>13.479.007.421</b>	589.827.556	4.568.214.697	2.350.769.024	5.970.196.144	<b>13.479.007.421</b>
<b>31 Mar. 2020</b>	12.962.190.610	46.763.724	495.989.949	<b>13.504.944.283</b>	678.679.012	4.579.477.472	2.700.672.024	5.546.115.775	<b>13.504.944.283</b>
<b>30 Jun. 2020</b>	12.855.700.190	46.763.724	19.401.356	<b>12.921.865.270</b>	681.402.724	4.289.003.090	2.889.007.202	5.062.452.254	<b>12.921.865.270</b>
<b>30 Sept. 2020</b>	15.359.430.508	52.012.879	34.655.533	<b>15.446.098.920</b>	682.771.674	5.397.934.136	3.183.661.686	6.181.731.424	<b>15.446.098.920</b>
<b>31 Dec. 2020</b>	16.353.005.072	51.791.967	279.486.590	<b>16.684.283.629</b>	719.302.337	5.468.896.150	2.930.655.027	7.565.430.115	<b>16.684.283.629</b>
<b>31 Mar. 2021</b>	16.798.728.605	248.862.975	346.890.300	<b>17.394.481.880</b>	805.485.172	5.526.562.169	3.175.733.887	7.886.700.652	<b>17.394.481.880</b>
<b>30 Jun. 2021</b>	17.830.514.206	503.423.458	229.660.370	<b>18.563.598.034</b>	809.107.488	5.967.117.859	3.375.004.675	8.412.368.012	<b>18.563.598.034</b>
<b>30 Sept. 2021</b>	18.683.218.651	506.410.606	100.276.879	<b>19.289.906.136</b>	812.450.006	6.265.750.775	3.467.399.688	8.744.305.667	<b>19.289.906.136</b>

Source: Central Bank of TRNC

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

**Table B.2: Liquid Assets (TRY)**

Date	Cash Assets	Gold Deposit	Bank Deposits (TRY)	Bank Deposits (FX)	Foreign Banks	Securities Portfolio	Total
<b>30 Jun. 2017</b>	171.906.834	3.440.019	1.823.606.608	4.299.854.053	0	683.099.050	<b>6.981.906.564</b>
<b>30 Sept. 2017</b>	275.459.595	3.440.019	1.842.387.496	4.739.760.510	0	768.996.350	<b>7.630.043.970</b>
<b>31 Dec. 2017</b>	257.360.230	3.997.999	1.728.967.292	5.187.178.813	0	903.656.300	<b>8.081.160.634</b>
<b>31 Mar. 2018</b>	382.362.841	3.997.999	1.705.665.243	5.630.492.210	0	822.904.675	<b>8.545.422.968</b>
<b>30 Jun. 2018</b>	281.516.845	3.997.999	1.845.209.663	6.467.950.290	0	742.867.500	<b>9.341.542.297</b>
<b>30 Sept. 2018</b>	701.495.845	3.997.999	2.827.946.391	7.539.692.434	0	0	<b>11.073.132.669</b>
<b>31 Dec. 2018</b>	596.636.956	5.503.526	2.886.583.754	6.838.280.699	0	172.590.899	<b>10.499.595.834</b>
<b>31 Mar. 2019</b>	703.356.751	5.503.326	2.788.997.426	7.087.363.508	727.800	247.266.991	<b>10.833.216.002</b>
<b>30 Jun. 2019</b>	684.254.253	5.503.526	2.956.877.407	7.386.165.087	731.140	390.163.969	<b>11.423.695.382</b>
<b>30 Sept. 2019</b>	695.057.549	5.503.526	3.258.721.464	7.319.698.436	90.233.033	655.718.310	<b>12.024.932.318</b>
<b>31 Dec. 2019</b>	604.203.296	7.318.980	3.647.687.308	7.510.965.029	332.867.787	713.323.563	<b>12.816.365.963</b>
<b>31 Mar. 2020</b>	426.840.059	7.318.980	3.537.260.461	7.670.737.329	178.859.125	1.141.174.656	<b>12.962.190.610</b>
<b>30 Jun. 2020</b>	851.174.116	7.318.980	3.480.507.658	6.506.580.011	849.420	2.009.270.005	<b>12.855.700.190</b>
<b>30 Sept. 2020</b>	1.090.478.693	7.318.980	4.181.981.541	6.350.544.980	974.190	3.728.132.124	<b>15.359.430.508</b>
<b>31 Dec. 2020</b>	1.202.513.929	11.245.022	3.875.374.944	6.892.833.367	2.774.707	4.368.263.103	<b>16.353.005.072</b>
<b>31 Mar. 2021</b>	1.367.010.884	11.245.022	3.287.712.637	7.456.678.273	1.126.369	4.674.955.420	<b>16.798.728.605</b>
<b>30 Jun. 2021</b>	1.227.874.023	11.245.022	2.901.751.435	8.723.829.175	1.805.527	4.964.009.024	<b>17.830.514.206</b>
<b>30 Sept. 2021</b>	1.275.430.723	11.245.022	3.293.202.704	8.845.074.138	2.901.848	5.255.364.216	<b>18.683.218.651</b>

Source: Central Bank of TRNC

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

Date	Agriculture	Commercial	Industry	Exports	Small Business Owners	Tourism	Education	Total
30 Jun. 2017							4.943.377	<b>4.943.377</b>
30 Sept. 2017							5.415.736	<b>5.415.736</b>
31 Dec. 2017							5.807.899	<b>5.807.899</b>
31 Mar. 2018							5.789.550	<b>5.789.550</b>
30 Jun. 2018							6.912.450	<b>6.912.450</b>
30 Sept. 2018							9.112.800	<b>9.112.800</b>
31 Dec. 2018							7.933.350	<b>7.933.350</b>
31 Mar. 2019							8.313.450	<b>8.313.450</b>
30 Jun. 2019							8.649.750	<b>8.649.750</b>
30 Sept. 2019							8.498.850	<b>8.498.850</b>
31 Dec. 2019								-
31 Mar.2020								-
30 Jun. 2020								-
30 Sept. 2020							5.348.480	<b>5.348.480</b>
31 Dec. 2020							5.028.243	<b>5.028.243</b>
31 Mar. 2021							5.703.310	<b>5.703.310</b>
30 Jun. 2021								-
30 Sept. 2021							3.050.939	<b>3.050.939</b>

Source: Central Bank of TRNC

Note: Interest revenue rediscounts are included in the figures.

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

Date	Public Deposits		Banks				Other		Total
			A-Deposits		B-Reserve Requirements				
	TRY	FX	TRY	FX	TRY	FX	TRY	FX	
<b>30 Jun. 2017</b>	78.704.320	22.436.407	374.581.174	1.734.713.467	710.390.248	802.422.801	573.332	106.712.270	<b>3.830.534.019</b>
<b>30 Sept. 2017</b>	15.915.165	32.448.413	425.277.954	1.918.976.979	734.899.763	880.296.337	760.406	111.718.912	<b>4.120.293.929</b>
<b>31 Dec. 2017</b>	42.219.684	73.593.138	490.652.950	1.955.533.333	781.455.275	947.545.441	1.072.860	118.842.745	<b>4.410.915.426</b>
<b>31 Mar. 2018</b>	76.501.751	66.921.045	471.340.988	2.111.203.615	804.457.502	1.047.100.136	1.011.021	143.609.706	<b>4.722.145.764</b>
<b>30 Jun.2018</b>	91.040.695	30.311.907	417.186.670	2.414.035.090	768.010.729	1.225.901.286	985.662	152.062.795	<b>5.099.534.834</b>
<b>30 Sept. 2018</b>	62.415.658	80.786.260	405.694.465	3.028.839.065	704.301.812	1.348.565.351	843.643	138.567.660	<b>5.770.013.914</b>
<b>31 Dec. 2018</b>	51.246.900	52.306.160	706.945.906	2.976.986.010	707.399.584	1.177.912.036	1.128.634	129.365.537	<b>5.803.290.767</b>
<b>31 Mar.2019</b>	21.273.436	50.459.675	494.142.152	3.283.867.588	730.743.668	1.280.967.493	902.785	189.363.624	<b>6.051.720.421</b>
<b>30 Jun. 2019</b>	19.926.492	44.079.068	379.912.114	3.621.457.724	748.007.362	1.353.563.658	905.629	198.423.103	<b>6.366.275.150</b>
<b>30 Sept. 2019</b>	355.937.954	80.590.555	352.615.354	3.112.598.004	789.935.711	1.344.956.936	1.011.763	166.251.663	<b>6.203.897.940</b>
<b>31 Dec. 2019</b>	61.510.327	60.554.852	766.047.422	3.522.339.747	853.421.489	1.497.347.535	1.737.248	156.025.101	<b>6.918.983.721</b>
<b>31 Mar.2020</b>	107.123.252	51.809.876	678.036.718	3.591.165.501	994.608.788	1.706.063.236	659.161	150.682.964	<b>7.280.149.496</b>
<b>30 Jun. 2020</b>	77.668.999	56.092.776	515.562.626	3.480.903.245	1.013.971.938	1.875.035.264	1.701.088	157.074.356	<b>7.178.010.292</b>
<b>30 Sept. 2020</b>	608.951.094	106.926.073	444.078.224	4.005.388.538	1.035.786.158	2.147.875.528	9.859.691	222.730.516	<b>8.581.595.822</b>
<b>31 Dec. 2020</b>	163.030.306	119.763.224	531.265.922	4.415.759.693	719.232.331	2.211.422.696	1.610.324	237.466.681	<b>8.399.551.177</b>
<b>31 Mar. 2021</b>	255.979.686	127.402.881	285.791.270	4.623.867.268	771.146.280	2.404.587.607	1.089.834	232.431.230	<b>8.702.296.056</b>
<b>30 Jun. 2021</b>	261.056.741	35.972.553	394.225.884	5.059.854.514	748.207.492	2.626.797.183	980.548	215.027.619	<b>9.342.122.534</b>
<b>30 Sept. 2021</b>	171.032.010	65.562.055	316.251.507	5.489.398.381	779.590.602	2.687.809.086	1.008.384	222.498.438	<b>9.733.150.463</b>

Source: Central Bank of TRNC

**Table B.5: Exchange Rates (End of month)**

Years	Months	USD		EURO		GBP	
		Buying	Selling	Buying	Selling	Buying	Selling
<b>2013</b>		2.1343	2.1381	2.9365	2.9418	3.5114	3.5297
<b>2014</b>		2.3189	2.3230	2.8207	2.8258	3.5961	3.6149
<b>2015</b>		2.9076	2.9128	3.1776	3.1833	4.3007	4.3231
<b>2016</b>		3.5192	3.5255	3.7099	3.7166	4.3189	4.3414
<b>2017</b>		3.7719	3.7787	4.5155	4.5237	5.0803	5.1068
<b>2018</b>		5.2609	5.2704	6.0280	6.0388	6.6528	6.6875
<b>2019</b>		5.9402	5.9509	6.6506	6.6625	7.7765	7.8171
<b>2020</b>		7.3405	7.3537	9.0079	9.0241	9.9438	9.9957
<b>2021</b>	<b>1</b>	7.3216	7.3348	8.8718	8.8878	10.0100	10.0622
	<b>2</b>	7.3708	7.3841	8.9420	8.9581	10.2477	10.3012
	<b>3</b>	8.3260	8.3410	9.7741	9.7917	11.4324	11.4920
	<b>4</b>	8.1753	8.1900	9.9090	9.9269	11.3852	11.4445
	<b>5</b>	8.5496	8.5651	10.4147	10.4334	12.1068	12.1699
	<b>6</b>	8.7052	8.7208	10.3645	10.3832	12.0343	12.0971
	<b>7</b>	8.4139	8.4290	10.0084	10.0264	11.7308	11.7920
	<b>8</b>	8.3753	8.3903	9.8494	9.8671	11.4631	11.5228
	<b>9</b>	8.8433	8.8592	10.3135	10.3321	11.9292	11.9914
	<b>10</b>						
	<b>11</b>						
	<b>12</b>						

