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CENTRAL BANK OF TRNC
ISSUE: 2017 - III

QUARTERLY BULLETIN



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Issue: 2017-III

I: FOREWORD

With the Banking Law amended in 2001, it was aimed to ensure the effective and efficient regulation and control of the banking sector. Despite the negative events and the crises that have reached to a global extent in the banking and finance sector from 2001 until today, there has not been any crisis in our country that would harm depositors in the banking sector. However, over the next 16 years, the legislations have become inadequate for meeting new requirements and complying with international norms and regulations. In order to respond to these needs and to make the legal regulations regarding the banking and finance sector in line with the European Union and international standards, the new Banking Law was unanimously approved by the Assembly of the Republic, as a result of the elaborate and lengthy work of all concerned parties. It is also necessary to emphasize that the new law will provide a protective infrastructure for the households, while aiming to increase the international reputation of our banks and our country. With the new Banking Law, adding participation banking to the existing deposit banking and authorization of the Central Bank to grant licenses to development and investment banks were regulated. Moreover, in order to consolidate our banks in the medium and long-term, all banking transactions have been converted into Turkish Lira and the minimum capital of 2 million USD has been increased to 20 million TRY.

In the new law, new legal arrangements have also been made with regard to the establishments providing support to the banking and finance sector. Accordingly, the authorization process for independent audit firms, real estate appraisal agencies, support service organizations, asset management companies will be in the authority of the Central Bank. With the new law, the audit of the co-operative banks and their regulation under the Banking Law is proposed. With this arrangement, it is aimed for the cooperative banks having a serious balance sheet size in our country to obtain an organizational structure in accordance with international standards.

Articles constituting a basis for making new regulations aim to protect depositors and consumers were added to the new Banking Law by the Central Bank. In this context, the banks that do not comply with the secondary regulations to be made by our bank may be sentenced with an administrative fine. After these regulations, which will ensure that the consumers and customers will be properly informed, the target is to determine the standards that will enable the reduction of the problems experienced between the banks and the consumers and to obtain faster results in the judicial cases.

The total balance sheet size of the TRNC banking sector, in which 22 banks serves with 233 branches and 3,100 personnel as of the third quarter of 2017, increased by 5.9 percent compared to the previous quarter and 30 percent compared to the same period of the last year and reached 24,602 million TRY in the third quarter of 2017. In the third quarter of 2017, the deposits which is the most important liabilities of the sector increased by 6.37 percent to 19,672 million TRY and the gross loans which is the most important asset of the sector increased by 2.65 percent to 14,028 million TRY and the loan to deposit ratio decreased from 73.89 percent to 71.30 percent. When the one-year change of the loan to deposit ratio is considered the decline seems to be even more pronounced. According to this, in the last one-year period, the loan to deposit ratio decreased from 77 percent to 71.3 percent.

While the amount of total assets to be extended as loans are gradually reduced, there was an increase of about the same amount in liquid assets. In the third quarter of 2016, while 23 percent of the total assets of the sector is composed of liquid assets, this ratio is close to 28 percent in the third quarter of 2017. The Capital Adequacy Standard Ratio, which indicates the capital adequacy of the sector, increased by 0.23 points over the three months period and reached 18.27 percent, well above the legal limit.

In the third quarter of 2017, the Turkish Lira deposits increased by 4.51 percent, the foreign currency deposits increased by 8.01 percent, and the sum of Turkish Lira and foreign currency gross loans increased by 0.44 percent and 5.79 percent, respectively. The sector's total non-performing loans totaled 842.5 million TRY as of the end of December 2016 and increased by 2.38 percent and reached 850.1 million TRY as of the end of September 2017. Non-performing loans increased by 8.25 percent compared to the same period of the previous year.

While the cumulative inflation figures was 4.63 percent in the first nine months of 2016, it rose to 10.31 percent in the first nine months of 2017. Annual changes in the consumer prices were 6.6 percent and 15.37 percent as of September. Tourism items, which have increased steadily in recent years, have continued to perform better than the previous year. In the second quarter of 2017, the total number of arriving passengers increased by 7.5 percent compared to the same period of 2016 and reached 483,108, well above the average of the last five years.

The public finance, which had a surplus of more than 209.5 million TRY in the first nine months of 2016, had a budget surplus of 150 million TRY in the same period of 2017 due to the increase over expectation in inflation. In the first nine months of 2016 and 2017, while budget expenditures increased by 24 percent, the growth rate of budget revenues remained at 20 percent.

We would like to thank all of our employees who have contributed to the preparation of this bulletin, in which current indicators of the TRNC economy and the selected economies in the world are included and the overview of the TRNC banking sector is reflected in detail as of the third quarter of 2017.

Best regards,

Central Bank of TRNC, 2017 / III

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II: ABBREVIATIONS

EU	European Union
USA	United States of America
ECB	European Central Bank
IMM	Interbank Money Market
BoE	Bank of England
SPO	State Planning Organisation
WTO	World Trade Organisation
EA 19	Euro Zone
EUROSTAT	EUROSTAT
ESA	European System of Accounts
FED	Central Banking System of the USA
FOMC	The Federal Open Market Committee
GNP	Gross National Product
GDP	Gross Domestic Product
IMF	International Monetary Fund
KGF	Credit Guarantee Fund
KKTCMB/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	The Central Bank of The Republic of Turkey
TL/TRY	Turkish Lira
NPL	Non-Performing Loans
TURKSTAT	Turkish Statistical Institute
IBU	International Banking Unit
IEA	International Energy Agency
FX	Foreign Exchange
\$/Dollar/USD	US Dollar
€/EUR	Euro
£/GBP	Pound Sterling

III: DEFINITIONS

Gross Loans: Loans + Non-Performing Loans

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

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1 INTERNATIONAL DEVELOPMENTS

1.1 OVERVIEW AND CURRENT DEVELOPMENTS

According to the Global Economic Outlook report published by the IMF in October, the global growth rates were announced as 3.27 percent in 2016, and 3.6 percent and 3.7 percent in 2017 and 2018, respectively. In the report, it is also estimated that the economic activity will increase in all groups of countries despite the uncertainty and difficulties experienced globally in 2018. According to the IMF's Global Economic Outlook report published in April 2017, the forecast of developed countries' growth in 2017, which is estimated at 2 percent, has been revised and raised to 2.2 percent. In the last quarter of 2016, this estimate was at 1.7 percent.

In the IMF's report, it is estimated that in developing economies, the economic growth will increase from 4.3 percent in 2016 to 4.6 percent in 2017 and 4.9 percent in 2018. The overall growth process throughout the world has continued in the third quarter of 2017. During this period, both in developed and developing countries, the growth rate increased compared to the previous quarter. The Euro zone, the United States, Japan and Canada have played a vital role in the growth process. On the other hand, the United Kingdom has experienced a moderate decrease in economic activity. When developing countries are taken into consideration based on the growth rate, a slight improvement has taken place in Brazil while the growth rate in Russia is visibly increased in comparison to the previous quarter.

Concerning the third quarter of 2017, the Purchasing Managers Index of the developing countries demonstrated an increase in industrial production while in service sector it is slightly reduced compared to the previous quarter. Because the Purchasing Managers Index of the Eastern European states is in decline, the growth rate slowed down compared to the previous quarter. In contrary, the industrial production of the Purchasing Managers Index of Latin American states demonstrates that the region is completely out of the recession. As a result, it seems that the global economic activity will be growing while presenting a similar performance as it was in the second quarter.

Table 1.1: GDP Forecasts and Results

Global GDP Growth Forecasts						
	2016 ¹	2016	2017 ¹	2017 ²	2018 ¹	2018 ²
IMF	3.4	3.1	3.5	3.6	3.8	3.7
World Bank	2.9	2.3	2.7	2.7	2.9	2.8
OECD	3	3.0	3.3	3.5	3.1	3.7

Source: OECD, World Bank, IMF

¹ The initial forecasts of the organizations of that year.

² The latest forecasts of the organizations of that year.

1.2 ECONOMIC AND FINANCIAL OUTLOOK IN THE SELECTED COUNTRIES

1.2.1 GROWTH

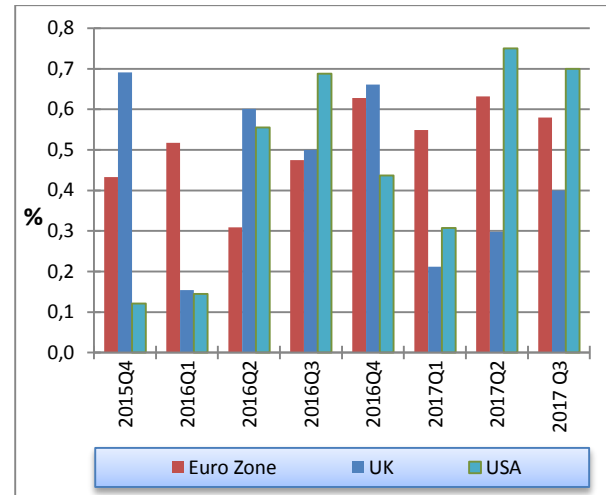
The U.S economy expanded at 3 percent in the third quarter of 2017, only lightly below 3.1 percent, which was the highest rate since the first quarter of 2015. In spite of the disturbance created by hurricanes Harvey and Irma, the emerged numbers surpassed estimations of 2.5 percent. The hurricanes damaged incomes and diminished retail sales in August, folded consumer expenditures in the third quarter. Growth in consumer expenditures, which composes more than two-thirds of the economy of the United States, reduced to a 2.4 percent rate coming after a potent 3.3 percent rate in the second quarter. Moreover, in the third quarter export rates also grew by 2.3 percent, whereas there was a decline in imports around 0.8 percent.

The economy of the United Kingdom surprisingly grew in the third quarter, increasing the tension on the Bank of England to raise interest rates in the following month. According to the Office for National Statistics, GDP increased by 0.4 percent according to its primary estimation for the period between July and September this year. This increase is beyond predictions of 0.3 percent in comparison to the predictions made in the first and second quarters of 2017. The expansion is the result of the growing service and manufacturing industries whereas the construction sector is in decline. Nevertheless, the UK economy has returned to the level seen in the last quarter of 2016, when GDP increased by 0.6 percent. In comparison to the third quarter of 2016, the GDP grew by 1.5 percent in the third quarter of 2017.

As reported by EUROSTAT, during the third quarter of 2017, both in the Euro zone (EA19) and in the EU, seasonally adjusted GDP increased by 0.6 percent in comparison to the previous quarter. Moreover, GDP had increased by 0.7 percent in both areas. In the third quarter of 2017, seasonally adjusted GDP reached 2.5 percent in the EA19 from 2.3 percent compared to the same period of the previous year and reached 2.5 percent from 2.4 percent in the EU. In September 2016, the unemployment rate was 9.9 percent, while it was 8.9 percent in August 2017 and it was around 9.9 percent in September 2017. Given the above data, the economic recovery signals for EA 19 are seem to continue.

Even though the figures for the third quarter of 2017 regarding the economic growth of Turkey are not published yet, the evidences indicate that the acceleration in economic activity based on industrial production is continuing. In July, with the support of the base effect, industrial production has increased 14.5 percent on an annual basis, while in August it was 5.2 percent. In the light of emerging indicators, the growth expectation for the Turkish economy increased in the third quarter of the year. When precursory indicators are taken into consideration in September, along with the strong acceleration in the import industrial Purchasing Managers Index there is a slight decrease, while the seasonally adjusted real sector confidence index is slightly increased. Credit growth rate is being normalised, on the other hand, exports are lightly diminished in September.

Chart 1.1: GDP Growth Rates of Selected Countries



Source: OECD

1.2.2 INFLATION

Although growth rate is limited in comparison to the previous quarter in 2017, it indicates a positive progress due to the economic recovery in the developed countries and the potentiality of an expansion in the global trade volume. Although the prices of commodity and gas slightly increased, global inflation rates seem moderate. In September, the FED's insistent attitude toward normalizing its balance sheet led to increases in market activity and bond returns, albeit limited in developed countries.

In September, the Euro zone annual inflation rate reached 1.5 percent. This rise in inflation has also raised questions about whether the recovery in the economy is sufficient to reduce the bond purchase program. As of September 2017, the biggest increase in inflation figures was seen as 3.9 percent in the energy item, 1.9 percent in the alcohol and cigarette item and 1.5 percent in the services item. In the third quarter of 2017, the US consumer prices were 2.2 percent, below the market expectations of 2.3 percent. The increase in energy prices due to the US hurricane disasters also contributed to the rise in the inflation.

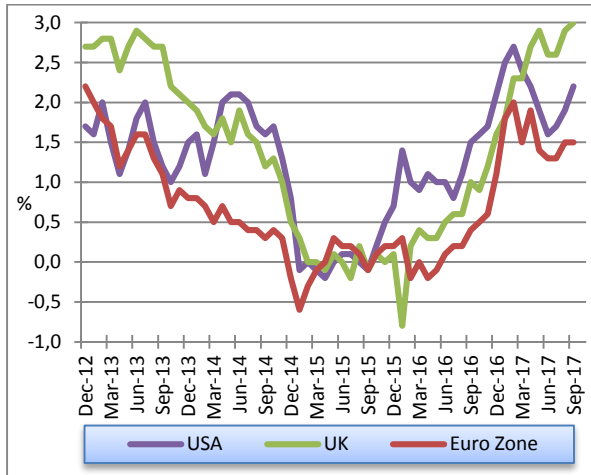
According to TURKSTAT data, in the third quarter of 2017, the annual inflation rate increased by 0.3 points to 11.20 percent compared to the second quarter. Due to the depreciation of the Turkish Lira, the price increase in imported goods played an important role in the inflation increase.

The price of imports based on Turkish Lira demonstrated a limited increase along with the slight pickup in the producer prices. As a result, the level of pressure on consumer prices due to producer prices

remained strong. It is also expected that the inflation rate will remain at a higher level for some time, due to the support of the strong progress in economic activity and the demand conditions.

According to the Office for National Statistics, in the United Kingdom, inflation rate of the consumer prices compared to August 2017 increased by 0.1 point reaching to 3.0 percent level, which is the highest since March 2012.

Chart 1.2: Inflation Rates of Selected Countries



Source: OPEC

1.2.3 POLICY INTERESTS

The tension between the United States and the Democratic People's Republic of Korea has also made an impact on the third quarter of 2017 and has caused pressure on the markets. The FED's decision to reduce the balance sheet, which it noted in its meeting in March, was brought to the agenda at the September meeting and it was emphasized that it would start to shrink in October.

If the FED moves to such a policy change, it is thought that global liquidity conditions will become seriously tight and could create a huge sales wave in the markets, especially in developing markets.

As a result of the meetings of the FED held in September for about two days, no changes were made to the interest rates and it was decided unanimously by the FOMC members to keep the interest rates between 1.00 and 1.25. The USD/TRY has seen the highest level in the last one month with a value of 3.5175, after FED gave the information that balance sheet downsizing would start from October.

Based on the FOMC predictions based on the economy, the interest rate estimate at the end of 2017 is set at 1.4 percent, 2.1 percent for 2018 and 2.9 percent for 2019. However, the expectations regarding the long-term interest rates have fallen from 3.0 percent to 2.8 percent. For 2017, the FOMC estimated the unemployment rate to be 4.3 percent, and 4.1 percent for 2018 and 2019. The meeting of the FED in September emphasized that the level of unemployment was low; the increase in investments continued and a moderate but stable growth performance was observed in the economy.

It was emphasized that while the ECB does not make any changes to its monetary policy, it may increase its purchases of bonds if necessary. While the ECB's 2017 inflation forecast was at 1.5 percent, the forecasts for 2018 and 2019 were reduced by 0.1 point, the growth rate for 2017 is increased to 2.2 percent and the growth expectancies for 2018 and 2019 have been 1.8 percent and 1.7 percent, respectively.

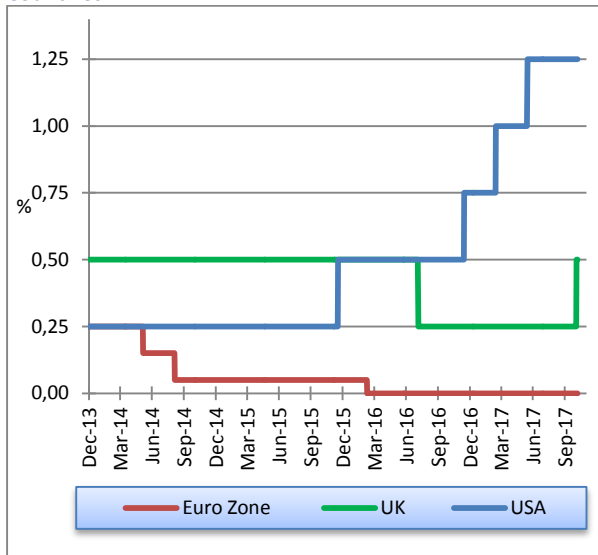
In the third quarter of 2017, the Bank of England raised interest rates for the first time after a long period of 10 years and raised interest rates from 0.25 percent to 0.50 percent. As a result of the meeting, no change in the asset acquisition target was made and it was emphasized that it was left at the level of 435 billion pounds. In anticipation of the announcement made by the Bank of England, the growth expectation dropped from 1.7 percent to 1.6 percent, while in 2019 this level was 1.7 percent.

The Central Bank of the Republic of Turkey (CBRT) Monetary Policy Board (MPC) did not change the interest rates at the meeting held in October 2017, and kept the marginal funding rate at 9.25 percent, the Central Bank borrowing interest rate at 7.25 percent and one-week repo auction interest at 8 percent. Moreover, within the framework of the Late Liquidity Window application, the Central Bank lending interest rate applied in overnight currencies between the hours 16.00-17.00 in the Interbank Money Market was announced as 12.25 percent and no change was made. The Monetary Policy Committee also assessed medium-term forecasts. Accordingly, it is expected that the inflation forecast for the end of the year 2017 will be 9.8 percent, the rate will be reduced to 7 percent for 2018, and the inflation will be stabilized around 5 percent in the medium-term.

The average funding cost of the CBRT was not significantly changed from the first quarter to the third quarter of 2017, and remained at 11.97 as of the end of October.

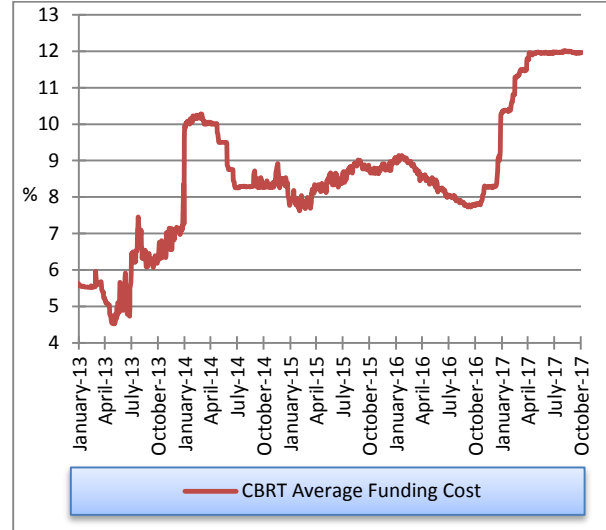
Looking at the data on the Turkish economy published in the third quarter, it is observed that the strong course of economic activity continues. Industrial production in July-August and survey results for September indicate that the activity of the industrial sector is stronger, with a slight slowdown, compared to the second quarter. As a result of the increase in the sectorial spread of the growth in this regard, service and trade sector indicators have also signaled a strong progress, and the recovery in tourism has also supported economic activity.

Chart 1.3: CB Interest Rates of Selected Developed Countries



Source: FED, ECB, BoE

Chart 1.4: Weighted Average Funding Cost of CBRT

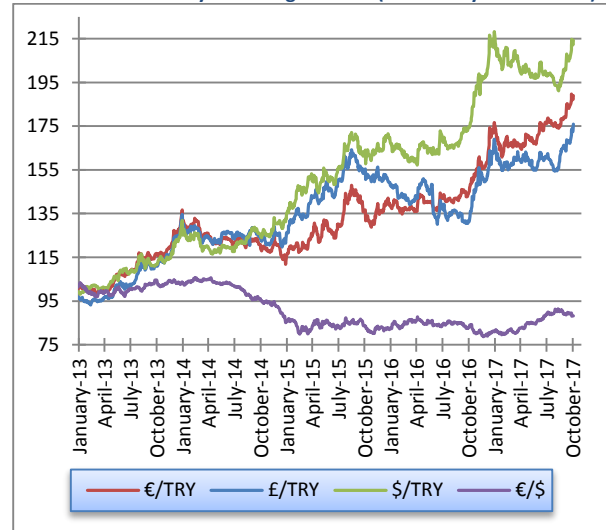


Source: CBRT

1.2.4 EXCHANGE RATES

Compared to the same period of the previous year, it is observed that the Turkish Lira has experienced a significant depreciation against other currencies as of September 2017. While the average rate of Sterling Pound was 3.88 TRY in September 2016, this value increased by 19.3% within one year and reached to 4.63 TRY. During the same period, TRY depreciated by 17% against the US dollar and the average of September of 2017 was at the level of 3.47.

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



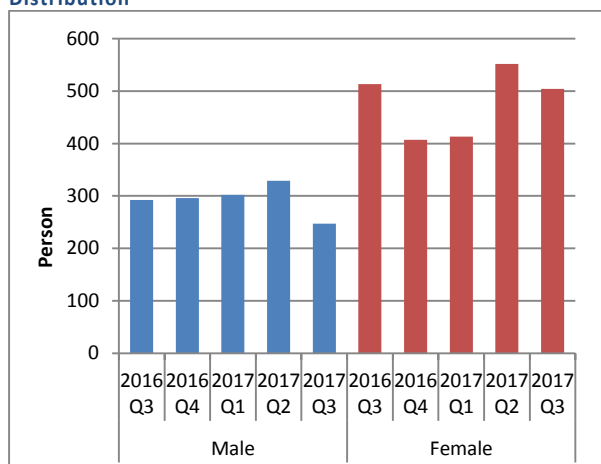
Source: Central Bank of TRNC

2 EMPLOYMENT AND PRICES

2.1 EMPLOYMENT

According to the unemployment data prepared by the TRNC Labor Office, by the end of the third quarter of 2016, the number of registered unemployed people, which was 805, decreased to 751 as of the end of September 2017. When the unemployment rate for September of this year is analysed by gender composition, it is seen that about 33 percent of the active registered unemployed people are composed of men and 67 percent of them are women.

Chart 2.1: Registered Active Unemployment - Periodic Distribution



Source: Labor Office

While the number of jobseekers in the second quarter of 2017 was 878, the number of new job seeking applicants in the second quarter of 2017 was 1,224. In the third quarter of 2017, when 1,354 people who were unregistered and employed were taken into consideration, the number of jobseekers was 748 at the end of this period.

Table 2.1: Registered Active Unemployment - Overview (persons)

	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2017 Q3
Job seekers by the end of the previous period	1.039	802	700	712	878
Applicants applying for employment during the period	1,313	1.218	1.158	1,509	1.224
Persons employed during the period	581	570	474	727	546
Persons unregistered during the period	969	750	672	616	808
Job seekers by the end of the period	802	700	712	878	748

Source: Labor Office

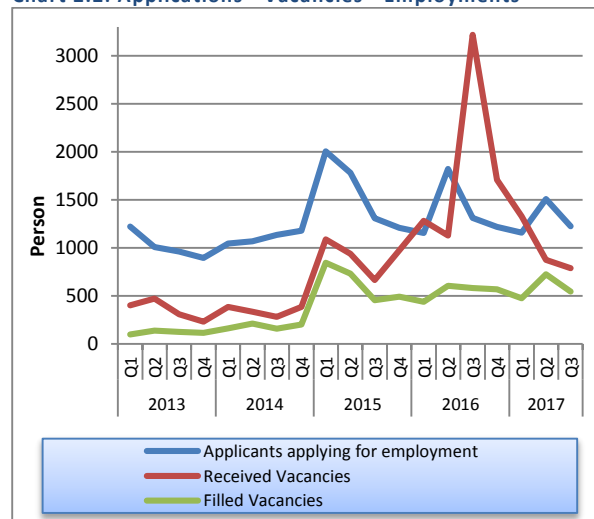
When the active vacancy records are examined, it is seen that 807 vacancies were transferred to the third quarter of 2017 as of the second quarter of 2017 and 790 new vacancies were opened in the third quarter. As of the end of the third quarter of 2017, 1,018 vacancies were transferred to the next period in reaction to 546 filled and 33 canceled vacancies.