Source: Central Bank of TRNC



**Table B.6: Cross Rates**

Years	Months	Foreign Currency / USD	
		£	€
2013		1.6480	1.3759
2014		1.5535	1.2164
2015		1.4817	1.0929
2016		1.2293	1.0542
2017		1.3492	1.1972
2018		1.2667	1.1458
2019		1.3114	1.1196
2020		1.3570	1.2272
2021	1	1.3695	1.2117
	2	1.3927	1.2132
	3	1.3754	1.1739
	4	1.3950	1.2121
	5	1.4185	1.2181
	6	1.3848	1.1906
	7	1.3966	1.1895
	8	1.3710	1.1760
	9	1.3513	1.1663
	10		
	11		
	12		

Source: Central Bank of TRNC

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

Effective Date	Currency				Board Decision		Official Gazette	
	TRY	\$	€	£	Date	Number	Date	Number
	Demand	Demand	Demand	Demand				
01.01.2013	4.00	0.05	0.75	0.50	20.12.2012	835	21.12.2012	212
01.06.2013	3.50	0.05	0.75	0.50	09.05.2013	847	16.05.2013	85
01.09.2013	4.00	0.05	0.75	0.50	22.08.2013	853	29.08.2013	138
03.02.2014	5.00	0.25	0.75	0.50	30.01.2014	869	04.02.2014	26
01.04.2014	7.00	0.25	0.75	0.50	20.03.2014	876	27.03.2014	70
01.03.2015	6.50	0.25	0.25	0.50	10.02.2015	900	17.02.2015	25
03.04.2017	7.00	0.40	0.25	0.50	23.03.2017	947	03.04.2017	61
05.06.2018	11.00	0.40	0.25	0.50	04.06.2018	998	11.06.2018	89
25.06.2018	11.00	0.75	0.25	0.50	21.06.2018	1001	02.07.2018	102
24.09.2018	17.25	1.00	0.25	0.50	20.09.2018	1014	26.09.2018	140
29.07.2019	13.25	1.00	0.125	0.25	26.07.2019	1046	29.07.2019	107
16.09.2019	10.00	1.00	0.125	0.25	12.09.2019	1054	16.09.2019	128
28.10.2019	8.50	1.00	0.125	0.25	25.10.2019	1059	28.10.2019	153
16.12.2019	7.25	0.75	0.05	0.125	13.12.2019	1069	16.12.2019	178
20.01.2020	6.75	0.50	0.05	0.125	17.01.2020	1076	20.01.2020	12
24.02.2020	6.50	0.50	0.05	0.125	20.02.2020	1081	24.02.2020	29
11.03.2020	6.50	0.25	0.05	0.125	10.03.2020	1087	11.03.2020	37
04.05.2020	5.00	0.25	0.05	0.125	30.04.2020	1099	04.05.2020	77
24.08.2020	6.75	0.40	0.15	0.25	20.08.2020	1125	24.08.2020	158
01.10.2020	8.25	0.60	0.25	0.30	30.09.2020	1143	01.10.2020	188
20.11.2020	11.50	0.60	0.25	0.30	19.11.2020	1158	20.11.2020	214
25.12.2020	13.75	0.60	0.25	0.30	24.12.2020	1168	25.12.2020	235
19.02.2021	13.75	0.40	0.15	0.20	17.02.2021	1178	19.02.2021	40
02.04.2021	15.25	0.40	0.15	0.20	01.04.2021	1190	02.04.2021	75
28.10.2021	12.75	0.40	0.15	0.20	27.10.2021	1233	27.10.2021	237

Source: Central Bank of TRNC

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

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

Effective Date	Currency				Board Decision		Official Gazette	
	TRY	\$	€	£	Date	Number	Date	Number
17.07.2009	6.00	0.00	0.50	0.25	17.07.2009	730	03.08.2009	133
19.08.2009	5.50	0.00	0.50	0.25	19.08.2009	735	15.09.2009	157
16.10.2009	5.25	0.00	0.50	0.25	16.10.2009	742	22.10.2009	182
07.12.2009	5.00	0.00	0.50	0.25	04.12.2009	750	15.12.2009	211
01.01.2013	4.00	0.00	0.50	0.25	20.12.2012	836	21.12.2012	212
01.06.2013	3.50	0.00	0.50	0.25	09.05.2013	849	16.05.2013	85
01.03.2015	3.50	0.00	0.00	0.00	10.02.2015	899	17.02.2015	25
01.02.2018	5.00	0.20	0.125	0.25	25.01.2018	979	31.01.2018	9
05.06.2018	7.50	0.20	0.125	0.25	04.06.2018	998	11.06.2018	89
25.06.2018	7.50	0.40	0.125	0.25	21.06.2018	1001	02.07.2018	102
15.08.2018	9.00	0.40	0.125	0.25	14.08.2018	1004	31.08.2018	127
24.09.2018	13.00	0.65	0.125	0.25	20.09.2018	1014	26.09.2018	140
29.07.2019	9.00	0.65	0.00	0.125	26.07.2019	1046	29.07.2019	107
16.09.2019	5.75	0.50	0.00	0.125	12.09.2019	1054	16.09.2019	128
28.10.2019	3.25	0.50	0.00	0.125	25.10.2019	1059	28.10.2019	153
16.12.2019	2.50	0.25	0.00	0.05	13.12.2019	1069	16.12.2019	178
24.02.2020	2.25	0.25	0.00	0.05	20.02.2020	1081	24.02.2020	29
11.03.2020	2.25	0.125	0.00	0.05	10.03.2020	1087	11.03.2020	37
04.05.2020	1.00	0.125	0.00	0.05	30.04.2020	1099	04.05.2020	77
24.08.2020	2.75	0.20	0.05	0.10	20.08.2020	1125	24.08.2020	158
01.10.2020	3.50	0.25	0.10	0.15	30.09.2020	1143	01.10.2020	188
20.11.2020	6.00	0.25	0.10	0.15	19.11.2020	1158	20.11.2020	214
25.12.2020	8.00	0.25	0.10	0.15	24.12.2020	1168	25.12.2020	235
19.02.2021	8.0	0.20	0.05	0.10	17.02.2021	1178	19.02.2021	40
02.04.2021	9.0	0.20	0.05	0.10	01.04.2021	1190	02.04.2021	75
28.10.2021	6.0	0.20	0.05	0.10	27.10.2021	1233	27.10.2021	237

Source: Central Bank of TRNC

Table B.9: Rediscount Interest Rates (%)

Effective Date	Currency																
	TRY					\$				€				£			
	Trad.	Ind. Tourism Agri. Edu.	Exp.	SB	Advances Against FX	Trad.	Ind. Tourism Edu.	Exp.	Advances Against FX	Trad.	Ind. Tourism Edu.	Exp.	Advances Against FX	Trad.	Ind. Tourism Edu.	Exp.	Advances Against FX
29.12.08	22	19	19	18	19	5	5	5	5	5	5	5	5	5	5	5	5
02.03.09	20	17	17	16	16	4	4	4	4	4	4	4	4	4	4	4	4
25.06.09	17	15	15	14	14	4	4	4	4	4	4	4	4	4	4	4	4
27.12.10	14	12	12	11	11	4	4	4	4	4	4	4	4	4	4	4	4
01.01.13	11	8	8	8	8	4	4	4	4	4	4	4	4	4	4	4	4
01.06.13	11	7	7	7	7	4	4	4	4	4	4	4	4	4	4	4	4
05.06.18	17.5	14.5	14.5	13.5	13.5	4	4	4	4	4	4	4	4	4	4	4	4
24.09.18	23.75	20.75	20.75	19.75	19.75	4	4	4	4	4	4	4	4	4	4	4	4
29.07.19	19.50	16.50	16.50	15.50	15.50	4	4	4	4	4	4	4	4	4	4	4	4
16.09.19	16.50	13.50	13.50	12.50	12.50	4	4	4	4	4	4	4	4	4	4	4	4
28.10.19	15.00	12.00	12.00	11.00	11.00	4	4	4	4	4	4	4	4	4	4	4	4
16.12.19	13.00	10.00	10.00	9.00	10.50	4	4	4	4	4	4	4	4	4	4	4	4
20.01.20	12.50	9.50	9.50	8.50	10.00	4	4	4	4	4	4	4	4	4	4	4	4
24.02.20	12.25	9.25	9.25	8.25	9.75	4	4	4	4	4	4	4	4	4	4	4	4
04.05.20	10.75	8.00	8.00	7.00	8.25	4	4	4	4	4	4	4	4	4	4	4	4
24.08.20	12.75	10.00	10.00	9.00	10.50	4	4	4	4	4	4	4	4	4	4	4	4
20.11.20	17.75	15.00	15.00	14.00	14.00	4	4	4	4	4	4	4	4	4	4	4	4
25.12.20	20.00	17.25	17.25	16.25	16.50	4	4	4	4	4	4	4	4	4	4	4	4
02.04.21	21.50	18.75	18.75	17.75	18.00	4	4	4	4	4	4	4	4	4	4	4	4
28.10.21	19.00	16.25	16.25	15.25	16.00	4	4	4	4	4	4	4	4	4	4	4	4

Source: Central Bank of TRNC

**Table B.10: Reserve Requirements Ratios (%)**

Effective Date	Turkish Lira and Foreign Currency Liabilities					Precious Metal Liabilities	Board Decision	
	Other Liabilities Excluding Deposits	Deposits with up to 3-month maturity	Deposits with 3 to 6-month maturity	Deposits with 6-month to 1-year maturity	Deposits with over 1-year maturity	General	Date	Number
28.02.2014	8	8	7	6	5	0	30.01.2014	872
15.08.2018	7	7	6	5	4	0	14.08.2018	1005
31.12.2019	7.25	7.25	6.25	5.25	4.25	0	27.12.2019	1072
31.01.2020	7.50	7.50	6.50	5.50	4.50	0	27.12.2019	1072
29.02.2020	7.75	7.75	6.75	5.75	4.75	0	27.12.2019	1072
31.03.2020	8	8	7	6	5	0	27.12.2019	1072

Source: Central Bank of TRNC

**Table B.11: Dishonoured Cheques**

Years	Months	People Restrained from Using Cheque Books (Number of persons)	
		Monthly Total	Cumulative Total
2012			3.842
2013			2.910
2014			3.366
2015			3.699
2016			2.977
2017			2.469
2018			2.374
2019			2.166
2020			1.633
2021	1	123	123
	2	70	193
	3	124	317
	4	138	455
	5	108	563
	6	110	673
	7	102	775
	8	129	904
	9	133	1.037
	10		
	11		
	12		

Source: Central Bank of TRNC

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

Date	Cash and Cash Equivalents	Securities Portfolio	Reserve Ratio on Deposits	Gross Loans	Provisions for Non-Performing Loans	Other	Total Assets	Deposits	Other Shareholders' Equity	Total Liabilities	
<b>31 Dec. 2017</b>	7.161.7	1.704.7	1.729.3	15.306.2	-526.0	739.3	<b>26.115.3</b>	21.098.1	2.640.4	2.376.8	<b>26.115.3</b>
<b>31 Mar. 2018</b>	7.303.9	1.980.8	1.835.4	16.195.6	-525.9	908.8	<b>27.698.6</b>	22.352.7	2.830.2	2.515.7	<b>27.698.6</b>
<b>30 Jun. 2018</b>	8.021.5	2.140.2	1.983.5	17.330.4	-539.1	1.115.4	<b>30.051.9</b>	24.131.2	3.233.5	2.687.2	<b>30.051.9</b>
<b>30 Sept. 2018</b>	9.661.8	2.611.7	2.019.9	19.752.4	-595.3	1.506	<b>34.956.5</b>	28.163.1	3.785.3	3.008.1	<b>34.956.5</b>
<b>31 Dec. 2018</b>	9.940.9	2.043.4	1.886.4	18.906.1	-713.5	916.9	<b>32.980.2</b>	26.441.8	3.443.3	3.095.1	<b>32.980.2</b>
<b>31 Mar.2019</b>	10.792.8	2.255.0	2.017.1	19.823.9	-731.1	1.295.1	<b>35.452.8</b>	28.449.2	3.699.9	3.303.7	<b>35.452.8</b>
<b>30 Jun. 2019</b>	11.354.1	2.184.8	2.093.5	20.347.3	-733.0	1.647.8	<b>36.894.5</b>	29.572.1	3.828.3	3.494.1	<b>36.894.5</b>
<b>30 Sept. 2019</b>	12.151.4	2.223.0	2.120.9	20.200.3	-740.0	1.899.8	<b>37.855.4</b>	30.224.8	3.912.1	3.718.5	<b>37.855.4</b>
<b>31 Dec. 2019</b>	13.277.3	2.124.5	2.348.6	22.557.9	-799.0	1.239.2	<b>40.748.5</b>	32.837.3	4.110.8	3.800.4	<b>40.748.5</b>
<b>31 Mar. 2020</b>	12.455.7	2.503.8	2.755.9	23.475.6	-829.5	1.639.7	<b>42.001.2</b>	34.244.8	3.947.9	3.808.5	<b>42.001.2</b>
<b>30 Jun. 2020</b>	11.800.6	3.078.5	2.871.9	24.487.2	-821.6	1.674.2	<b>43.090.8</b>	35.247.1	4.018.5	3.825.2	<b>43.090.8</b>
<b>30 Sept. 2020</b>	13.556.6	3.498.0	3.215.1	27.305.2	-835.4	1.817.2	<b>48.556.7</b>	40.117.0	4.237.1	4.202.6	<b>48.556.7</b>
<b>31 Dec. 2020</b>	14.761.7	3.546.4	2.953.0	28.758.3	-879.0	1.460.9	<b>50.601.3</b>	41.787.6	4.467.4	4.346.3	<b>50.601.3</b>
<b>31 Mar. 2021</b>	15.794.1	3.960.0	3.261.0	29.969.3	-869.0	1.936.6	<b>54.052.0</b>	44.774.9	4.547.8	4.729.3	<b>54.052.0</b>
<b>30 Jun. 2021</b>	16.290.4	4.385.5	3.356.2	31.432.4	-865.8	2.293.6	<b>56.892.3</b>	46.859.3	4.925.0	5.108.0	<b>56.892.3</b>
<b>30 Sept. 2021</b>	17.307.8	4.631.1	3.492.7	32.151.5	-883.6	2.700.1	<b>59.399.6</b>	48.804.6	5.083.8	5.511.2	<b>59.399.6</b>

Source: Central Bank of TRNC

**Table B.13: Loans (Total) – By Type (Million TRY)**

Date	Discount Loans	Export Loans	Import Loans	Export Guaranteed Investment Loans	Other Investment Loans	Business Loans	Directed Loans	Loans of Funds Originated	Consumer Loans	Credit Cards	Loans to Purchase Security for Customers	Loans Extended by Central Bank of the TRNC	Loans Extended Through Central Bank of the TRNC	Other Loans	Total
<b>31 Dec. 2017</b>	195.0	6.1	3.6	0.0	111.9	8.406.5	21.2	17.1	4.152.0	394.7	0.1	5.7	0.0	1.116.3	<b>14.431.3</b>
<b>31 Mar. 2018</b>	206.2	5.2	4.2	0.0	102.9	8.907.5	22.1	17.0	4.255.4	392.4	0.2	0.0	0.0	1.356.4	<b>15.269.5</b>
<b>30 Jun. 2018</b>	220.3	6.9	4.2	0.0	104.1	9.710.9	16.3	18.4	4.462.5	421.6	0.5	6.9	0.0	1.411.3	<b>16.383.9</b>
<b>30 Sept. 2018</b>	248.1	4.9	4.7	0.0	109.5	11.604.2	15.1	22.4	4.946.8	444.7	0.7	9.1	0.0	1.359.6	<b>18.769.8</b>
<b>31 Dec. 2018</b>	236.6	2.9	3.8	0.0	98.0	11.285.8	32.7	19.2	4.524.6	457.3	0.5	7.9	0.0	1.192.2	<b>17.861.5</b>
<b>31 Mar. 2019</b>	254.5	2.4	3.9	0.0	100.6	11.896.4	38.4	20.2	4.672.6	452.9	0.4	8.3	0.0	1.288.0	<b>18.738.6</b>
<b>30 Jun. 2019</b>	250.3	0.9	4.2	0.0	96.9	12.364.5	37.2	20.8	4.685.9	493.2	0.3	8.7	0.0	1.281.7	<b>19.244.6</b>
<b>30 Sept. 2019</b>	243.0	1.9	3.8	0.0	89.5	12.274.1	32.8	20.7	4.631.6	541.6	0.0	8.4	0.0	1.212.9	<b>19.060.3</b>
<b>31 Dec. 2019</b>	268.4	1.7	4.2	0.0	124.7	13.782.8	40.6	21.5	5.075.2	556.6	0.1	0.0	0.0	1.232.0	<b>21.107.8</b>
<b>31 Mar. 2020</b>	293.9	1.3	4.5	0.0	126.5	14.145.7	43.3	23.1	5.353.7	508.8	0.0	0.0	0.0	1.483.8	<b>21.984.6</b>
<b>30 Jun. 2020</b>	183.2	0.7	4.7	0.0	131.2	14.815.7	64.8	23.7	5.629.1	576.5	0.0	0.0	0.0	1.577.1	<b>23.006.7</b>
<b>30 Sept. 2020</b>	217.1	0.3	5.2	0.0	173.2	16.623.8	73.5	26.0	6.288.5	639.6	0.0	5.4	0.0	1.757.7	<b>25.810.2</b>
<b>31 Ara 2020</b>	263.3	0.0	5.4	73.4	208.6	18.868.7	87.2	24.8	6.329.0	703.4	0.0	5.0	0.0	633.6	<b>27.202.4</b>
<b>31 Mar. 2021</b>	296.3	0.0	5.6	81.8	216.4	19.929.9	94.2	27.3	6.512.4	687.2	0.2	5.7	0.0	578.4	<b>28.435.4</b>
<b>30 Jun. 2021</b>	335.1	0.0	5.7	86.2	221.9	20.909.0	98.8	28.4	6.757.2	837.6	0.0	0.0	0.0	639.3	<b>29.919.2</b>
<b>30 Sept. 2021</b>	381.9	0.0	5.7	87.8	214.9	21.525.5	92.8	28.9	6.650.9	909.4	0.0	3.1	0.0	711.2	<b>30.612.1</b>

Source: Central Bank of TRNC



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

Date	Discount Loans	Export Loans	Import Loans	Export Guaranteed Investment Loans	Other Investment Loans	Business Loans	Directed Loans	Loans of Funds Originated	Consumer Loans	Credit Cards	Loans to Purchase Security for Customers	Loans Extended by Central Bank of the TRNC	Loans Extended Through Central Bank of the TRNC	Other Loans	Total
<b>31 Dec. 2017</b>	140.4	6.1	0.1	0.0	75.9	3.918.0	21.2	5.9	2.627.5	392.6	0.1	0.0	0.0	698.4	<b>7.886.4</b>
<b>31 Mar. 2018</b>	149.1	5.2	0.5	0.0	69.3	3.973.9	22.1	5.8	2.566.2	390.3	0.2	0.0	0.0	840.8	<b>8.023.4</b>
<b>30 Jun. 2018</b>	156.9	6.9	0.1	0.0	68.3	4.053.6	16.3	5.5	2.640.4	419.1	0.5	0.0	0.0	875.4	<b>8.243.1</b>
<b>30 Sept. 2018</b>	166.2	4.9	0.1	0.0	62.5	4.130.1	15.1	5.7	2.617.2	441.9	0.7	0.0	0.0	700.0	<b>8.144.4</b>
<b>31 Dec. 2018</b>	170.5	2.9	0.1	0.0	58.5	4.700.1	32.7	4.3	2.548.2	454.4	0.4	0.0	0.0	670.9	<b>8.643.1</b>
<b>31 Mar. 2019</b>	168.7	2.4	0.1	0.0	59.6	4.753.7	38.4	4.3	2.567.0	450.1	0.3	0.0	0.0	772.6	<b>8.817.2</b>
<b>30 Jun. 2019</b>	158.7	0.9	0.1	0.0	56.4	4.873.0	37.2	4.5	2.608.4	489.7	0.3	0.0	0.0	762.3	<b>8.991.5</b>
<b>30 Sept. 2019</b>	151.5	1.9	0.1	0.0	51.3	4.915.3	32.8	4.8	2.666.9	537.7	0.0	0.0	0.0	746.1	<b>9.108.4</b>
<b>31 Dec. 2019</b>	172.3	1.7	0.1	0.0	46.6	5.580.3	40.6	4.7	2.906.8	552.0	0.1	0.0	0.0	667.6	<b>9.972.8</b>
<b>31 Mar. 2020</b>	182.0	1.3	0.1	0.0	42.6	5.537.4	43.3	4.5	3.156.0	506.1	0.0	0.0	0.0	766.5	<b>10.239.8</b>
<b>30 Jun. 2020</b>	96.6	0.8	0.1	0.0	40.9	5.738.4	64.8	4.3	3.326.6	574.8	0.0	0.0	0.0	874.6	<b>10.721.9</b>
<b>30 Sept. 2020</b>	121.9	0.3	0.1	0.0	36.9	6.332.7	73.5	4.0	3.702.6	637.1	0.0	0.0	0.0	991.5	<b>11.900.6</b>
<b>31 Dec. 2020</b>	156.8	0.0	0.0	0.0	32.2	8.155.9	87.2	4.0	3.808.2	701.4	0.0	0.0	0.0	394.9	<b>13.340.6</b>
<b>31 Mar. 2021</b>	166.6	0.0	0.0	0.0	28.6	7.999.3	94.2	3.8	3.762.6	685.1	0.2	0.0	0.0	308.9	<b>13.049.3</b>
<b>30 Jun. 2021</b>	192.2	0.0	0.0	0.0	26.3	7.978.6	98.8	3.8	3.830.0	834.4	0.0	0.0	0.0	323.3	<b>13.287.4</b>
<b>30 Sept. 2021</b>	239.5	0.0	0.0	0.0	22.8	8.181.4	92.8	3.7	3.884.7	904.9	0.0	0.0	0.0	379.0	<b>13.708.8</b>