Table 2.2: Overview of Active Vacancy Listings (persons)

	2016 Q3	2016 Q4	2017 Q1	2017 Q2	2017 Q3
Vacancies transferred from the last period	258	164	109	693	807
Vacancies received during the period	3,218	1,709	1,329	874	790
Vacancies filled during the period	581	570	474	727	546
Vacancies cancelled during the period	2,731	1,194	271	33	33
Vacancies transferred to the next period	164	109	693	807	1,018

Source: Labor Office

Chart 2.2: Applications - Vacancies - Employments



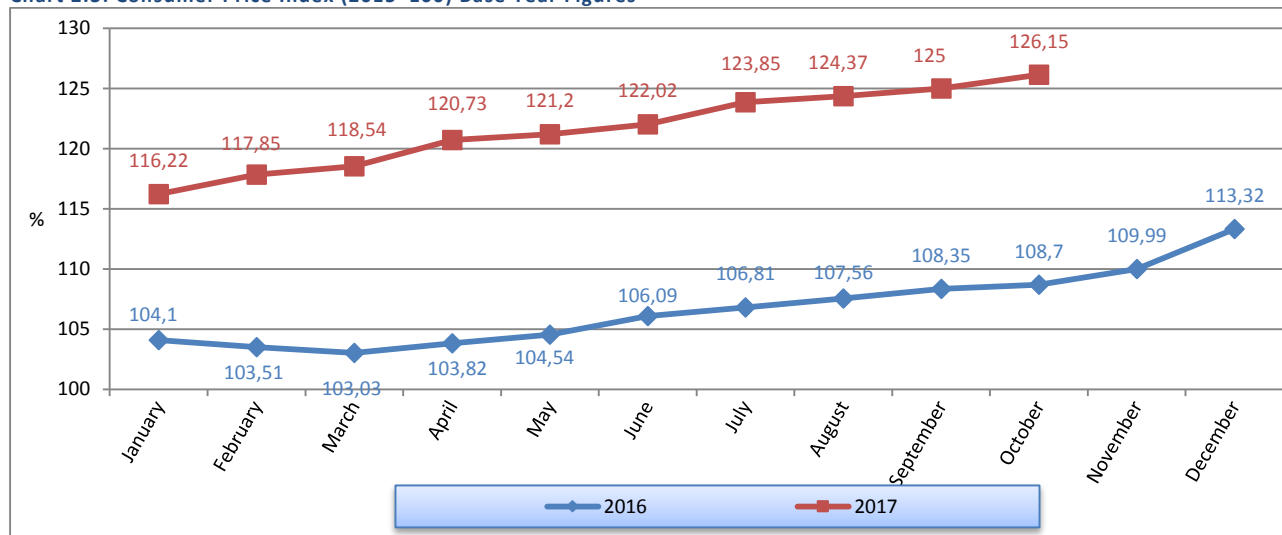
Source: Labor Office

2.2 INFLATION

The figures in Chart 2.3, which include the CPI changes occurred since January 2016, have been prepared based on the 2015 prices (2015=100), and the values

above 100 indicate the price increases compared to 2015.

Chart 2.3: Consumer Price Index (2015=100) Base Year Figures

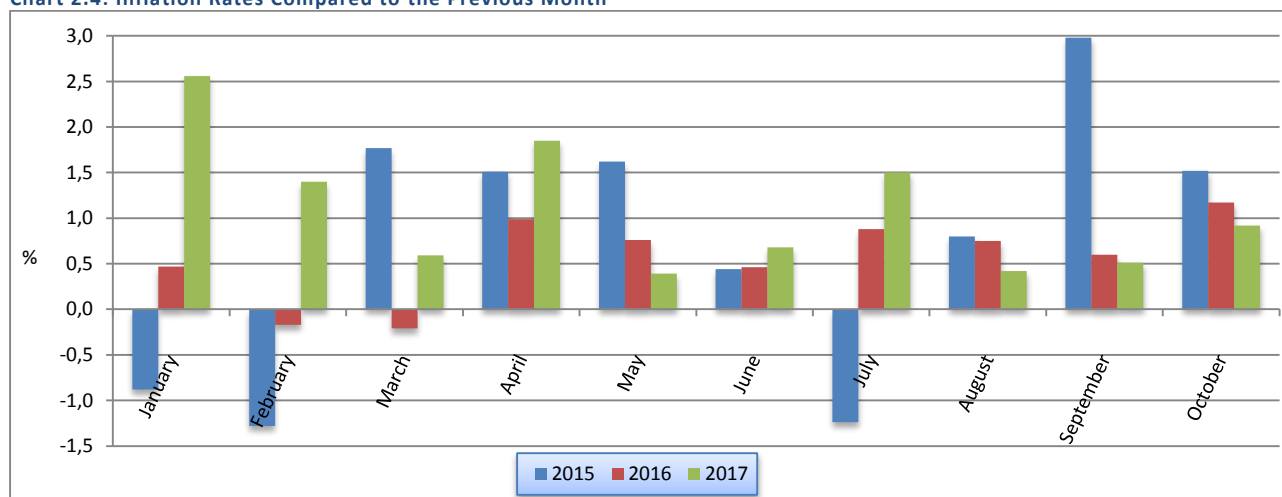


Source: SPO

When the inflation rates in the third quarter of 2017 with respect to the previous month are compared with the same periods of 2016, the rates of 0.88 percent, 0.75 percent and 0.60 percent in July, August and

September of 2016 reached 1.50 percent, 0.42 percent and 0.51 percent in the same months of 2017, respectively.

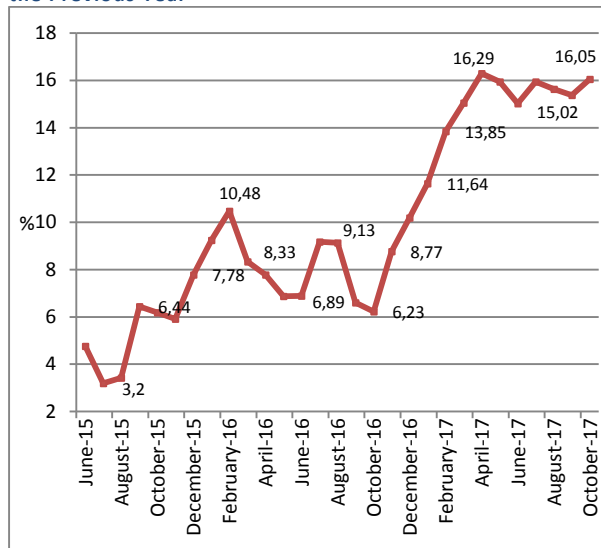
Chart 2.4: Inflation Rates Compared to the Previous Month



Source: SPO

The annual inflation rate, which was 8.33 percent in March, 6.89 percent in June, 6.6 percent in September and 10.19 percent in December 2016, reached 15.05 percent in March, 15.02 percent in June and 15.37 percent in September 2017.

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

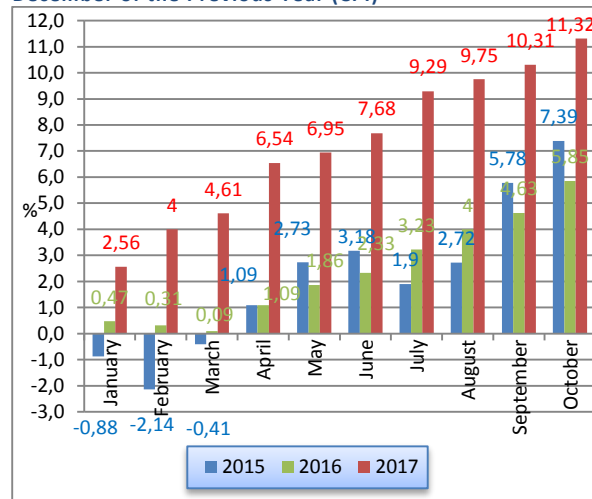


Source: SPO

In the third quarter of 2017, the inflation rates continued to rise rapidly in the last quarter of 2016 compared to December of the previous year. The inflation rate, which was 4.63 percent in the first nine months of 2016, reached 10.19 percent as of 2016 after the rapid increase experienced in the last three months. The increase continued in the first nine months of 2017

and the inflation rate reached 10.31 percent. In the first nine months of 2015 and 2016, inflation rates reached 5.78 percent and 4.63 percent, respectively. By October 2017, the ten-month inflation rate reached 11.32 percent.

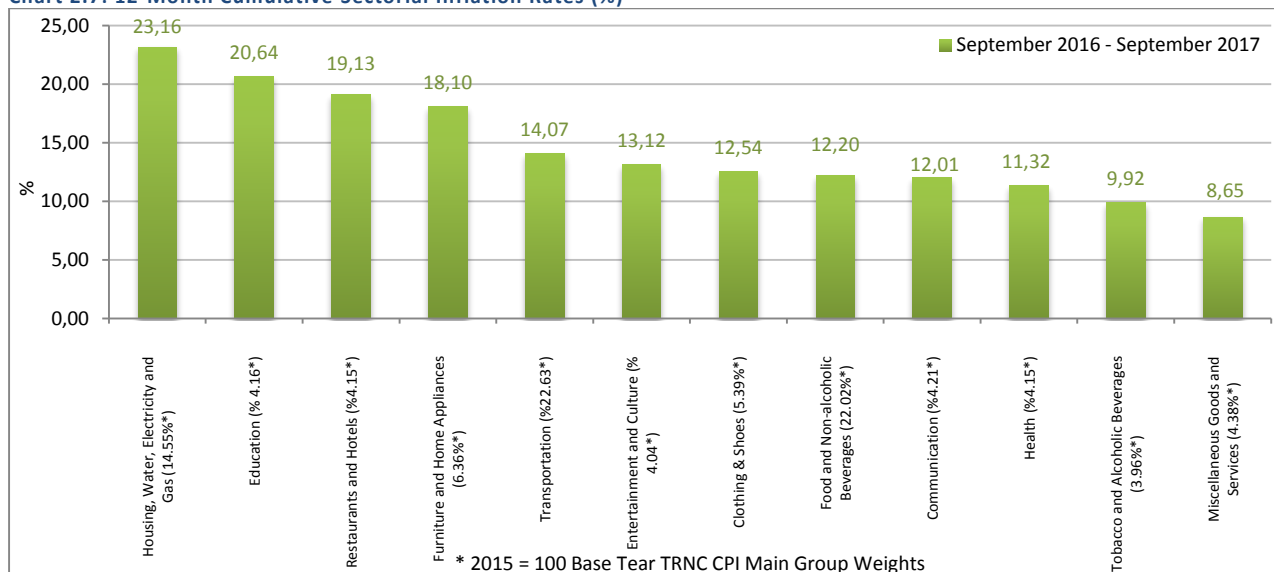
Chart 2.6: Cumulative Inflation Rate Compared to December of the Previous Year (CPI)



Source: SPO

The sectors with the highest price increase at the end of September of 2017 are housing, water, electricity and gas with 23.16 percent, education with 20.64 percent and restaurants and hotels item with 19.13 percent. By the end of September 2017, the lowest price increase in miscellaneous goods and services item was 8.65 percent.

Chart 2.7: 12-Month Cumulative Sectorial Inflation Rates (%)



Source: SPO

The change rates in the Consumer Price Index for the years 2015, 2016 and 2017 are presented in Table 2.3, monthly, annually and in comparison with the end of the previous year.

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

	Months	Monthly	Compared to the End of the Previous Year	Compared to the Same Period of the Previous Year
2015	January	-0.88	-0.88	3.39
	February	-1.28	-2.14	-0.21
	March	1.77	-0.41	0.98
	April	1.51	1.09	2.15
	May	1.62	2.73	4.62
	June	0.44	3.18	4.76
	July	-1.24	1.90	3.20
	August	0.8	2.72	3.42
	September	2.98	5.78	6.44
	October	1.52	7.39	6.19
	November	-0.94	6.38	5.91
	December	1.31	7.78	7.78
2016	January	0.47	0.47	9.25
	February	-0.17	0.31	10.48
	March	-0.21	0.09	8.33
	April	0.99	1.09	7.78
	May	0.76	1.86	6.87
	June	0.46	2.33	6.89
	July	0.88	3.23	9.18
	August	0.75	4.00	9.13
	September	0.60	4.63	6.60
	October	1.17	5.85	6.23
	November	1.43	7.36	8.77
	December	2.64	10.19	10.19
2017	January	2.56	2.56	11.64
	February	1.40	4.00	13.85
	March	0.59	4.61	15.05
	April	1.85	6.54	16.29
	May	0.39	6.95	15.94
	June	0.68	7.68	15.02
	July	1.50	9.29	15.95
	August	0.42	9,75	15.63
	September	0.51	10.31	15.37
	October	0.92	11.32	16.05

Source: SPO

3 FOREIGN TRADE AND TOURISM

(The export-import data prepared by the TRNC Department of Trade could not be obtained therefore, the existing data was not updated.)

3.1 DEVELOPMENTS ON EXPORTS AND IMPORTS

According to the export and import data announced by the Department of Trade, the total exports of the TRNC in July and August 2017 are 15.2 million USD and the

total imports in July 2017 is 127.4 million USD. Compared to the same period of the previous year, exports in July and August of 2017 increased by 19.53 percent and imports in July increased by 1.05 percent.