Source: Central Bank of TRNC

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

Date	Discount Loans	Export Loans	Import Loans	Export Guaranteed Investment Loans	Other Investment Loans	Business Loans	Directed Loans	Loans of Funds Originated	Consumer Loans	Credit Cards	Loans to Purchase Security for Customers	Loans Extended by Central Bank of the TRNC	Loans Extended Through Central Bank of the TRNC	Other Loans	Total
<b>31 Dec. 2017</b>	54.5	0.0	3.6	0.0	36.0	4.488.4	0.0	11.1	1.525.4	2.1	0.0	5.7	0.0	417.8	<b>6.544.8</b>
<b>31 Mar. 2018</b>	57.1	0.0	3.7	0.0	33.6	4.933.6	0.0	11.2	1.689.3	2.1	0.0	0	0.0	515.5	<b>7.246.1</b>
<b>30 Jun. 2018</b>	63.4	0.0	4.1	0.0	35.7	5.657.2	0.0	12.9	1.822.1	2.5	0.0	6.9	0.0	535.9	<b>8.140.8</b>
<b>30 Sept. 2018</b>	81.9	0.0	4.6	0.0	47.0	7.474.0	0.0	16.8	2.329.6	2.8	0.0	9.1	0.0	659.6	<b>10.625.4</b>
<b>31 Dec. 2018</b>	66.1	0.0	3.7	0.0	39.5	6.585.7	0.0	14.9	1.976.4	2.9	0.0	7.9	0.0	521.2	<b>9.218.3</b>
<b>31.Mar.2019</b>	85.7	0.0	3.8	0.0	40.9	7.142.7	0.0	15.8	2.105.5	2.8	0.0	8.3	0.0	515.5	<b>9.921.4</b>
<b>30 Jun. 2019</b>	91.6	0.0	4.2	0.0	40.5	7.491.4	0.0	16.2	2.077.5	3.5	0.0	8.6	0.0	519.4	<b>10.253.1</b>
<b>30 Sept. 2019</b>	91.4	0.0	3.7	0.0	38.3	7.358.8	0.0	15.9	1.964.7	3.9	0.0	8.5	0.0	466.7	<b>9.951.9</b>
<b>31 Dec. 2019</b>	96.1	0.0	4.2	0.0	78.1	8.202.4	0.0	16.8	2.168.4	4.6	0.0	0.0	0.0	564.4	<b>11.135.0</b>
<b>31 Mar. 2020</b>	111.9	0.0	4.4	0.0	83.9	8.608.4	0.0	18.6	2.197.7	2.7	0.0	0.0	0.0	717.2	<b>11.744.8</b>
<b>30 Jun. 2020</b>	86.6	0.0	4.6	0.0	90.2	9.077.3	0.0	19.4	2.302.5	1.7	0.0	0.0	0.0	702.5	<b>12.284.8</b>
<b>30 Sept. 2020</b>	95.2	0.0	5.2	0.0	136.3	10.291.1	0.0	22.0	2.585.9	2.5	0.0	5.3	0.0	766.1	<b>13.909.6</b>
<b>31 Dec. 2020</b>	106.5	0.0	5.3	73.4	176.4	10.712.7	0.0	20.9	2.520.8	2.0	0.0	5.0	0.0	238.7	<b>13.861.7</b>
<b>31 Mar. 2021</b>	129.7	0.0	5.6	81.8	187.8	11.930.6	0.0	23.5	2.749.8	2.1	0.0	5.7	0.0	269.5	<b>15.386.1</b>
<b>30 Jun. 2021</b>	142.9	0.0	5.7	86.2	195.6	12.930.4	0.0	24.6	2.927.2	3.2	0.0	0.0	0.0	316.0	<b>16.631.8</b>
<b>30 Sept. 2021</b>	142.5	0.0	5.6	87.8	192.0	13.344.1	0.0	25.2	2.766.3	4.5	0.0	3.1	0.0	332.2	<b>16.903.3</b>

Source: Central Bank of TRNC

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

Date	Short-Term Loans	Quarter-on-quarter Percentage Change	Medium and Long-Term Loans	Quarter-on-quarter Percentage Change	Total	Quarter-on-quarter Percentage Change
31 Dec. 2017	3.696.0	8.24	10.735.3	9.95	14.431.3	9.51
31 Mar. 2018	3.996.5	8.13	11.273.0	5.00	15.269.5	5.81
30 Jun. 2018	4.416.5	10.51	11.967.4	6.16	16.383.9	7.30
30 Sept. 2018	5.213.6	18.05	13.556.2	13.28	18.769.8	14.56
31 Dec. 2018	5.000.9	-4.08	12.860.6	-5.13	17.861.5	-4.84
31 Mar. 2019	5.294.3	5.86	13.444.2	4.53	18.738.6	4.91
30 Jun. 2019	5.588.7	5.56	13.655.9	1.57	19.244.6	2.70
30 Sept. 2019	5.575.4	-0.23	13.484.9	-1.25	19.060.3	-0.96
31 Dec. 2019	5.969.9	7.07	15.137.9	12.26	21.107.8	10.74
31 Mar. 2020	6.074.6	1.75	15.910.0	5.10	21.984.6	4.15
30 Jun. 2020	5.888.5	-3.06	17.118.2	7.59	23.006.7	4.65
30 Sept. 2020	6.172.6	4.82	19.637.6	14.72	25.810.2	12.19
31 Dec. 2020	6.357.0	2.99	20.845.4	6.15	27.202.4	5.39
31 Mar. 2021	6.726.7	5.82	21.708.7	4.14	28.435.4	4.53
30 Jun. 2021	7.099.1	5.54	22.820.1	5.12	29.919.2	5.22
30 Sept. 2021	7.474.2	5.28	23.137.9	1.39	30.612.1	2.32

Source: Central Bank of TRNC

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

Date	Public Loans	Quarter-on-quarter Percentage Change	Private Loans	Quarter-on-quarter Percentage Change	Total	Quarter-on-quarter Percentage Change
<b>31 Dec. 2017</b>	3.192.9	11.06	11.238.4	9.08	<b>14.431.3</b>	9.51
<b>31 Mar. 2018</b>	3.228.1	1.10	12.041.4	7.15	<b>15.269.5</b>	5.81
<b>30 Jun. 2018</b>	3.322.8	2.93	13.061.1	8.47	<b>16.383.9</b>	7.30
<b>30 Sept. 2018</b>	3.639.5	9.53	15.130.3	15.84	<b>18.769.8</b>	14.56
<b>31 Dec. 2018</b>	4.035.0	10.87	13.826.5	-8.62	<b>17.861.5</b>	-4.84
<b>31 Mar. 2019</b>	4.118.0	2.05	14.620.6	5.74	<b>18.738.6</b>	4.91
<b>30 Jun. 2019</b>	4.186.5	1.66	15.058.1	2.99	<b>19.244.6</b>	2.70
<b>30 Sept. 2019</b>	4.159.5	-0.64	14.900.8	-1.04	<b>19.060.3</b>	-0.96
<b>31 Dec. 2019</b>	4.850.4	16.61	16.257.4	9.1	<b>21.107.8</b>	10.74
<b>31 Mar. 2020</b>	4.905.1	1.13	17.079.5	5.06	<b>21.984.6</b>	4.15
<b>30 Jun. 2020</b>	4.750.8	-3.15	18.255.9	6.89	<b>23.006.7</b>	4.65
<b>30 Sept. 2020</b>	5.063.4	6.58	20.746.8	13.64	<b>25.810.2</b>	12.19
<b>31 Dec. 2020</b>	5.494.7	8.52	21.707.7	4.63	<b>27.202.4</b>	5.39
<b>31 Mar. 2021</b>	5.542.6	0.87	22.892.8	5.46	<b>28.435.4</b>	4.53
<b>30 Jun. 2021</b>	5.504.3	-0.69	24.414.9	6.65	<b>29.919.2</b>	5.22
<b>30 Sept. 2021</b>	5.696.7	3.50	24.915.4	2.05	<b>30.612.1</b>	2.32

Source: Central Bank of TRNC

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

Date	> 100 Thousand TRY	51-100 Thousand TRY	11-50 Thousand TRY	1 - 10 Thousand TRY	< 1 Thousand TRY	Grand Total
31 Dec. 2017	12.136.8	882.5	1.011.7	375.0	25.2	14.431.3
31 Mar. 2018	12.971.9	883.1	1.016.5	372.6	25.5	15.269.6
30 Jun. 2018	14.083.6	874.0	1.020.5	380.7	25.1	16.383.9
30 Sept. 2018	16.499.8	855.7	1.010.4	379.5	24.4	18.769.8
31 Dec. 2018	15.221.9	803.4	1.195.9	423.3	217.0	17.861.5
31 Mar. 2019	16.081.0	804.7	1.189.0	432.4	231.4	18.738.6
30 Jun. 2019	16.543.1	814.6	1.208.1	432.7	246.1	19.244.6
30 Sept. 2019	16.298.2	842.4	1.210.5	454.9	254.3	19.060.3
31 Dec. 2019	18.237.2	895.8	1.282.0	439.6	253.2	21.107.8
31 Mar. 2020	19.072.6	759.7	1.283.8	597.1	271.4	21.984.6
30 Jun. 2020	19.988.8	934.7	1.343.2	434.5	305.5	23.006.7
30 Sept. 2020	22.650.8	1.026.7	1.328.8	464.1	339.8	25.810.2
31 Dec. 2020	24.007.0	1.044.9	1.341.5	466.4	342.6	27.202.4
31 Mar. 2021	25.257.5	1.052.7	1.321.6	463.4	340.2	28.435.4
30 Jun. 2021	26.408.3	1.143.1	1.443.2	563.1	361.5	29.919.2
30 Sept. 2021	27.071.5	1.172.0	1.481.9	528.0	358.7	30.612.1

Source: Central Bank of TRNC

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

Date	Paid-in Capital	Legal Reserves	Fixed Asset Rev. Fund	Securities Value Increment Fund	Period Profit (Loss)	Accumulated Profit (Loss)	Total
<b>31 Dec. 2017</b>	1.099.6	409.5	0.9	101.1	407.5	358.1	<b>2.376.8</b>
<b>31 Mar. 2018</b>	1.153.7	572.8	0.9	110.0	123.1	555.2	<b>2.515.7</b>
<b>30 Jun. 2018</b>	1.180.3	616.8	0.9	124.0	316.1	449.1	<b>2.687.2</b>
<b>30 Sept. 2018</b>	1.181.6	618.7	0.9	163.5	596.2	447.2	<b>3.008.1</b>
<b>31 Dec. 2018</b>	1.262.4	593.9	0.9	140.7	689.8	407.4	<b>3.095.1</b>
<b>31 Mar. 2019</b>	1.265.6	795.8	1.7	158.4	235.9	849.3	<b>3.306.7</b>
<b>30 Jun. 2019</b>	1.315.3	923.6	2.0	158.4	518.1	576.7	<b>3.494.1</b>
<b>30 Sept. 2019</b>	1.329.1	923.6	2.2	150.1	749.2	564.3	<b>3.718.5</b>
<b>31 Dec. 2019</b>	1.332.3	929.0	3.0	168.4	808.9	558.8	<b>3.800.4</b>
<b>31 Mar. 2020</b>	1.332.7	1.088.4	3.0	173.8	183.5	1.166.5	<b>3.947.9</b>
<b>30 Jun. 2020</b>	1.398.9	1.207.3	3.0	181.0	329.2	899.1	<b>4.018.5</b>
<b>30 Sept. 2020</b>	1.401.4	1.366.6	3.6	215.0	513.0	737.5	<b>4.237.1</b>
<b>31 Dec. 2020</b>	1.470.7	1.369.1	10.4	220.2	671.1	725.9	<b>4.467.4</b>
<b>31 Mar. 2021</b>	1.492.6	1.693.2	10.4	256.9	301.7	974.5	<b>4.729.3</b>
<b>30 Jun. 2021</b>	1.506.1	1.842.6	10.4	262.5	639.7	846.7	<b>5.108.0</b>
<b>30 Sept. 2021</b>	1.515.8	1.846.6	10.4	261.6	1.038.7	838.1	<b>5.511.2</b>

Source: Central Bank of TRNC

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

Date	Public Banks	Private Banks	Branch Banks	Banking Sector	Legal Limit
31 Dec. 2017	22.95	14.61	18.67	17.29	10.00
31 Mar. 2018	21.76	14.80	19.12	17.40	10.00
30 Jun. 2018	23.14	14.74	19.11	17.57	10.00
30 Sept. 2018	20.51	15.38	20.68	18.19	10.00
31 Dec. 2018	16.49	15.28	21.93	17.86	10.00
31 Mar. 2019	16.74	15.08	21.64	17.79	10.00
30 Jun. 2019	18.14	15.43	22.04	18.29	10.00
30 Sept. 2019	19.11	15.88	22.89	19.02	10.00
31 Dec. 2019	14.63	14.02	21.98	17.05	10.00
31 Mar. 2020	16.13	13.58	21.41	16.90	10.00
30 Jun. 2020	15.97	14.13	20.81	16.92	10.00
30 Sept. 2020	14.65	12.67	19.81	15.69	10.00
31 Dec. 2020	13.25	12.58	21.25	15.91	10.00
31 Mar. 2021	13.76	12.4	21.50	15.93	10.00
30 Jun. 2021	14.33	12.42	22.32	16.31	10.00
30 Sept. 2021	16.07	12.82	22.97	17.05	10.00

Source: Central Bank of TRNC

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

Date	Interest Revenues	Interest Expenditures	Non-Interest Revenues	Non-Interest Expenditures	Net Profit / Loss
31 Dec. 2017	1.891.8	1.101.7	396.9	630.9	407.5
31 Mar. 2018	562.5	329.5	108.4	179.9	123.1
30 Jun. 2018	1.191.7	689.8	226.4	373.1	316.1
30 Sept. 2018	2.048.5	1.165.0	353.3	580.3	596.2
31 Dec. 2018	2.999.4	1.762.5	500.3	823.5	689.8
31 Mar. 2019	982.5	611.8	161.0	230.4	235.9
30 Jun. 2019	2.016.4	1.256.0	320.2	480.4	518.1
30 Sept. 2019	3.009.6	1.893.7	481.1	734.8	749.2
31 Dec. 2019	3.862.6	2.437.9	674.3	1.057.0	808.9
31 Mar. 2020	800.2	449.8	153.9	278.2	183.4
30 Jun. 2020	1.534.2	822.1	280.1	557.7	329.2
30 Sept. 2020	2.364.0	1.227.2	445.7	826.3	513.0
31 Dec. 2020	3.303.4	1.715.8	636.8	1.154.5	671.2
31 Mar. 2021	1.143.6	626.0	156.4	295.6	301.7
30 Jun. 2021	2.398.6	1.327.8	350.3	618.0	639.7
30 Sept. 2021	3.707.8	2.052.4	599.0	960.5	1.038.7

Source: Central Bank of TRNC



**Table B.22: Total Deposits by Maturity Groups (Million TRY)**

Date	Demand	1-Month	3-Month	6-Month	1-Year	Total
31 Dec. 2017	3.118.5	10.808.9	4.257.6	920.4	1.992.7	<b>21.098.1</b>
31 Mar. 2018	3.098.2	11.840.3	4.238.1	912.5	2.263.6	<b>22.352.7</b>
30 Jun. 2018	3.580.7	11.979.8	5.082.1	961.5	2.527.1	<b>24.131.2</b>
30 Sept. 2018	4.201.9	13.615.9	6.006.3	1.166.1	3.172.9	<b>28.163.1</b>
31 Dec. 2018	3.698.4	13.742.5	4.950.1	1.282.7	2.768.1	<b>26.441.8</b>
31 Mar. 2019	3.866.9	13.793.4	6.513.5	1.252.6	3.022.6	<b>28.449.2</b>
30 Jun. 2019	4.145.1	14.244.0	6.921.1	1.181.2	3.101.0	<b>29.572.1</b>
30 Sept. 2019	4.434.0	15.666.3	5.869.5	1.266.9	2.988.1	<b>30.224.8</b>
31 Dec. 2019	4.708.0	16.982.2	6.462.1	1.279.5	3.405.5	<b>32.837.3</b>
31 Mar. 2020	5.137.6	17.532.5	6.497.2	1.455.7	3.621.8	<b>34.244.8</b>
30 Jun. 2020	5.941.1	17.907.7	6.401.0	1.404.7	3.592.6	<b>35.247.1</b>
30 Sept. 2020	6.915.4	19.916.4	7.380.5	1.630.5	4.274.2	<b>40.117.0</b>
31 Dec. 2020	7.760.1	20.730.7	7.533.1	1.478.6	4.285.1	<b>41.787.6</b>
31 Mar. 2021	7.393.7	23.427.2	8.068.0	1.486.6	4.399.4	<b>44.774.9</b>
30 Jun. 2021	7.894.5	24.161.5	8.521.6	1.576.9	4.704.8	<b>46.859.3</b>
30 Sept. 2021	8.914.9	25.099.8	8.467.0	1.481.6	4.841.3	<b>48.804.6</b>

Source: Central Bank of TRNC

**Table B.23: TRY Deposits by Maturity Groups (Million TRY)**

Date	Demand	1-Month	3-Month	6-Month	1-Year	Total
31 Dec. 2017	1.412.7	5.481.0	1.993.8	381.3	313.4	<b>9.582.3</b>
31 Mar. 2018	1.275.9	5.724.4	2.037.6	385.5	309.1	<b>9.732.5</b>
30 Jun. 2018	1.409.7	5.495.6	2.261.4	383.8	292.9	<b>9.843.4</b>
30 Sept. 2018	1.418.0	5.669.1	2.512.3	314.7	269.3	<b>10.183.4</b>
31 Dec. 2018	1.427.2	6.123.7	2.315.6	449.6	288.4	<b>10.604.5</b>
31 Mar. 2019	1.445.6	5.624.1	3.000.2	383.9	274.6	<b>10.728.4</b>
30 Jun. 2019	1.544.0	5.856.2	3.249.2	310.3	378.3	<b>11.338.0</b>
30 Sept. 2019	1.706.6	7.007.0	2.710.2	382.1	365.3	<b>12.171.2</b>
31 Dec. 2019	1.886.9	7.486.7	2.881.9	333.9	424.9	<b>13.014.3</b>
31 Mar. 2020	1.851.9	7.453.7	2.959.1	406.0	433.9	<b>13.104.6</b>
30 Jun. 2020	2.234.8	7.703.7	2.804.3	381.3	297.5	<b>13.421.6</b>
30 Sept. 2020	2.330.6	7.876.7	3.235.2	260.3	371.6	<b>14.074.4</b>
31 Dec. 2020	2.855.1	8.032.8	3.111.7	188.3	329.7	<b>14.517.6</b>
31 Mar. 2021	2.331.7	9.052.9	3.127.0	211.8	191.8	<b>14.915.2</b>
30 Jun. 2021	2.322.3	9.098.3	3.374.6	251.3	220.2	<b>15.266.7</b>
30 Sept. 2021	2.442.9	9.362.6	3.387.2	343.2	234.1	<b>15.770.0</b>

Source: Central Bank of TRNC

**Table B.24: FX Deposits by Maturity Groups (Million TRY)**

Date	Demand	1-Month	3-Month	6-Month	1-Year	Total
31 Dec. 2017	1.705.8	5.327.8	2.263.8	539.1	1.679.3	11.515.8
31 Mar. 2018	1.822.4	6.115.9	2.200.5	526.9	1.954.5	12.620.2
30 Jun. 2018	2.171.0	6.484.2	2.820.7	577.7	2.234.2	14.287.8
30 Sept. 2018	2.783.9	7.946.8	3.494.0	851.4	2.903.6	17.979.7
31 Dec. 2018	2.271.3	7.618.8	2.634.6	833.0	2.479.7	15.837.4
31 Mar. 2019	2.421.3	8.169.3	3.513.4	868.7	2.748.1	17.720.8
30 Jun. 2019	2.601.2	8.367.8	3.671.9	870.9	2.722.4	18.234.2
30 Sept. 2019	2.727.4	8.659.3	3.159.3	884.8	2.622.8	18.053.6
31 Dec. 2019	2.821.1	9.495.5	3.580.1	945.6	2.980.6	19.822.9
31 Mar. 2020	3.285.7	10.078.8	3.538.1	1.049.7	3.187.9	21.140.2
30 Jun. 2020	3.706.3	10.203.9	3.596.8	1.023.4	3.295.1	21.825.5
30 Sept. 2020	4.584.9	12.039.7	4.145.3	1.370.2	3.902.5	26.042.6
31 Dec. 2020	4.905.0	12.698.0	4.421.3	1.290.3	3.955.4	27.270.0
31 Mar. 2021	5.062.0	14.374.3	4.941.0	1.274.8	4.207.6	29.859.7
30 Jun. 2021	5.572.3	15.063.2	5.147.0	1.325.5	4.484.6	31.592.6
30 Sept. 2021	6.472.1	15.737.1	5.079.8	1.138.3	4.607.3	33.034.6

Source: Central Bank of TRNC

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

Date	Official	Commercial	Savings	Other	Banks	Total
31 Dec. 2017	1.499.0	3.942.5	15.380.3	276.3	1.637.5	22.735.6
31 Mar. 2018	1.504.5	4.270.9	16.210.0	367.3	1.638.0	23.990.7
30 Jun. 2018	1.730.4	4.686.0	17.357.3	357.5	2.004.8	26.136.0
30 Sept. 2018	1.990.1	5.620.5	20.093.4	459.1	2.328.1	30.491.2
31 Dec. 2018	1.917.8	4.922.5	19.010.8	590.7	2.028.6	28.470.4
31 Mar. 2019	2.103.5	5.251.0	20.574.6	520.1	2.163.6	30.612.9
30 Jun. 2019	2.260.8	5.434.1	21.290.5	586.7	2.190.3	31.762.4
30 Sept. 2019	2.860.6	5.626.8	21.283.5	453.9	2.270.1	32.494.9
31 Dec. 2019	2.624.6	6.457.5	23.316.5	438.7	2.436.6	35.273.9
31 Mar. 2020	2.686.8	6.658.6	24.349.3	550.2	2.218.6	36.463.5
30 Jun. 2020	2.327.0	6.933.8	25.385.3	601.0	2.209.9	37.457.0
30 Sept. 2020	2.612.3	7.913.7	28.910.3	680.7	2.517.5	42.634.5
31 Dec. 2020	3.184.6	8.630.3	29.453.4	519.3	2.531.0	44.318.6
31 Mar. 2021	3.162.6	8.752.3	32.055.9	804.1	2.786.7	47.561.4
30 Jun. 2021	2.917.8	9.092.3	33.980.6	868.5	2.894.9	49.754.1
30 Sept. 2021	2.821.0	10.051.6	34.919.8	1.012.2	2.785.5	51.590.1

Source: Central Bank of TRNC

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

Date	Official	Commercial	Savings	Other	Banks	Total
<b>31 Dec. 2017</b>	1.150.6	1.522.5	6.802.0	107.2	279.1	<b>9.861.4</b>
<b>31 Mar. 2018</b>	1.144.2	1.558.4	6.912.0	117.9	302.7	<b>10.035.2</b>
<b>30 Jun. 2018</b>	1.298.4	1.506.7	6.909.0	129.2	404.0	<b>10.247.3</b>
<b>30 Sept. 2018</b>	1.394.1	1.622.1	7.021.3	145.9	420.4	<b>10.603.8</b>
<b>31 Dec. 2018</b>	1.421.0	1.577.0	7.382.8	223.6	390.5	<b>10.994.9</b>
<b>31 Mar. 2019</b>	1.437.6	1.533.1	7.517.8	239.9	478.2	<b>11.206.7</b>
<b>30 Jun. 2019</b>	1.602.7	1.681.0	7.783.8	270.4	302.4	<b>11.640.3</b>
<b>30 Sept. 2019</b>	2.215.4	1.769.8	8.062.0	124.0	257.1	<b>12.428.3</b>
<b>31 Dec. 2019</b>	2.026.4	2.129.7	8.712.8	145.4	378.2	<b>13.392.5</b>
<b>31 Mar. 2020</b>	2.037.2	2.199.8	8.710.8	156.8	244.7	<b>13.349.3</b>
<b>30 Jun. 2020</b>	1.635.3	2.404.5	9.110.0	271.8	243.5	<b>13.665.1</b>
<b>30 Sept. 2020</b>	1.806.1	2.651.4	9.299.9	317.0	322.2	<b>14.396.6</b>
<b>31 Dec. 2020</b>	2.400.8	2.603.7	9.203.5	309.6	345.2	<b>14.862.8</b>
<b>31 Mar. 2021</b>	2.292.6	2.474.6	9.801.4	346.5	340.0	<b>15.255.1</b>
<b>30 Jun. 2021</b>	2.004.8	2.673.4	10.208.5	380.0	122.6	<b>15.389.3</b>
<b>30 Sept. 2021</b>	1.858.3	3.002.1	10.405.1	504.5	193.0	<b>15.963.0</b>