Table 3.1: Exports and Imports

	Exports (US dollar)			Imports (US dollar)		
	2016	2017	Percentage Change	2016	2017	Percentage Change
January	7,576,892	7,576,748	-0.002	84,312,549	109,947,250	30.40
February	11,374,335	11,353,943	-0.18	103,417,745	125,851,865	21.69
March	11,349,344	13,489,437	18.86	123,345,410	144,367,102	17.04
Quarter I	30,300,571	32,420,128	6.59	311,075,704	380,166,217	22.21
April	13,519,193	10,928,229	-19.17	130,399,249	130,035,344	-0.28
May	11,066,525	9,359,598	-15.42	127,426,906	143,735,359	12.8
June	9,034,438	7,184,406	-20.48	126,392,626	123,819,671	-2.04
Quarter II	33,620,156	27,472,233	-18.29	384,218,781	397,590,374	0.03
July	5,444,101	8,483,461	55.83	126,076,307	127,397,176	1.05
August	7,290,110	6,738,863	-7.56			
Quarter III (July+August) *(July)	12,734,211	15,222,324	19.53	126,076,307*	127,397,176*	1.05*
Year Total (January - August) **(January - July)	76,654,938	75,114,685	-2.00	821,370,792**	905,153,767**	10.20**

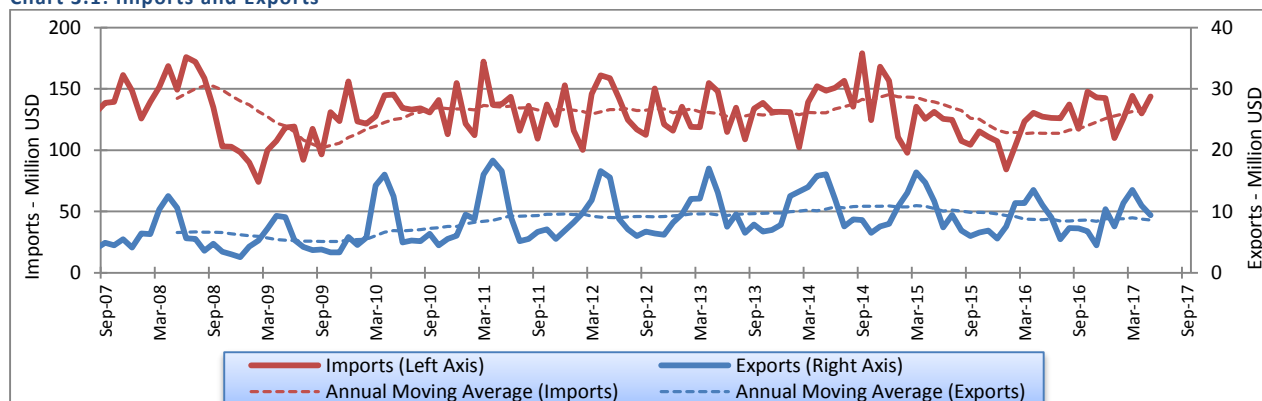
Note: 1) Exports to the Southern Cyprus are not included.
2) Hydrocarbon imports are not included.
3) Import and export figures for 2017 are temporary figures.

Source: Department of Trade

When exports and imports of the TRNC for 10 years between the period September 2007 and September 2017 are analysed, it is observed that the export volume increased in the first half of each year and dropped in the second half of each year. On the other hand, the annual moving average of exports displayed a steady upward trend in the period between 2010 and 2014, and it has decreased in the period after May 2015. Moreover, the difference between the peak and

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

Chart 3.1: Imports and Exports

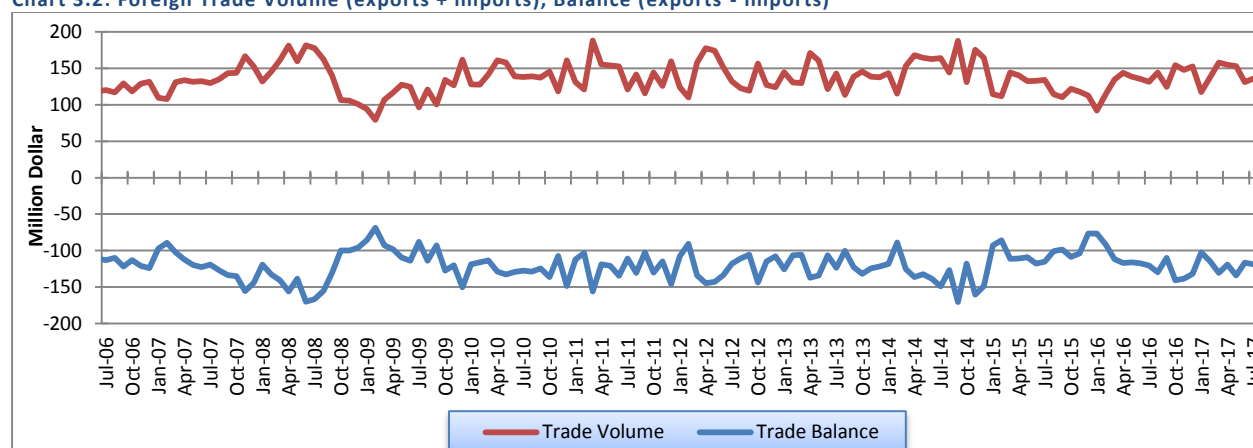


Source: Department of Trade

Due to the low imports to exports ratio, the increase in the foreign trade of the TRNC implies an increase in the foreign trade deficit and indicates the external dependency of the country's economy. Trade volume in the period between July 2016 and July 2017 increased from 131.5 million USD to 135.8 million USD while foreign trade deficit was 120.6 million USD and 118.9 million USD, respectively.

While the exports to imports ratio has been 5 percent on average between 2006 and 2010, it has reached 7.3 percent in 2011-2014 period. In 2015 and 2016, this rate was 8.4 percent and 6.95 percent, respectively. Moreover, between January and July of 2017 it was 7.52.

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



Source: Department of Trade

In the first eight months of 2017, the share of Turkey, other European countries and other countries groups in total exports increased compared to the previous year,

while the share of EU countries and Middle East and Arab countries groups decreased.

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

Years	Turkey	EU	Other EU Countries	Middle East and Arab Countries	Other Countries
2006	47.6	15.0	15.1	17.8	4.5
2007	58.4	15.8	8.8	11.6	5.4
2008	49.9	20.5	5.9	17.0	6.7
2009	54.2	18.5	1.7	19.5	6.1
2010	46.4	12.2	3.6	32.3	5.5
2011	53.3	8.3	1.3	32.0	5.1
2012	51.0	7.7	1.0	35.7	4.6
2013	52.2	7.6	2.3	31.9	6.0
2014	60.1	3.7	0.6	31.1	4.5
2015	56.1	5.2	3.2	30.2	5.3
2016	62.5	10.2	0.9	22.7	3.7
2017 January-August	64.6	3.6	2.1	20.3	9.4

Source: Department of Trade

The share of Turkey, which has the largest share in total imports of TRNC, is 60.3 percent by the end of July 2017. On the other hand, the share of imports from the EU countries, of which share in total imports increased by 2.8 points in 2016, decreased by 0.9 percent to 20 percent in July 2017. There was a decrease in imports

from Turkey, EU and Far East countries in the first seven months of 2017 and in other country groups, there was an increase in the share of imports from the Middle East and Arab countries and other European countries.

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

Years	Turkey	EU	Far Eastern Countries	Other EU Countries	Middle East and Arab Countries	Other Countries
2006	68.8	18.0	6.0	1.2	4.8	1.2
2007	67.9	16.1	7.3	2.6	4.3	1.8
2008	69.8	14.0	6.5	4.7	3.4	1.6
2009	69.6	15.5	6.6	2.3	4.0	2.0
2010	70.9	15.6	5.7	1.9	4.3	1.6
2011	68.6	16.8	4.9	2.5	5.2	2.0
2012	72.4	14.5	4.8	1.7	4.8	1.8
2013	66.7	15.8	6.6	3.8	5.4	1.7
2014	64.7	15.5	8.1	4.6	4.9	2.2
2015	64.5	18.1	7.7	3.0	4.7	2.0
2016	60.4	20.9	8.7	3.3	4.5	2.2
2017 January-July	60.3	20.0	8.5	3.4	4.9	2.9

Source: Department of Trade

3.2 TOURISM

In the third quarter of 2017, the total number of arriving passengers, which was 483,108, increased by 7.5 percent compared to the same period of 2016.

In the third quarter, the number of arriving Turkish Citizen passengers increased by 10.4 percent,

compared to the same period of the previous year and the number of passengers from third countries decreased by 4 per ten thousand. (Table 3.4)

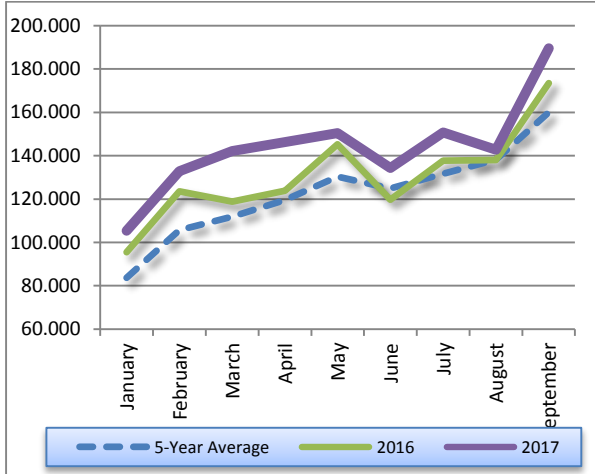
Table 3.4: Number of Arriving Passengers to TRNC

Period	Turkish Citizen			Third Country Citizen			Total		
	2016	2017	Percentage Change	2016	2017	Percentage Change	2016	2017	Percentage Change
January	75,523	85,102	12.7	15,022	20,243	34.8	90,545	105,345	16.3
February	98,719	101,113	2.4	24,845	31,737	27.7	123,564	132,850	7.5
March	88,230	101,949	15.5	30,627	40,253	31.4	118,857	142,202	19.6
Quarter I	262,472	288,164	9.8	70,494	92,233	30.8	332,966	380,397	14.2
April	100,795	111,236	10.4	23,109	35,119	52.0	123,904	146,355	18.1
May	119,054	121,019	1.7	26,146	29,421	12.5	145,200	150,440	3.6
June	91,911	102,804	11.9	27,874	31,575	13.3	119,785	134,379	12.2
Quarter II	311,760	335,059	7.5	77,129	96,115	24.6	388,889	431,174	10.9
July	99,629	113,045	13.5	38,057	37,736	-0.8	137,686	150,781	9.5
August	98,014	105,107	7.2	40,049	37,593	-6.1	138,063	142,700	3.4
September	132,037	145,894	10.5	41,476	43,733	5.4	173,513	189,627	9.3
Quarter III	329,680	364,046	10.4	119,582	119,062	-0.04	449,262	483,108	7.5
January – September Total	903,912	987,269	9.2	267,205	307,410	15.0	1,171,117	1,294,679	10.6

Source: Tourism Planning Department

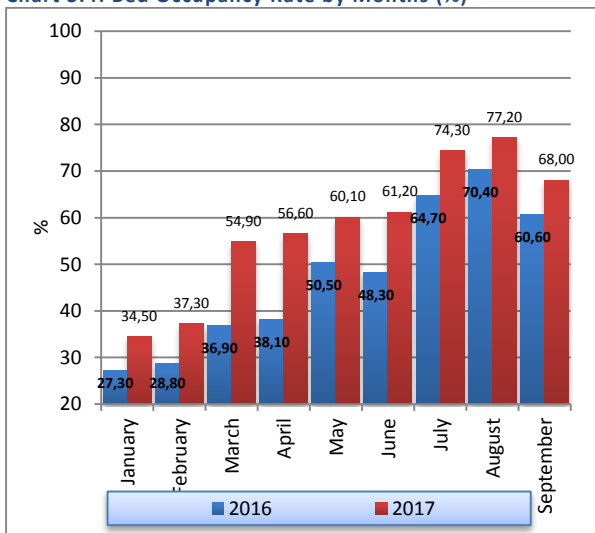
When the number of arriving passengers in 2017 is compared with the previous year and the average of the last five years, it is observed that the total number of arriving passengers in the third quarter of 2017 is above the averages of the year 2016 and the last 5 years.

Chart 3.3: Comparison of the Number of Arriving Passengers in 2017 to 2016 and the Averages of the Last 5 Years



When the occupancy rates of the touristic facilities in our country in the years 2016 and 2017 are examined, it is observed that the occupancy rate of 2017 is higher than the same months of the previous year.