Source: Central Bank of TRNC

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

Date	Official	Commercial	Savings	Other	Banks	Total
<b>31 Dec. 2017</b>	348.5	2.420.0	8.578.2	169.1	1.358.3	<b>12.874.1</b>
<b>31 Mar. 2018</b>	360.3	2.712.6	9.298.0	249.3	1.335.3	<b>13.955.5</b>
<b>30 Jun. 2018</b>	432.0	3.179.4	10.448.2	228.2	1.600.9	<b>15.888.7</b>
<b>30 Sept. 2018</b>	596.0	3.998.4	13.072.1	313.2	1.907.7	<b>19.887.4</b>
<b>31 Dec. 2018</b>	496.8	3.345.6	11.628.0	367.0	1.638.1	<b>17.475.5</b>
<b>31 Mar. 2019</b>	665.9	3.717.8	13.056.9	280.2	1.685.4	<b>19.406.2</b>
<b>30 Jun. 2019</b>	658.1	3.753.1	13.506.7	316.2	1.887.9	<b>20.122.1</b>
<b>30 Sept. 2019</b>	645.1	3.857.0	13.221.5	329.9	2.013.0	<b>20.066.5</b>
<b>31 Dec. 2019</b>	598.2	4.327.8	14.603.6	293.4	2.058.3	<b>21.881.3</b>
<b>31 Mar. 2020</b>	649.6	4.458.8	15.638.5	393.4	1.973.9	<b>23.114.2</b>
<b>30 Jun. 2020</b>	691.7	4.529.3	16.275.3	329.1	1.966.4	<b>23.791.8</b>
<b>30 Sept. 2020</b>	806.2	5.262.2	19.610.4	363.7	2.195.3	<b>28.237.8</b>
<b>31 Dec. 2020</b>	783.9	6.026.6	20.249.9	209.7	2.185.7	<b>29.455.8</b>
<b>31 Mar. 2021</b>	870.0	6.277.7	22.254.5	457.6	2.446.7	<b>32.306.5</b>
<b>30 Jun. 2021</b>	913.0	6.419.0	23.772.0	488.6	2.772.2	<b>34.364.8</b>
<b>30 Sept. 2021</b>	962.6	7.049.6	24.514.7	507.7	2.592.5	<b>35.627.1</b>

Source: Central Bank of TRNC

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

Year	Quarter	M1	Percentage Change Compared to the Same Period of Previous Year	M2	Percentage Change Compared to the Same Period of Previous Year	M3	Percentage Change Compared to the Same Period of Previous Year
2017	I	3.754.8	34.20	18.019.6	25.66	19.209.2	26.53
	II	3.906.7	31.23	18.670.5	27.70	20.066.2	28.69
	III	4.126.2	30.66	19.847.4	29.85	21.240.3	30.16
	IV	4.403.3	24.24	21.181.5	24.99	22.789.8	26.63
2018	I	4.826.2	28.53	22.844.7	26.78	24.492.6	27.50
	II	5.342.4	36.75	24.489.5	31.17	26.341.2	31.27
	III	6.244.7	51.34	28.565.7	43.93	30.698.9	44.53
	IV	5.726.7	30.05	26.846.9	26.75	28.868.4	26.67
2019	I	6.297.8	30.49	29.051.7	27.17	31.226.9	27.50
	II	6.581.7	23.20	30.066.1	22.77	32.390.9	22.97
	III	6.775.1	8.49	30.109.1	5.40	33.243.7	8.29
	IV	7.386.0	28.97	33.164.4	23.53	35.890.4	24.32
2020	I	7.872.2	25.00	34.635.5	19.22	37.612.4	20.45
	II	8.529.4	29.59	35.839.0	19.20	38.294.3	18.23
	III	9.724.8	43.54	40.684.0	35.12	43.787.2	31.72
	IV	10.077.1	36.44	41.842.8	26.17	45.299.2	26.22
2021	I	10.461.4	32.89	45.118.5	30.27	48.624.9	29.28
	II	11.257.1	31.98	47.658.2	32.98	50.639.9	32.24
	III	12.381.7	27.32	49.727.0	22.23	52.622.7	20.18

Source: Central Bank of TRNC

**Table B.29: Licensed Banks**

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

Source: Central Bank of TRNC

**Table B.30: Main Economic and Social Indicators**

	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>GNP (Current Prices. Million TRY)</b>	7.606.9	8.858.5	10.222.4	11.601.2	14.544.8	18.324.2	21.395.4	21.407.5 <sup>(T)</sup>	28.769.8 <sup>(T)</sup>
<b>GNP (Million USD)</b>	3.983.9	4.040.2	3.749.0	3.837.9	3.983.8	3.790.8	3.766.8	4.025.1 <sup>(T)</sup>	4.157.5 <sup>(T)</sup>
<b>GNP per capita (Current Prices. TRY)</b>	29.216.8	33.127.8	37.413	42.022	51.799	64.178	71.851.4		
<b>GNP per capita (USD)</b>	15.301.6	15.109	13.721	13.902	14.187	13.277	12.649	10.055	13.367.3 <sup>(T)</sup>
<b>Inflation Rate (%)</b>	10.2	6.5	7.8	10.2	14.7	29.9	11.6	15.0	21.01*
<b>Exports (Million USD) (1)</b>	120.7	134.0	118.1	105.5	105.6	100.9	82.5	101.1	82.5**
<b>Imports (Million USD)</b>	1.699.4	1.538.8	1.500.6	1.557.2	1.778.4	1.816.4	1.587.9	1.220.6	592.0**
<b>Foreign Trade Balance (Million USD)</b>	-1.578.7	-1.404.8	-1.382.5	-1.415.2	-1.672.8	-1.715.5	-1.505.4	-1.119.5	-509.5**
<b>Exports / Imports (%)</b>	7.1	7.5	7.9	6.9	5.9	5.6	5.2	8.3	13.9**
<b>Number of Arriving Tourists</b>	1.232.753	1.366.007	1.483.244	1.577.073	1.734.330	1.759.625	1.749.979	388.837	274.999***
<b>a) Turkey</b>	923.308	1.020.577	1.110.795	1.218.232	1.324.248	1.359.420	1.358.465	307.717	208.897***
<b>b) Other</b>	309.445	345.430	372.449	358.841	410.082	400.205	391.514	81.120	66.102***
<b>Net Tourism Income (Million USD)</b>	613.4	691.6	697.7	714.4	864.9	912.4	954.5	1.017.2 <sup>(T)</sup>	1.066.0 <sup>(T)</sup>
<b>Employment</b>	97.867	103.149	112.811	118.387	120.999	132.411	138.438	132.885 <sup>(F)</sup>	148.872 <sup>(T)</sup>
<b>Number of Unemployed</b>	8.929	9.320	9.043	8.075	7.452	9.872	9.317	14.950 <sup>(F)</sup>	9.101 <sup>(T)</sup>
<b>Unemployment Rate (%)</b>	8.4	8.3	7.4	6.4	5.8	6.9	6.3	10.1 <sup>(F)</sup>	5.8 <sup>(T)</sup>
<b>Non-institutional Population (2)</b>	277.031	289.252	299.514	307.255	314.169	347.340	357.216	289.348 <sup>(F)</sup>	299.599 <sup>(T)</sup>
<b>Population (Projection) (3)</b>	306.368	320.884	331.432	339.478	351.965	372.486	n.a	n.a	n.a
<b>Annual Population Growth (%)</b>	3.3	3.8	3.9	2.9	3.1 <sup>(F)</sup>	n.a	n.a	n.a	n.a

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

(F) Forecast (T) Target

\* Annual inflation rate for September.

\*\* January-June data.

\*\*\* January-September data.

1) Exports to the Southern Cyprus are not included.

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

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

4) Population (Projection): The 2012-2018 projection data prepared using the census data conducted in 2011. These population figures are not used in GNP per capita calculation. These population figures are not used in GNP per capita calculation. Population used in the calculation of GNP per capita: (mid-year population) + (TRNC citizen students studying abroad) - (Turkish students studying in TRNC + third country citizen students)

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

Sectors	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 <sup>(T)</sup>
<b>1. Agriculture</b>	330.3	366.4	386.5	405.0	489.3	552.5	647.6	658.8	1.139.4	1.171.2	1.279.8	1.925.3
<b>2. Industry</b>	552.4	558.5	587.1	636.6	779.7	937.7	1.064.7	1.413.3	1.537.9	1.675.7	2.064.4	2.459.2
<b>3. Construction</b>	312.1	408.5	335.8	370.7	370.2	480.5	511.6	836.4	1.081.4	1.235.1	2.054.6	1.464.1
<b>4. Trade - Tourism</b>	900.0	1.216.8	1.385.3	1.527.9	1.829.1	2.012.9	2.280.6	2.921.8	3.814.5	4.746.7	2.746.6	6.846.0
<b>5. Transportation - Communication</b>	525.2	553.1	642.9	711.4	788.0	896.6	965.3	1.156.6	1.339.0	1.564.7	1.370.7	2.132.6
<b>6. Financial Institutions</b>	404.4	472.6	506.0	579.7	637.4	719.4	887.6	1.007.7	1.486.4	1.717.3	1.685.6	2.040.1
<b>7. Housing Income</b>	220.6	274.4	305.8	358.2	398.9	456.2	535.3	655.6	896.3	1.102.4	1.356.9	1.521.3
<b>8. Self-Employment and Services</b>	652.3	727.5	801.8	891.6	1.026.1	1.422.6	1.679.9	2.289.8	2.889.9	2.819.4	2.755.2	4.404.9
<b>9. Public Services</b>	1.180.1	1.294.3	1.294.9	1.349.9	1.603.6	1.715.2	1.850.1	2.193	2.461.1	3.441.7	4.146.0	3.416.5
<b>10. Import Taxes</b>	536.3	637.0	709.1	775.9	936.4	971.8	1.178.3	1.411.5	1.678.1	1.921.2	1.947.7	2.559.8
<b>11. GDP</b>	<b>5.614.1</b>	<b>6.509.0</b>	<b>6.955.1</b>	<b>7.606.9</b>	<b>8.858.6</b>	<b>10.222.5</b>	<b>11.601.2</b>	<b>14.544.8</b>	<b>18.324.1</b>	<b>21.395.4</b>	<b>21.407.5</b>	<b>28.769.8</b>
<b>12. Net Factor Income from Abroad</b>	35.4	50.2	-39.3	-27.5	-18.2	-11.7	4.2	6.9	10.6	13.7	17.1	19.4
<b>GNP</b>	<b>5.649.5</b>	<b>6.559.2</b>	<b>6.915.8</b>	<b>7.579.4</b>	<b>8.840.4</b>	<b>10.210.7</b>	<b>11.605.5</b>	<b>14.551.8</b>	<b>18.334.8</b>	<b>21.409.1</b>	<b>21.424.6</b>	<b>28.789.2</b>