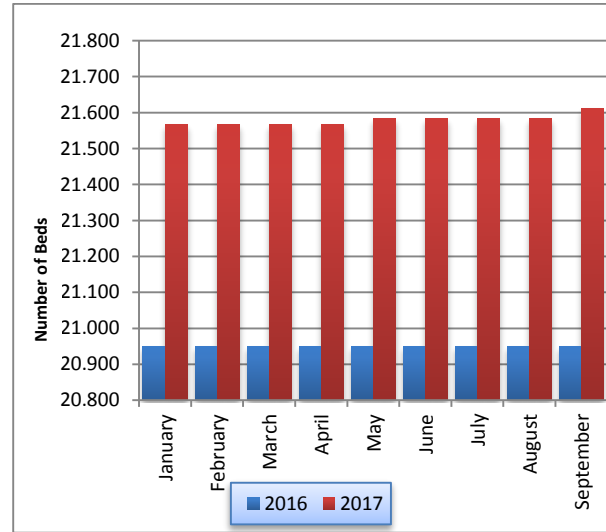
Chart 3.4: Bed Occupancy Rate by Months (%)



Source: Tourism Planning Department

When the development of the total bed capacity of the sector in the years 2016 and 2017 is studied, it is observed that the bed capacity of 20,949 at the end of 2016 reached 21,611 by the third quarter of 2017.

Chart 3.5: Total Number of Beds



Source: Tourism Planning Department

4 BUDGETARY DEVELOPMENTS

4.1 THIRD QUARTER RESULTS FOR 2017

In the third quarter of fiscal year 2017, total budget revenues of TRNC increased by 9.3 percent and the total expenditures increased by 26.7 percent compared to the same period of the previous year. Following these changes, budget revenues and budget expenditures were 1,169 and 1,176.2 million TRY in the third quarter of 2017. In the third quarter of 2016, public finance, which had a surplus of 141 million TRY, had a deficit of 7.2 million TRY in the same period of 2017.

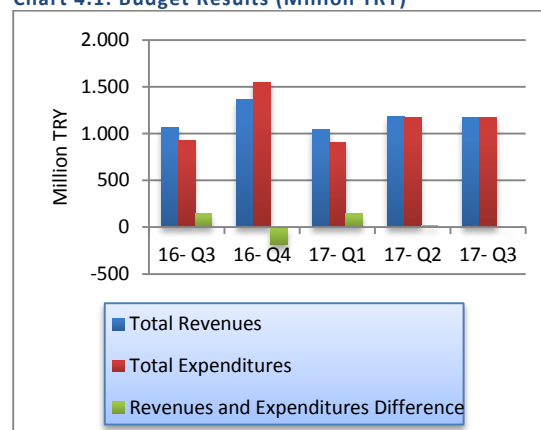
Table 4.1: Budget Balance (Million TRY)

	2016		2017		% Change
	Annual Results	July-September Results	Annual Forecast	July-September Results	
Budget Revenues	4,181.1	1,069.5	4,794.0	1,169.0	9.3
Budget Expenditures	4,160.2	928,5	5,000.7	1,176.2	26.7
Budget Balance	20.9	141,0	-206,7	-7,2	-105,1

Source: Ministry of Finance

25.6 percent of the total budget revenues of 4,181.1 million TRY obtained in 2016 were collected in the third quarter. In the same period of 2017, 24.5 percent of the foreseen total budget revenues were collected. In 2017, 23.5 percent of the estimated 5,000.7 million TRY to be used in the execution of services and activities was used within the third quarter. This rate was 22.3 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 2017, budget revenues increased by 99.5 million TRY compared to the same period of the previous year and became 1,169 million TRY. Tax revenues item with the largest share in budget revenues totaled 768.6 million TRY in the third quarter of 2017. Total tax revenues were 620 million TRY in the same period of 2016. Donations, grants and loans item, which had the second highest share in budget revenues in the third quarter of 2016, decreased by 39.5 percent compared to the same period of the previous year and reached 140.7 million TRY in the third quarter of 2017. Due to this decline, the share of donations, grants, loans item fell below the level of non-tax revenues. In the third quarter of 2017, non-tax revenues item amounted to 226.7 million TRY.

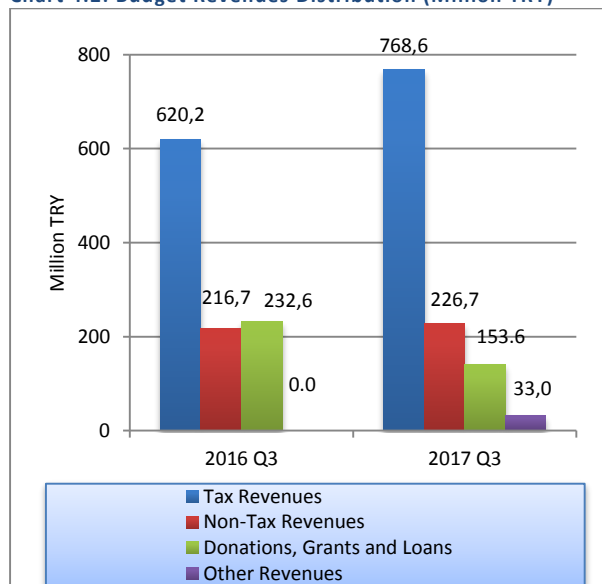
Table 4.2: Budget Revenues (Million TRY)

	2016 July-Sept.	2017 July-Sept.	% Change
Tax Revenues	620,2	768,6	23.9
Non-Tax Revenues	216,7	226,7	4.6
Donations, Grants and Loans	232,6	140,7	-39.5
Other Revenues	0,0	33,0	0.0
Total	1,069.5	1,169.0	9.3

Source: Ministry of Finance

While the share of donations, grants and loans item in total budget revenues in the third quarter of 2016 was 21.7 percent, it declined to 12 percent in the same period of 2017. In the same period, while the share of tax revenues item was 58 percent, it reached 65.7 percent, and while the share of non-tax revenues was 20.3 percent and it declined to 19.4 percent. The share of other revenues item reached 2.8 percent.

Chart 4.2: Budget Revenues Distribution (Million TRY)



Source: Ministry of Finance

4.3 EXPENDITURES

As of the third quarter of 2017, total budget expenditures increased by 26.7 percent compared to the same period of the previous year and increased to 1,176.2 million TRY from 928,5 million TRY. In the mentioned periods, current transfers, goods and services purchase expenditures and personnel expenditures increased by 32.1, 62.5 and 20.1 percent, respectively.

In the third quarter of 2017, current transfers expenditure item of the TRNC budget increased by 32.1 percent compared to the same period of the previous year and reached to 542.5 million TRY. In this period, personnel expenditures item which increased by 20.1 percent compared to the same period of previous year, reached to 441.5 million TRY. Capital expenditures and transfers item also decreased by 3.7 percent during the same period and amounted to 65.9 million TRY in the third quarter of 2017.

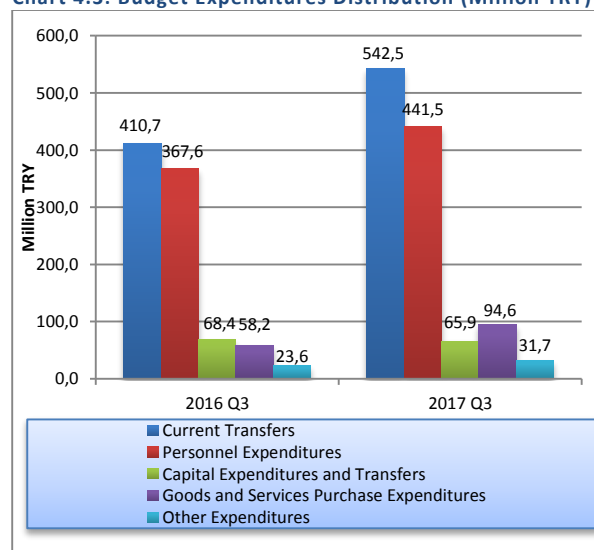
Table 4.3: Budget Expenditures (Million TRY)

	2016 July- Sept.	2017 July- Sept.	% Change
Current Transfers	410,7	542,5	32.1
Personnel Expenditures	367,6	441,5	20.1
Capital Expenditures and Transfers	68,4	65,9	-3.7
Goods and Service Purchase Expenditures	58,2	94,6	62.5
Other Expenditures	23,6	31,7	34.3
Total	928,5	1,176.2	26.7

Source: Ministry of Finance

The share of personnel expenditure item in total expenditures is 37.5 percent in the third quarter of 2017, while it was 39.6 percent in the third quarter of 2016. In the third quarter of 2016, the share of the current transfers constituting 44.2 percent of the total budget expenditures increased in the third quarter of 2017 and became 46.1 percent. The share of personnel expenditures and current transfers in budget expenditures was 83.8 percent in the third quarter of 2016 and it became 83.7 percent in the third quarter of 2017.

Chart 4.3: Budget Expenditures Distribution (Million TRY)



Source: Ministry of Finance

4.4 BUDGET IMPLEMENTATION RESULTS

In the first nine months of 2017, 70.9 percent of the budget revenues foreseen for 2017 were collected and 64.9 percent of the foreseen total budget expenditures were spent. For the same period of 2016, these rates were 67.4 percent and 62.7 percent, respectively. In the first nine months of 2016 and 2017, revenues increased from 1,753.3 million TRY to 2,140.9 million TRY. While non-tax revenues totaled 714.7 million TRY for the first nine months of 2016, it reached to 782.2 million TRY in the first nine months of 2017. Donations, grants and loans item for the first nine months of 2016 and 2017

were 349.2 million TRY and 431.5 million TRY, respectively. Considering the budget expenditures in the first nine months of 2016 and 2017, the current transfer expenditures increased from 1,231.1 million TRY to 1,564.4 million TRY, personnel expenditures item from 1,033.3 million TRY to 1,191.3 million TRY, capital expenditures and transfers item increased from 94.3 million TRY to 169.2 million TRY. The budget surplus for the first nine months of 2016 was 209.5 million TRY and 150 million TRY for the first nine months of 2017.

Table 4.4: Budget Implementation Results (Million TRY)

	2016 Results	2017 Budget Forecast	2016 – 2017 Change (%)	First Nine-Month Results of 2016	First Nine-Month Results of 2017	First Nine-Month Results Rate of 2016 (%)	First Nine-Month Results Rate of 2017 (%)	
Revenues	Tax Revenues	2,495.8	2,628.0	5.3	1,753,3	2,140,9	70,3	81,5
	Non-Tax Revenues	957,4	948,0	-0.9	714.7	782,2	74,67	82,5
	Donations, Grants and Loans	726,4	1.162,0	59,9	349,2	431,5	48,1	37,1
	Other Revenues	1.5	56,0	3.633,3	0.7	45,2	46,7	80,7
	Grand Total	4.181,1	4.794,0	14,7	2.817,9	3.399,8	67,4	70,9
Expenditures	Current Transfers	1.995,6	2.133,9	6.9	1.231,1	1.564,4	61,7	73,3
	Personnel Expenditures	1.537,6	1.566,3	1.9	1.033,3	1.191,3	67,2	76,1
	Capital Expenditures and Transfers	233,1	348,6	49,6	94,3	169,2	40,5	48,5
	Goods and Service Purchase Expenditures	298,9	354,5	18.6	185,9	244,1	62,2	68,9
	Other Expenditures	95,0	597,4	528,8	63,8	80,4	67,2	13.5
Grand Total	4.160,2	5.000,7	20.2	2.608,4	3.249,4	62,7	64,9	

Source: Ministry of Finance

4.5 FINANCING BALANCE

The financing balance, which is equal to the difference between the total revenues figure (obtained by subtracting the loans extended by Turkey and domestic borrowing items from the budget revenues) and budget expenditures has been 26.2 million TRY in the third quarter of 2017. In the third quarter of 2017, due to the increases of 148.4 and 10 million TRY observed in the same period of the previous year in the tax revenues and non-tax revenues items, domestic income item increased by 22.9 percent and amounted to 1,028.3 million TRY.