Source: SPO, TRNC Statistical Institute

<sup>(T)</sup> Target

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

Sectors	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021 <sup>(F)</sup>
<b>1. Agriculture</b>	5.9	5.6	5.6	5.3	5.5	6.0	5.6	4.5	6.2	5.5	6.0	6.7
<b>2. Industry</b>	9.8	8.6	8.4	8.4	8.8	9.2	9.2	9.7	8.4	7.8	9.6	8.5
<b>2.1. Quarrying</b>	0.6	0.7	0.6	0.6	0.5	0.7	0.7	0.9	1.0	0.9	1.3	-
<b>2.2. Manufacturing Industry</b>	2.3	2.5	2.8	2.9	3.1	3.7	3.7	3.3	3.0	2.8	2.5	-
<b>2.3. Electricity-Water</b>	6.9	5.3	5.1	4.8	5.1	4.8	4.8	5.5	4.4	4.1	5.8	-
<b>3. Construction</b>	5.6	6.3	4.8	4.9	4.2	4.7	4.4	5.8	5.9	5.8	9.6	5.1
<b>4. Trade - Tourism</b>	16.0	18.7	19.9	20.1	20.6	19.7	19.7	20.1	20.8	22.2	12.8	23.8
<b>4.1. Wholesale and Retail Trade</b>	10.7	11.1	11.4	11.2	12.3	10.7	11.0	11.1	11.2	10.5	10.3	17.8
<b>4.2. Hotel and Restaurant Management</b>	5.4	7.6	8.5	8.9	8.3	9.0	8.7	9.0	9.6	11.7	2.5	5.9
<b>5. Transportation - Communication</b>	9.4	8.5	9.3	9.4	8.9	8.8	8.3	8.0	7.3	7.3	6.4	7.4
<b>6. Financial Institutions</b>	7.2	7.2	7.3	7.6	7.2	7.0	7.6	6.9	8.1	8.0	7.9	7.1
<b>7. Housing Ownership</b>	3.9	4.2	4.4	4.7	4.5	4.4	4.6	4.5	4.9	5.2	6.3	5.3
<b>8. Self-Employment and Services</b>	11.6	11.2	11.5	11.7	11.6	13.9	14.5	15.7	15.8	13.2	12.9	15.3
<b>9. Public Services</b>	21.0	19.9	18.6	17.7	18.1	16.8	15.9	15.1	13.4	16.1	19.4	11.9
<b>10. Import Taxes</b>	9.6	9.8	10.2	10.2	10.6	9.5	10.2	9.7	9.2	9.0	9.1	8.9
<b>GDP</b>	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: SPO, TRNC Statistical Institute

<sup>(F)</sup> Forecast



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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019 <sup>(F)</sup>	2020 <sup>(T)</sup>	2021 <sup>(T)</sup>
<b>1. Total Resources</b>	6.065.0	6.849.7	7.141.1	7.664.8	8.866.0	9.470.2	10.499.0	13.476.9	17.697.2	19.221.6	21.910.4	25.081.4
<b>2. Total Investments</b>	1.049.6	1.266.5	1.175.5	1.147.8	1.276.7	1.598.5	1.791.2	2.836.0	4.013.6	3.229.4	3.814.5	4.451.1
<b>3. Total Consumption</b>	5.015.4	5.583.1	5.965.6	6.516.9	7.589.3	7.871.7	8.707.8	10.640.9	13.913.1	15.992.2	18.096.0	20.630.2
<b>4. Public Disposable Income</b>	962.2	1.059.2	1.491.8	1.341.3	1.688.9	2.123.1	2.317.2	3.451.1	4.099.3	4.888.3	5.383.8	5.957.8
<b>5. Private Disposable Income</b>	4.687.3	5.449.9	5.424.0	6.238.1	7.151.5	8.087.7	8.962.7	11.100.7	14.521.8	16.992.5	19.870.1	22.831.5
<b>6. Private Savings Ratio (%)</b>	26.0	28.0	20.8	25.0	23.3	29.8	29.4	29.0	28.1	26.7	29.5	30.1
<b>7. Total Domestic Savings</b>	634.1	976.1	950.3	1.062.5	1.251.0	2.339.0	2.572.1	3.910.9	4.708.0	5.888.6	7.158.0	8.159.0

Source: SPO

<sup>(F)</sup> Forecast<sup>(T)</sup> Target**Table B.34: Real Growth Rates of Sectorial Value Added (%)**

Sectors	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 <sup>(F)</sup>	2021 <sup>(H)</sup>
<b>1. Agriculture</b>	10.0	10.8	3.7	-1.6	4.8	14.5	-7.3	4.9	2.6	2.7	1.8	-5.5
<b>2. Industry</b>	-0.2	3.4	-0.7	1.7	8.5	19.5	7.3	4.4	-12.4	-14.7	-15	2.2
<b>3. Construction</b>	3.8	3.3	-16.0	-0.3	-4.5	6.5	5.7	10.6	7.6	3.9	-25.6	6.0
<b>4. Trade-Tourism</b>	18.3	6.0	6.1	1.4	8.5	-0.8	4.8	9.0	0.4	-2.7	-35.6	1.4
<b>5. Transportation-Communication</b>	-20.0	-4.3	5.7	2.0	3.2	5.7	1.8	6.9	3.5	3.5	-16.6	2.3
<b>6. Financial Institutions</b>	0.3	1.4	8.1	7.5	0.8	1.6	2.0	3.1	2.7	1.2	0.5	2.7
<b>7. Housing Ownership</b>	4.0	3.9	3.7	3.2	2.6	3.0	3.5	3.8	4.6	5.0	3.6	1.0
<b>8. Self-Employment and Services</b>	-5.3	4.3	1.5	2.3	8.8	9.5	3.6	7.7	5.3	1.3	-16.0	6.5
<b>9. Public Services</b>	0.4	2.8	1.9	1.4	-0.1	0.1	-0.2	-0.8	1.3	3.7	-1.5	3.5
<b>10. Import Taxes</b>	18.6	3.9	8.9	-2.1	7.9	-9.6	9.0	0.5	2.4	3.6	-16.4	3.5
<b>11. GDP</b>	<b>3.7</b>	<b>3.9</b>	<b>1.8</b>	<b>1.1</b>	<b>4.8</b>	<b>4.0</b>	<b>3.6</b>	<b>5.4</b>	<b>1.3</b>	<b>0.2</b>	<b>-16.2</b>	<b>2.7</b>
<b>12. Net Factor Income from Abroad</b>	-9.8	27.1	-174.5	35.3	40.5	41.9	133.0	-38.4	23.3	10.9	4.4	2.6
<b>GNP</b>	<b>3.6</b>	<b>4.0</b>	<b>0.5</b>	<b>1.3</b>	<b>4.9</b>	<b>4.1</b>	<b>3.8</b>	<b>5.5</b>	<b>1.3</b>	<b>0.2</b>	<b>-16.2</b>	<b>2.7</b>

Source: SPO, TRNC Statistical Institute

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

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 <sup>(T)</sup>	2021 <sup>(T)</sup>
<b>1. Current Accounts Balance</b>	-275.8	-173.1	-125.1	-44.7	-11.7	271.6	287.6	294.4	215.9	221.3	533.3	535.8
<b>2. Balance of Capital Movements</b>	438.5	326.5	346.2	259.7	186.9	168.9	71.4	131.4	73.1	154.9	119.7	122.6
<b>3. Reserve Movements (- Increase. + Decrease)</b>	-94.4	-47.3	-340.8	-219.9	-176.7	-75.8	-79.4	-826.6	+69.1	-290.3	-654.1	-666.8
<b>4. Net Errors and Omissions</b>	-68.3	-106.1	119.7	4.9	1.5	-364.7	-279.6	400.8	-358.1	-85.9	1.2	8.4

Source: SPO, TRNC Statistical Institute

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

Months	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>January</b>	-0.9	1.0	1.3	1.6	-0.1	-0.27	1.39	-0.70	1.00	2.09	-0.88	0.47	2.56	-0.22	0.53	1.70	0.48
<b>February</b>	-0.9	0.7	2.0	2.2	0.1	-0.31	2.10	-0.95	0.46	4.43	-2.14	0.31	4.00	1.39	0.37	2.33	0.46
<b>March</b>	-0.9	2.5	3.5	3.8	1.1	0.00	3.88	-0.03	0.66	5.02	-0.41	0.09	4.61	2.26	1.71	2.80	1.86
<b>April</b>	0.5	4.2	4.2	6.3	1.2	0.71	4.85	1.83	1.51	5.38	1.09	1.09	6.54	5.07	5.72	2.57	3.84
<b>May</b>	-0.2	6.4	4.3	7.9	2.5	0.29	6.46	1.69	1.80	4.56	2.73	1.86	6.95	8.91	6.22	3.34	5.52
<b>June</b>	-0.4	8.5	3.4	9.8	3.2	0.31	5.95	0.73	3.30	4.89	3.18	2.33	7.68	12.11	7.57	4.38	8.83
<b>July</b>	-0.2	10.2	3.6	11.5	0.8	0.92	7.02	-0.28	3.21	5.15	1.90	3.23	9.29	14.64	8.72	6.44	11.26
<b>August</b>	0.5	12.6	5.9	11.3	2.6	1.92	9.49	0.84	4.17	5.77	2.72	4.00	9.75	24.29	9.12	8.87	14.09
<b>September</b>	2.0	15.9	7.7	14.3	3.3	2.58	10.39	2.57	6.30	5.84	5.78	4.63	10.31	31.99	11.18	10.7	16.46
<b>October</b>	2.5	18.6	9.3	15.6	4.9	3.61	11.90	3.52	7.89	7.69	7.39	5.85	11.32	34.08	10.71	11.86	
<b>November</b>	2.3	19.0	9.0	16.4	6.0	3.54	13.91	3.61	8.29	6.97	6.38	7.36	12.78	31.93	10.20	14.55	
<b>December</b>	2.7	19.2	9.4	14.5	5.7	3.27	14.72	3.60	10.22	6.49	7.78	10.19	14.68	29.96	11.66	15.03	

Source: SPO, TRNC Statistical Institute

**Table B.37: TRNC and TR Inflation Rates**

Years	TRNC	TR	Years	TRNC	TR	Years	TRNC	TR
1984	70.7	49.7	1998	66.5	69.7	2012	3.60	6.16
1985	43.0	44.2	1999	55.3	68.8	2013	10.22	7.40
1986	48.1	30.7	2000	53.2	39.0	2014	6.49	8.17
1987	43.0	55.1	2001	76.8	68.5	2015	7.78	8.81
1988	62.6	77.1	2002	24.5	29.8	2016	10.19	8.53
1989	51.8	64.3	2003	12.6	18.4	2017	14.68	11.92
1990	69.4	60.4	2004	11.6	9.3	2018	29.96	20.30
1991	46.3	71.1	2005	2.7	7.7	2019	11.66	11.84
1992	63.4	66.0	2006	19.2	9.7	2020	15.03	14.60
1993	61.2	71.1	2007	9.4	8.4	2021*	21.01	19.58
1994	215.0	125.5	2008	14.5	10.1			
1995	72.2	76.1	2009	5.7	6.5			
1996	87.5	79.8	2010	3.2	6.4			
1997	81.7	99.1	2011	14.7	10.4			

Source: SPO, CBRT, TRNC Statistical Institute

\* Based on September annual inflation data.