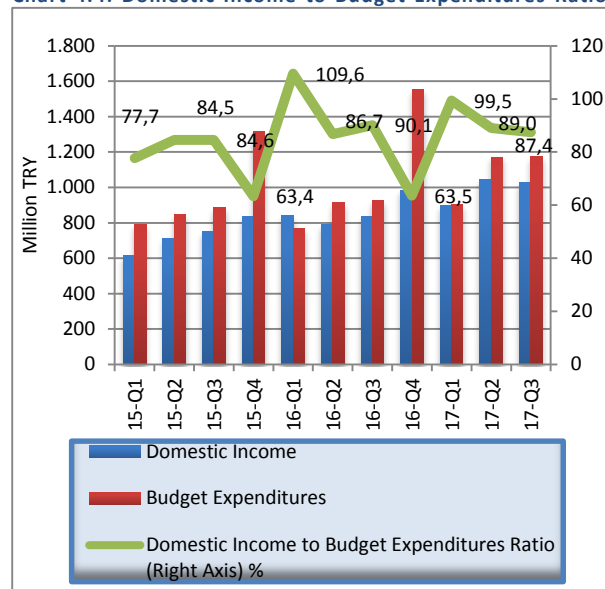
Table 4.5: Financing Balance (Million TRY)

	2016 July - Sept.	2017 July - Sept.
Budget Revenues	979,8	1.150,0
1. Domestic Income	836,9	1.028,3
Tax Revenues	620,2	768,6
Non-Tax Revenues	216,7	226,7
Other Revenues	0.0	33,0
2. Foreign Aids	142,9	121,7
Aids from Turkey	142,9	121,7
Budget Expenditures	928.5	1,176.2
Personnel Expenditures	367,6	441,5
Current Transfers	410,7	542,5
Capital Expenditures	68,4	65,9
Other Expenditures	81,8	126,3
Financing Balance	51,3	26.2
Financing	89,7	19.0
Loans Granted by Turkey	89,7	19.0
Domestic Borrowing	0.0	0.0

Source: Ministry of Finance

According to the budget figures of the third quarter of 2017, the domestic income to budget expenditures ratio has been 87.4 percent. The same rate was 90.1 percent in the third quarter of 2016.

Chart 4.4: Domestic Income to Budget Expenditures Ratio



Source: Ministry of Finance

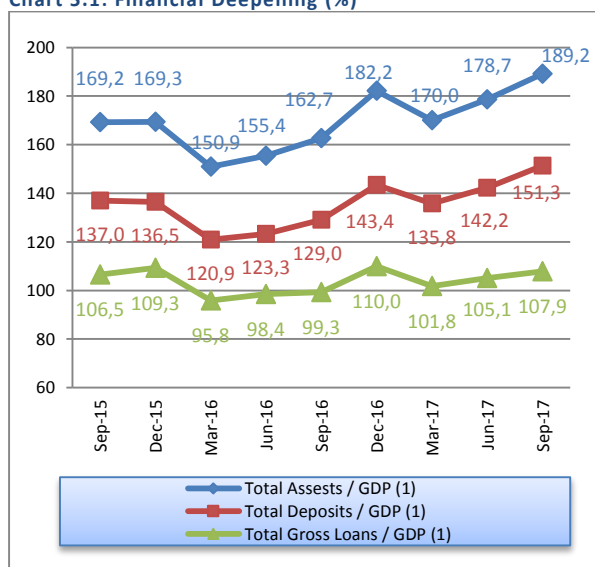
5 MONETARY AND FINANCIAL DEVELOPMENTS

5.1 OVERVIEW OF THE BANKING SECTOR

5.1.1 FINANCIAL DEEPENING

When the financial deepening figures of the third quarter of 2017 are analysed, the total gross loans to GDP ratio increased to 107.9 percent from 105.1 percent, the total assets to GDP ratio increased to 189.2 percent from 178.7 percent and the ratio of total deposits to GDP increased from 142.2 percent to 151.3 percent.

Chart 5.1: Financial Deepening (%)



Note: (1) GDP results for the years 2015-2016 and the SPO's GDP forecast figures for the year 2017 are used.

Source: Central Bank of TRNC, SPO

5.1.2 PERFORMANCE RATIOS OF THE BANKING SECTOR

In the sector, the share of liquid assets in total assets rose to 27.8 percent in the third quarter of 2017. This rate was 23.11 percent in the same period of the previous year.

The CASR, which was 18.59 percent at the end of the third quarter of 2016, decreased by 0.32 points to 18.27 percent in the third quarter of 2017.

The share of NPL in gross loans decreased by 0.08 percentage points to 6 percent at the end of September 2017, compared to the previous quarter.

The gross loans to deposits ratio decreased by 2.59 percentage points to 71.3 percent in the third quarter of 2017, compared to the previous period.

The share of gross loans in total assets, which was 61.05 percent in September 2016, declined to 57 percent in the third quarter of 2017. It decreased by 1.81 points, compared to the previous quarter.

In the third quarter of 2017, growth rate of gross loans increased by 2.65 percent compared to the previous quarter. Gross loans increased by 8.8 per mille in the same period of the previous year.

Compared to the previous quarter, deposits increased by 4.55 percent at the end of June 2017, showing an increase of 6.37 percent in the third quarter of 2017.

The financial leverage ratio, which was 9.44 at the end of June 2017, reached 9.54 in the third quarter of 2017.

Table 5.1: Performance Ratios

	2016		2017		
	Sept.	Dec.	Mar.	Jun.	Sept.
Liquid Assets / Total Assets (%)	23,11	24,96	25,28	26,27	27,80
CASR (%)	18,59	18,03	18,26	18,04	18,27
NPL / Gross Loans (%)	6,82	6,60	6,20	6,08	6,06
Gross Loans / Total Deposits (%)	76,96	76,72	74,96	73,90	71,31
Gross Loans / Total Assets (%)	61,05	60,39	59,86	58,83	57,02
Quarterly Growth Rate on Gross Loans (%)	0,88	10,78	3,67	3,18	2,65
Quarterly Growth Rate on Deposits (%)	4,68	11,12	6,11	4,55	6,37
Financial Leverage¹	8,91	9,23	9,24	9,44	9,54

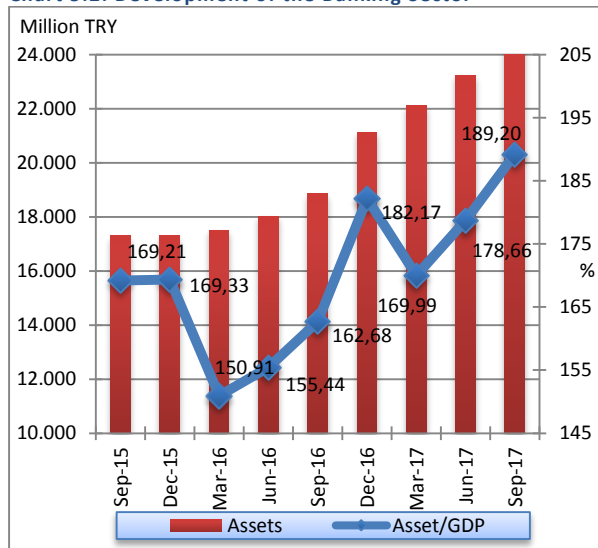
Note: (1) Foreign Sources / Total Shareholders' Equity

Source: Central Bank of TRNC

5.1.3 DEVELOPMENT OF THE BANKING SECTOR

By the end of September 2017, the ratio of the banking sector balance sheet size to GDP rose to 189.20 percent.

Chart 5.2: Development of the Banking Sector



Note: (1) GDP results for the years 2015-2016 and the SPO's GDP forecast figures for the year 2017 are used.

5.1.4 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 2017 is 54.72 percent, and the share of the top ten banks in total assets is 77.78 percent.

In terms of the size of gross loans in the same period, the share of the first five banks in the sector is 56.34 percent and the share of the top ten banks is 80.83 percent.

In terms of deposit size, the share of the five largest banks in total deposits is 56.94 percent and the share of the top ten banks is 79.91 percent.

In terms of shareholders' equity in the period, the share of the first five banks in total equity is 50.37 percent, while the share of the top ten banks is 77.22 percent.

The share of the first five banks in the sector is 55.47 percent and the share of the top ten banks is 87.22 percent in terms of the size of the debts to banks item.

Table 5.2: Concentration in the Banking Sector (%)

Shares of the First Five Banks in the Sector	2016			2017	
	September	December	March	June	September
Assets	56,37	55,58	55,23	54,64	54,72
Gross Loans	57,45	57,83	58,34	56,73	56,34
Deposits	58,27	57,46	57,51	56,81	56,94
Debts to Banks	60,75	62,83	62,90	58,03	55,47
Shareholders' Equity	50,91	50,86	51,01	50,66	50,37
Shares of the First Ten Banks in the Sector					
Assets	78,67	78,00	77,64	77,47	77,78
Gross Loans	80,16	80,56	81,80	81,09	80,83
Deposits	80,58	80,08	80,09	79,92	79,91
Debts to Banks	92,76	90,83	89,08	88,45	87,22
Shareholders' Equity	75,83	76,84	76,70	76,80	77,22

Source: Central Bank of TRNC

5.1.5 NUMBER OF BANK, BRANCH AND PERSONNEL

The number of banks operating in the banking sector is 22 at the end of September 2017. Of the 22 banks in the

sector, 2 are public banks, 14 are private banks and 6 are branch banks.

Table 5.3: Development of the Number of Banks

	Sept.15	Dec.15	Mar.16	Jun.16	Sept.16	Dec.16	Mar.17	Jun.17	Sept.17
Public Banks	2	2	2	2	2	2	2	2	2
Private Banks	13	13	13	13	14	14	14	14	14
Branch Banks	7	7	7	7	6	6	6	6	6
Total	22	22	22	22	22	22	22	22	22

Source: Central Bank of TRNC

The number of bank branches in the sector is 233 in the third quarter of 2017. When the distribution of branch numbers according to bank groups is examined, it is

seen that 66.95% of the total number of branches belongs to private banks, 18.46% to branch banks and 14.59% to public banks.

Table 5.4: Development of the Number of Branch and Personnel

Development of the Number of Branches										
	Sept.15	Dec.15	Mar.16	Jun.16	Sept.16	Dec.16	Mar.17	Jun.17	Sept.17	
Public Banks	36	36	36	36	36	36	36	36	34	
Private Banks	139	145	145	145	152	151	152	153	156	
Branch Banks	46	46	46	46	45	45	44	45	43	
Total	221	227	227	227	233	232	232	234	233	

Development of the Number of Personnel										
	Sept.15	Dec.15	Mar.16	Jun.16	Sept.16	Dec.16	Mar.17	Jun.17	Sept.17	
Public Banks	516	518	516	504	554	548	564	559	565	
Private Banks	1.788	1.827	1.814	1.807	1.875	1.934	1.924	1.927	1.965	
Branch Banks	550	555	551	567	560	562	564	564	570	
Total	2.854	2.900	2.881	2.878	2.989	3.044	3.052	3.050	3.100	

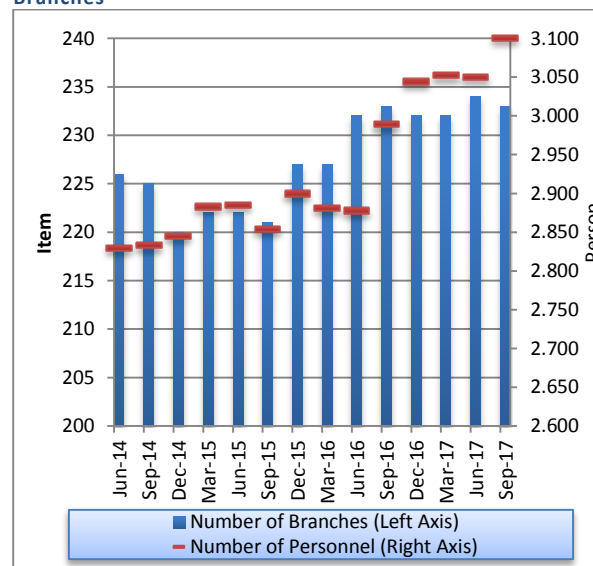
Source: Central Bank of TRNC

The number of personnel employed in the sector increased by 50 persons and reached 3,100 from 3,050 during June 2017 - September 2017 period. 565 of these personnel are working in public banks, 1,965 in private banks and 570 in branch banks. In this period, the number of personnel in private banks increased from 1,927 to 1,965, the number of personnel in public banks rose from 559 to 565, and the number of personnel in branch banks rose from 564 to 570.

During September 2016 - September 2017 period, the number of personnel working in the banking sector increased by 246 persons to reach 3,100 from 2,989. In the mentioned period, the increase in the number of personnel has been 90 in private banks, 11 in public banks and 10 in branch banks.

In the third quarter of 2017, it is observed that 18.23 percent of the personnel working in the sector belongs to the public banks, 63.39 percent belongs to the private banks and 18.39 percent belongs to the branch banks.

Chart 5.3: Development of Number of Personnel and Branches



Source: Central Bank of TRNC

5.2 BANKING SECTOR CONSOLIDATED BALANCE SHEET

The total assets of the banking sector, which was 23,232.1 million TRY at the end of June 2017, increased by 5.9 percent in the third quarter of 2017 and reached 24,206.7 million TRY. In the aforementioned period, liquid assets increased by 12.07 percent, gross loans by 2.65 percent, securities portfolio by 1.95 percent and other assets by 12.94 percent. In September 2016 - September 2017 period, total assets of the sector increased by 30.36 percent, liquid assets by 56.88 percent, gross loans by 21.76 percent, and securities

portfolio by 15.89 percent. In the same period, deposits increased by 31.42 percent and shareholders' equity increased by 22.63 percent.

The deposits, which is the most important fund source of the sector increased by 6.37 percent and the shareholders' equity increased by 4.87 percent in June 2017 - September 2017 period.

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

	2016			2017		Percentage Change	
	September	December	March	June	September	06/2017 - 09/2017	09/2016 - 09/2017
Liquid Assets	4.360,1	5.275,8	5.589,2	6.103,5	6.840,0	12,07	56,88
Securities Portfolio	1.408,8	1.587,8	1.596,6	1.601,3	1.632,6	1,95	15,89
Total Gross Loans	11.521,2	12.763,1	13.231,5	13.666,3	14.028,2	2,65	21,76
Other Assets	1.582,9	1.507,5	1.687,7	1.861,0	2.101,9	12,94	32,79
Total Assets-Liabilities	18.873,0	21.134,2	22.105,0	23.232,1	24.602,7	5,90	30,36
Deposits	14.969,8	16.635,2	17.652,4	18.494,1	19.672,9	6,37	31,42
Debts to Banks	1.148,4	1.597,9	1.460,1	1.551,4	1.600,6	3,17	39,38
Other Liabilities	851,2	834,9	833,3	960,8	994,9	3,55	16,88
Shareholders' Equity	1.903,6	2.066,2	2.159,2	2.225,8	2.334,3	4,87	22,63

Source: Central Bank of TRNC

5.2.1 DEVELOPMENTS IN THE STRUCTURE OF ASSETS AND LIABILITIES

In the third quarter of 2017, the largest share in the sector's total assets is gross loans with 57.02 percent. Gross loans are followed by liquid assets with a share of 27.80 percent, securities portfolio with 6.64 percent and other assets with a share of 8.54 percent.

When the banking sector is evaluated in terms of the share of the items constituting the asset structure of September 2016 - September 2017 period, an increase in liquid assets and other assets and a decrease in securities portfolio and gross loans are observed.

As of September 2017, 79.96 percent of the total liabilities is deposits, 9.49 percent is shareholders' equity, 6.51 percent is debts to banks and 4.04 percent is other liabilities.

When the items constituting the liability structure of the banking sector are evaluated in terms of their shares in September 2016 - September 2017 period, it is seen that there is an increase in the debts to banks item and a decrease in the deposit, shareholders' equity and other liabilities items.

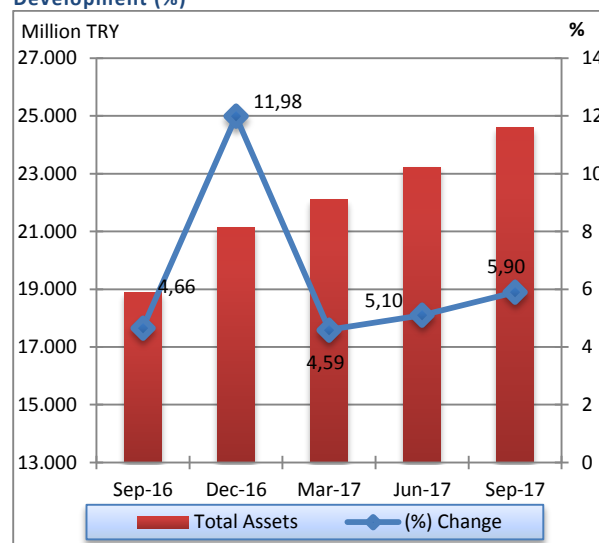
Table 5.6: Structural Percentage Distribution of Banking Sector Assets / Liabilities (%)

Assets	2016			2017	
	September	December	March	June	September
Liquid Assets	23,11	24,96	25,28	26,27	27,80
Securities Portfolio	7,46	7,51	7,22	6,89	6,64
Total Gross Loans	61,05	60,39	59,86	58,83	57,02
Other Assets	8,38	7,14	7,64	8,01	8,54
Total	100,00	100,00	100,00	100,00	100,00
Liabilities					
Total Deposits	79,32	78,71	79,86	79,61	79,96
Debts to Banks	6,08	7,56	6,61	6,68	6,51
Other Liabilities	4,51	3,95	3,76	4,13	4,04
Shareholders' Equity	10,09	9,78	9,77	9,58	9,49
Total	100,00	100,00	100,00	100,00	100,00

Source: Central Bank of TRNC

The banking sector's total assets, which grew during all periods from September 2016 to September 2017, increased by 4.66 percent and 11.98 percent in the third and fourth quarters respectively. In the first and second quarters of 2017, an increase of 4.59 percent and an increase of 5.1 percent is observed and there was an increase of 5.9 percent in the third quarter.

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

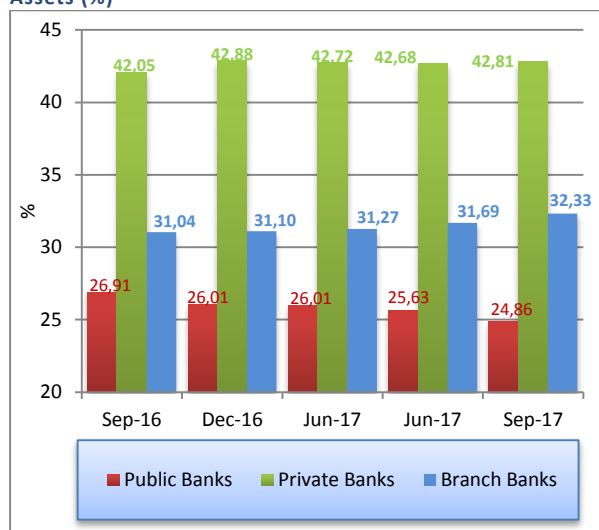


Source: Central Bank of TRNC

In the third quarter of 2017, the sector's total assets decreased to 24.86 percent from 25.63 percent in the public banks group and increased from 42.68 percent to 42.81 percent in the private banks group, and in the branch banks group it increased to 32.33 percent from 31.69 percent. In September 2016 - September 2017 period, there was a downsizing in the group of public banks and growth in private banks and branch banks.

In the third quarter of 2017, compared to the previous quarter, public banks' total assets increased by 2.7 percent, private banks' total assets increased by 6.23 percent and branch banks' total assets increased by 8.03 percent. Compared to the same period of the previous year, total assets increased by 20.41 percent in public banks, 32.73 percent in private banks and 35.78 percent in branch banks.

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



Source: Central Bank of TRNC

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

	2016		2017		Percentage Change		
	September	December	March	June	September	06/2017-09/2017	09/2016-09/2017
Public Banks	5.079,5	5.498,0	5.749,3	5.955,1	6.116,1	2,70	20,41
Private Banks	7.935,4	9.062,8	9.444,1	9.914,3	10.532,4	6,23	32,73
Branch Banks	5.858,1	6.573,4	6.911,6	7.362,7	7.954,2	8,03	35,78
Total	18.873,0	21.134,2	22.105	23.232,1	24.602,7	5,90	30,36

Source: Central Bank of TRNC

5.2.2 LIQUID ASSETS

The sum of the cash assets, which constitute the liquid assets of the banking sector, the receivables from the banks, the receivables from the Central Bank and the receivables from the interbank money market transactions, increased by 12.07 percent in the third quarter of 2017 and reached 6,840 million TRY from 6,103.5 million TRY.

In this period, an increase of 19.2 million TRY in the cash value item, an increase of 223.9 million TRY in the receivables from the Central Bank item, an increase of 239.4 million TRY in the IMM transactions item and an

increase of 254 million TRY in the receivables item was recorded.

Liquid assets amounting to 4,360.1 million TRY at the end of September 2016 increased to 6,840 million TRY at the end of September 2017. In the period, cash assets increased by 55.3 million TRY, receivables from central bank increased by 858,1 million TRY, receivables from IMM transactions increased by 600.5 million TRY and receivables from banks increased by 966 million TRY.

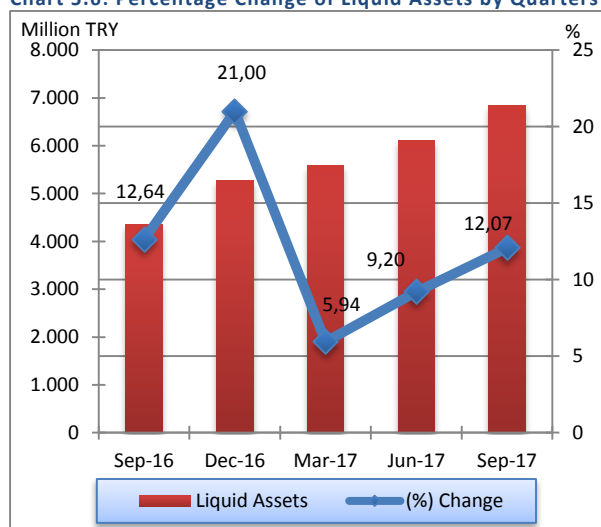
Table 5.8: Development of Liquid Assets (Million TRY)

	2016		2017		Percentage Change	
	September	December	March	June	September	06/2017 - 09/2017
Cash Assets	172,6	173,7	189,8	208,7	227,9	9,20
Receivables from the Central Bank	1.575,7	2.012,4	2.028,9	2.209,9	2.433,8	10,13
Receivables From The Interbank Money Market Transactions	651,0	817,1	1.020,8	1.012,1	1.251,5	23,65
Receivables From Banks	1.960,8	2.272,6	2.349,7	2.672,8	2.926,8	9,50
Total	4.360,1	5.275,8	5.589,2	6.103,5	6.840,0	12,07

Source: Central Bank of TRNC

Liquid assets increased by 12.64 percent and 21 percent in the third and fourth quarters of 2016, respectively. It increased by 5.94 percent in the first quarter of 2017, 9.2 percent in the second quarter, and 12.07 percent in the third quarter.

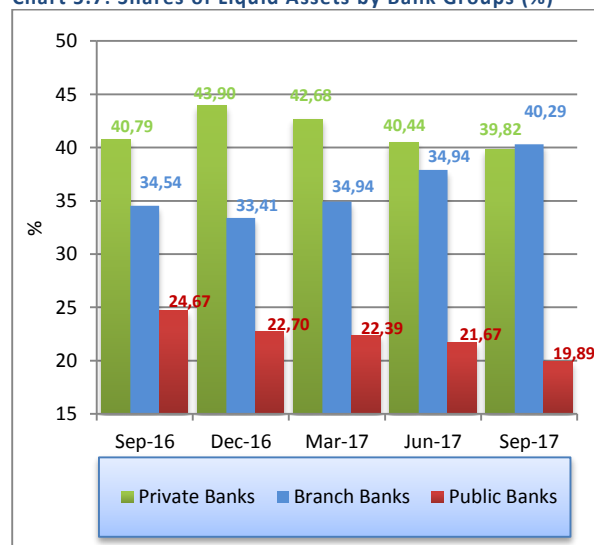
Chart 5.6: Percentage Change of Liquid Assets by Quarters



Source: Central Bank of TRNC

In the third quarter of 2017, the liquid assets of private banks and public banks decreased while the liquid assets of branch banks increased compared to the previous quarter. In September 2016 - September 2017 period, there is a decrease in public and private banks, while there is an increase in the number of branch banks.

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



Source: Central Bank of TRNC

5.2.3 LOANS

Business loans, which amounted to 7,598.6 million TRY in September 2017, are in the first place as it was in the previous periods. They are followed by consumer loans with amount of 3,815.2 million TRY.

From September 2016 to September 2017, business loans increased from 6,022 million TRY to 7,598.6 million TRY while consumer loans increased to 3,815.2 million TRY from 3,222.1 million TRY.