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

Main Groups	Change Rates of Main Goods and Services Groups Compared to the Previous Month											
	2021											
	1	2	3	4	5	6	7	8	9	10	11	12
1. Food and Non-Alcoholic Beverages	1.05	2.33	1.15	1.62	-0.09	1.16	0.71	1.30	0.30			
2. Alcoholic Beverages and Tobacco	0.17	1.33	0.05	0.35	0.67	1.24	0.11	0.01	0.00			
3. Clothing and Shoes	0.61	-6.64	-4.79	6.67	12.09	0.91	0.01	-0.05	-0.05			
4. Housing. Water. Electricity. Gas and Other Fuels	-0.59	-0.44	2.96	1.41	0.70	1.36	-0.01	0.02	0.27			
5. Furniture. Home Appliances and Home Maintenance Services	6.56	-0.15	1.78	1.58	0.41	5.96	0.23	0.03	0.09			
6. Health	0.40	3.74	1.92	1.10	3.50	4.64	0.09	0.05	0.03			
7. Transportation	-0.75	-1.37	2.03	3.46	3.42	7.68	1.03	0.16	-0.02			
8. Communication	0.16	-0.02	0.70	0.82	0.84	1.39	0.02	0.11	0.02			
9. Entertainment and Culture	-0.61	-0.09	0.64	1.38	0.29	0.76	0.02	0.08	0.09			
10. Education	-1.07	-1.08	1.10	1.99	0.82	0.95	-0.01	-0.04	1.06			
11. Restaurants and Hotels	-0.13	-0.54	1.83	1.68	2.89	8.00	-0.01	0.86	0.21			
12. Miscellaneous Goods and Services	2.52	-0.65	1.44	1.36	2.06	0.37	0.04	0.01	0.08			
General	0.48	-0.02	1.39	1.94	1.62	3.14	2.23	2.54	2.08			

Source: SPO, TRNC Statistical Institute

**Table B.39: Minimum Wage**

<b>Years</b>	<b>Minimum Wage (TRY)</b>	<b>Effective Date</b>
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	960	01.02.2007
2008	1.060	01.01.2008
2008	1.190	01.09.2008
2009	1.237	01.10.2009
2011	1.300	01.01.2011
2013	1.415	01.01.2013
2014	1.560	01.01.2014
2014	1.675	01.11.2014
2015	1.730	01.09.2015
2016	1.834	01.07.2016
2017	2.020	01.02.2017
2017	2.175	01.07.2017
2018	2.365	01.03.2018
2018	2.620	01.09.2018
2019	3.150	01.02.2019
2019	3.400	01.08.2019
2020	3.820	01.02.2020
2021	4.400	01.02.2021
2021	4.970	01.09.2021

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	98 Octane			
26.05.2016	3.39	3.59	3.20	-	3.17
17.06.2016	3.41	3.61	3.29	-	3.26
12.07.2016	3.41	3.61	3.29	-	3.26
24.08.2016	3.47	3.67	3.30	-	3.26
20.09.2016	3.54	3.74	3.36	-	3.32
11.10.2016	3.57	3.77	3.36	-	3.35
01.11.2016	3.63	3.83	3.45	-	3.41
07.01.2017	3.83	4.03	3.62	-	3.56
11.03.2017	3.76	3.96	3.59	-	3.51
01.04.2017	3.71	3.91	3.51	-	3.43
18.05.2017	3.67	3.87	3.47	-	3.39
29.11.2017	3.67	3.87	3.63	-	3.40
03.02.2018	3.85	4.04	3.78	-	3.55
17.03.2018	3.88	4.07	3.82	-	3.59
11.04.2018	4.19	4.37	4.02	-	3.78
03.05.2018	4.30	4.48	4.13	4.13	3.91
10.07.2018	4.32	4.50	4.13	4.13	4.01
31.07.2018	4.42	4.60	4.18	4.18	4.11
28.08.2018	4.97	5.16	4.76	4.76	4.65
20.09.2018	5.81	6.01	5.76	5.76	5.59
01.11.2018	5.61	5.71	5.55	5.76	5.46
22.11.2018	5.21	5.31	5.15	-	5.06
13.12.2018	5.06	5.16	4.95	-	4.86
10.01.2019	5.00	5.10	4.85	-	4.78
21.02.2019	5.06	5.16	4.91	-	4.75
14.03.2019	5.06	5.16	4.91	-	4.85
04.04.2019	5.41	5.51	5.01	-	4.95
08.08.2019	5.36	5.46	4.96	-	4.90
05.05.2020	4.96	5.06	4.56	-	4.50
18.06.2020	5.40	5.50	4.94	-	4.94
09.07.2020	5.78	5.88	5.32	-	5.29
08.05.2021	6.07	6.17	5.61	5.61	5.58
29.05.2021	6.51	6.64	6.04	5.61	5.95
22.06.2021	6.96	7.09	6.52	-	6.37
13.07.2021	7.45	7.60	6.91	-	6.67
24.08.2021	7.35	7.50	6.81	-	6.57
06.10.2021	7.84	7.99	7.30	-	7.27
28.10.2021	8.80	8.96	8.44	-	8.39

Source: Ministry of Economy and Energy

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

<b>Years</b>	<b>Turkey</b>	<b>EU Countries</b>	<b>Other EU Countries</b>	<b>Middle Eastern Countries</b>	<b>Other Countries</b>	<b>Total Exports</b>
<b>2007</b>	48.907.443	13.225.555	7.369.006	9.702.231	4.480.578	<b>83.684.813</b>
<b>2008</b>	41.770.636	17.147.124	4.953.414	14.220.270	5.572.694	<b>83.664.138</b>
<b>2009</b>	38.482.808	13.156.210	1.206.347	13.833.521	4.384.880	<b>71.063.766</b>
<b>2010</b>	44.741.216	11.816.654	3.475.821	31.104.188	5.282.030	<b>96.419.909</b>
<b>2011</b>	61.333.755	9.515.772	1.514.866	36.886.525	10.645.168	<b>119.896.086</b>
<b>2012</b>	58.878.076	8.678.585	1.014.857	39.821.898	9.873.712	<b>116.267.128</b>
<b>2013</b>	62.969.817	9.145.514	2.733.484	38.472.891	7.359.533	<b>120.681.239</b>
<b>2014</b>	78.446.382	8.304.840	835.323	40.583.800	5.814.745	<b>133.985.090</b>
<b>2015</b>	66.228.637	6.195.715	3.811.828	35.611.170	5.885.294	<b>117.732.644</b>
<b>2016</b>	65.926.162	10.664.066	893.816	23.981.854	4.022.010	<b>105.487.908</b>
<b>2017</b>	63.818.406	8.362.779	1.681.343	22.247.673	9.505.787	<b>105.615.988</b>
<b>2018</b>	52.127.770	10.376.400	2.536.815	26.110.465	9.700.495	<b>100.851.945</b>
<b>2019</b>	43.130.122	2.129.943	2.236.897	30.490.266	4.448.151	<b>82.465.379</b>
<b>2020</b>	49.500.656	2.041.116	10.440.836	31.554.011	7.570.755	<b>101.107.374</b>
<b>2021 (January-June)</b>	43.674.589	963.687	5.849.530	18.287.823	13.687.395	<b>82.463.024</b>

Source: Department of Trade

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

<b>Years</b>	<b>Turkey</b>	<b>EU Countries</b>	<b>Far Eastern Countries</b>	<b>Other EU Countries</b>	<b>Middle Eastern Countries</b>	<b>Other Countries</b>	<b>Total Imports</b>
<b>2007</b>	1.044.965.855	248.220.981	111.304.222	40.423.905	66.253.726	28.022.604	<b>1.539.191.293</b>
<b>2008</b>	1.172.502.792	236.344.802	109.156.742	78.503.072	56.482.297	27.673.475	<b>1.680.657.180</b>
<b>2009</b>	923.438.219	205.604.209	87.720.997	30.311.431	52.507.371	26.582.965	<b>1.326.165.192</b>
<b>2010</b>	1.137.378.970	251.285.189	90.266.660	29.873.873	69.000.395	26.375.578	<b>1.604.180.665</b>
<b>2011</b>	1.165.712.306	286.204.302	82.493.886	42.982.735	87.880.256	34.654.478	<b>1.699.927.963</b>
<b>2012</b>	1.234.214.030	247.749.409	81.109.808	28.245.460	81.484.144	31.111.112	<b>1.703.913.963</b>
<b>2013</b>	1.155.334.547	257.018.820	113.400.316	59.110.065	86.239.017	28.323.666	<b>1.699.426.431</b>
<b>2014</b>	995.563.199	238.330.438	125.280.677	70.915.525	75.481.630	33.204.743	<b>1.538.776.212</b>
<b>2015</b>	967.563.226	271.360.515	115.042.857	45.084.868	70.781.057	30.744.861	<b>1.500.577.384</b>
<b>2016</b>	940.845.300	326.806.415	133.943.157	51.872.616	69.557.193	34.165.573	<b>1.557.190.254</b>
<b>2017</b>	1.043.002.512	387.506.424	150.130.828	61.166.015	87.668.520	48.929.706	<b>1.778.404.005</b>
<b>2018</b>	1.068.509.898	356.271.158	149.333.076	90.732.549	100.527.838	50.989.832	<b>1.816.364.351</b>
<b>2019</b>	927.163.386	287.971.697	152.984.913	85.855.064	95.200.820	38.744.575	<b>1.587.920.455</b>
<b>2020</b>	731.570.571	206.235.045	146.838.698	41.325.190	57.643.361	36.967.972	<b>1.220.580.837</b>
<b>2021 (January-June)</b>	373.862.544	92.038.777	61.803.999	17.239.845	26.861.610	20.196.705	<b>592.003.480</b>

Source: Department of Trade

**Table B.43: Distribution of Visits to the TRNC by Ports**

Years	Ercan	Kyrenia	Famagusta	Karpasia	Total
2015	1.693.694	60.733	19.196	342	<b>1.773.965</b>
2016	1.785.746	57.513	19.004	295	<b>1.862.558</b>
2017	1.794.483	71.619	21.668	283	<b>1.888.053</b>
2018	1.968.345	84.974	26.260	382	<b>2.079.961</b>
2019	1.973.844	70.097	24.575	476	<b>2.068.992</b>
2020	426.545	35.766	5.312	24	<b>467.647</b>
2021 (January-September)	281.919	36.545	5.726	76	<b>324.266</b>

Source: Tourism Planning Department

**Table B.44: Total Border Gate Entries in 2020 - 2021 (Number of persons)**

Nationality	TRNC		Southern Cyprus		Other Countries		Total	
	2020	2021	2020	2021	2020	2021	2020	2021
January	166.644	10.058	197.924	134	120.770	959	485.340	11.151
February	177.777	16.030	182.753	213	124.300	907	484.830	17.150
March	50.937	42.395	52.878	1.099	33.104	2.484	136.919	45.978
April	633	44.288	17	1.165	547	2.395	1.197	47.848
May	948	45.687	29	3.729	79	2.916	1.056	52.332
June	12.707	88.718	921	90.680	430	39.340	14.058	218.738
July	46.741	89.376	9.951	119.204	3.628	57.318	60.320	265.898
August	38.557	90.922	13.979	142.201	4.675	63.570	57.211	296.693
September	58.787	118.394	14.461	138.218	6.135	67.400	79.383	324.012
October	59.505		15.596		7.467		82.568	
November	53.330		10.412		6.842		70.584	
December	32.104		5.469		3.967		41.540	
<b>Total</b>	<b>698.670</b>	<b>545.868</b>	<b>504.390</b>	<b>496.643</b>	<b>311.946</b>	<b>237.289</b>	<b>1.515.006</b>	<b>1.279.800</b>

Source: Tourism Planning Department



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

<b>Countries</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021 (January- September)</b>
<b>Turkey</b>	529.908	588.045	621.819	710.889	776.428	773.936	155.329	116.200
<b>TRNC</b>	49.598	52.335	53.224	55.613	49.344	50.560	46.263	51.025
<b>Other</b>	224.881	235.661	249.079	348.471	317.434	336.184	43.022	29.819
<b>Grand Total</b>	<b>804.387</b>	<b>876.041</b>	<b>924.122</b>	<b>1.114.973</b>	<b>1.143.206</b>	<b>1.160.680</b>	<b>244.614</b>	<b>197.044</b>

Source: Tourism Planning Department



## ANNEX C. NOTES

### Money Supply

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

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

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

**M2=** M1 + Time Deposits in the Banks

**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".

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'.

### Bank

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

### Other Points Related to the Bulletin

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

### Banking Sector

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

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

### Monetary Data of the Banking Sector

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





**Central Bank of the TRNC**

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