Table 5.9: Distribution of Loans by Type (Million TRY)

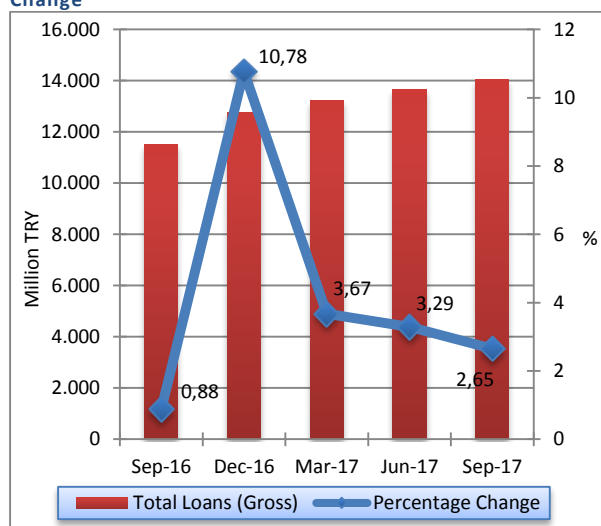
	2016			2017	
	September	December	March	June	September
Business Loans	6.022,0	6.910,7	7.206,5	7.475,2	7.598,6
Consumer Loans	3.222,1	3.411,8	3.514,2	3.642,2	3.815,2
Credit Cards	289,8	324,8	358,9	379,2	391,6
Discount Loans	161,0	165,8	179,4	180,0	178,0
Other Investment Loans	93,5	102,4	112,6	91,3	111,2
Import Loans	2,3	3,7	3,8	3,2	3,5
Loans of Funds Originated	13,5	14,9	14,4	14,2	15,9
Directed Loans	12,2	16,5	22,8	20,3	16,7
Export Loans	4,5	3,8	5,6	6,1	6,9
Loans Extended by the Central Bank of TRNC	4,2	4,9	0,0	5,3	5,4
Loans Extended Through the Central Bank of TRNC	0,0	0,0	0,0	0,0	0,0
Loans to Purchase Security for Customer	0,1	0,1	0,1	0,1	0,1
Export Guaranteed Investment Loans	0,0	0,0	0,0	0,0	0,0
Other Loans	910,7	961,2	992,5	1.019,0	1.034,9
Total Loans	10.735,9	11.920,6	12.410,8	12.836,1	13.178,0

Note: Non-performing loans are not included.

Source: Central Bank of TRNC

Gross loans of the sector increased 8.8 per mille and 10.78 percent at the end of the months September and December in 2016, respectively. Gross loans increased by 3.67 percent in March 2017 and 3.29 percent and 2.65 percent at the end of June and September, respectively.

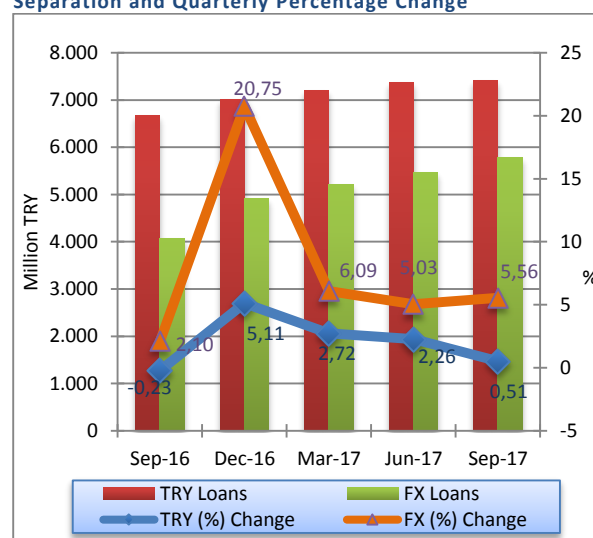
Chart 5.8: Development of the Gross Loans and Percentage Change



Source: Central Bank of TRNC

In the third quarter of 2017, 7,401.1 million TRY of the loans are in Turkish Lira currency and 5,776.4 million TRY are in foreign currency. In the period, there was an increase of 5.1 per mille in TRY loans and 5.56 percent in FX loans compared to the previous quarter.

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



Note: Non-performing loans are not included.

Source: Central Bank of TRNC

In the third quarter of 2017, public banks' gross loans increased by 1 per mille in terms of TRY and decreased by 5.6 percent in terms of FX compared to the previous quarter. Gross loans of private banks decreased by 2.6

per mille in TRY currency and increased by 9.34 percent in FX currency. The gross loans of branch banks increased by 1.61 percent in terms of TRY and 2.21 percent in terms of FX in the mentioned period.

Table 5.10: Development of Gross Loans on the Basis of Bank Groups (Million TRY)

	June 2017			September 2017			Percentage Change 06/2017 - 09/2017		
	TRY	FX	Total	TRY	FX	Total	TRY	FX	Total
Public Banks	2.647,2	1.026,9	3.674,1	2.649,8	1.021,1	3.670,9	0,10	-0,56	-0,09
Private Banks	2.874,8	3.231,0	6.105,8	2.867,4	3.532,8	6.400,2	-0,26	9,34	4,82
Branch Banks	2.508,4	1.378,0	3.886,4	2.548,7	1.408,4	3.957,1	1,61	2,21	1,82
Total Loans (Gross)	8.030,4	5.635,9	13.666,3	8.065,9	5.962,3	14.028,2	0,44	5,79	2,65

Source: Central Bank of TRNC

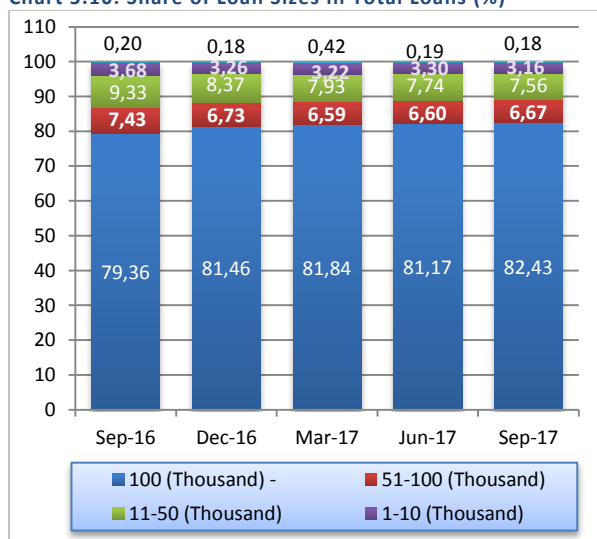
At the end of the third quarter of 2017, the share of loans over 100 thousand TRY in total loans was 82.43 percent.

In this period, 11-50 thousand TRY loans take the second place in loan sizes with a share of 7.56 percent. The loans amounting to 51-100 thousand TRY and 1-10 thousand TRY constitute 6.67 and 3.16 percent of the total loans, respectively. The lowest loan use in the sector was in loans up to 1 thousand TRY with a share of 1.8 per mille.

In the period September 2016 - September 2017, the loans more than 100 thousand TRY increased and the loans of 51-100 thousand TRY, 11-50 thousand TRY, 1-10 thousand TRY and 0-1 thousand TRY decreased in terms of the share of the loan sizes in the total loans.

In the second quarter of 2017, some of the loans provided under treasury guarantee, which were previously reported in the short-term had already begun to be reported in medium and long-term according to the updated term structure. With this amendment, in the second quarter of 2017, there was a rapid decrease in short-term loans and a rapid increase in medium and long-term loans compared to the previous quarter. In the third quarter of 2017, short-term loans increased to 3,414.7 million TRY from 3,331.8 million TRY, and medium and long-term loans increased to 9,763.3 million TRY from 9,504.3 million TRY. In the calculations made including the mentioned updates, in the period of September 2016 - September 2017, short-term loans decreased by 31.87 percent and medium and long-term loans increased by 70.57 percent.

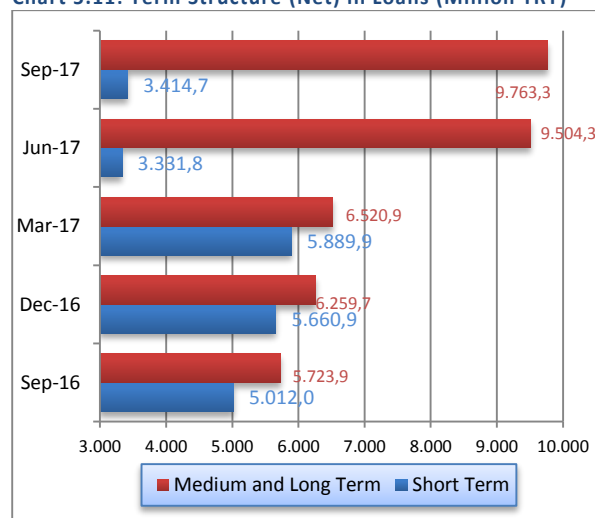
Chart 5.10: Share of Loan Sizes in Total Loans (%)



Note: Non-performing loans are not included.

Source: Central Bank of TRNC

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

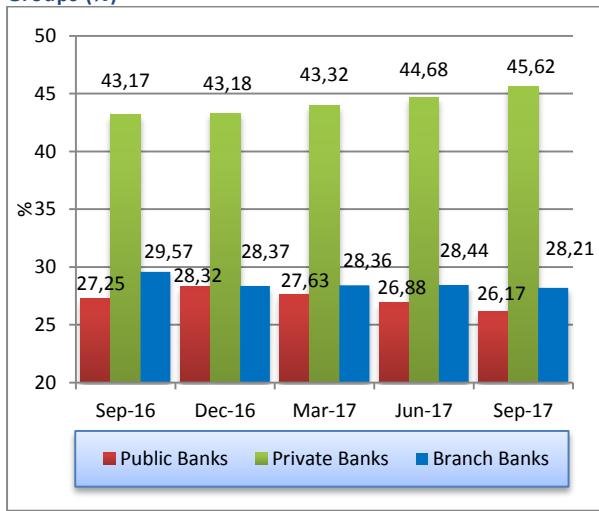


Note: Loans with up to 1-year term are classified as short-term loans.

Source: Central Bank of TRNC

When the change in gross loans is examined, the share of private banks in the third quarter of 2017 has increased from 44.68 percent to 45.62 percent compared to the previous quarter. The share of loans extended by public banks and branch banks in total loans decreased from 28.44 percent to 28.21 percent and from 26.88 percent to 26.17 percent, respectively. During September 2016 - September 2017 period, the share of the loans extended by branch banks and public banks in total loans decreased while the share of private banks increased.

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

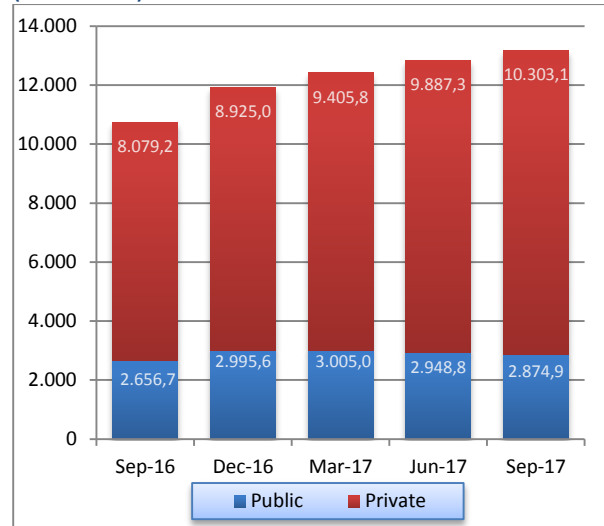


Source: Central Bank of TRNC

As of September 2017, 78.18 percent of the banking sector total loans were extended to the private sector and 21.82 percent to the public sector. Compared to the previous quarter, the loans used by the public sector decreased from 2,948.8 million TRY to 2,874.9 million TRY and private sector loans increased from 9,887,3 million TRY to 10,303.1 million TRY.

In September 2016 - September 2017 period, the increase rate of the loans used by the public was 8.21 percent and the increase rate of the loans used by the private sector was 27.53 percent.

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

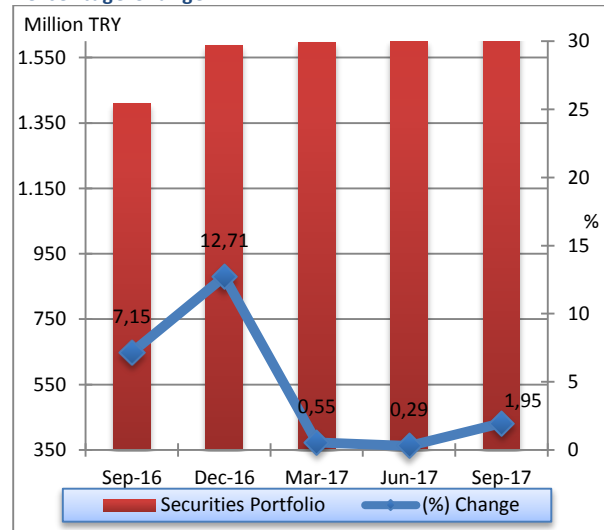


Source: Central Bank of TRNC

5.2.4 SECURITIES PORTFOLIO

Total securities portfolio of the banking sector increased by 7.15 percent and 12.71 percent in September and December 2016, respectively. As of March, June and September of 2017, it increased by 5.5 per mille, by 2.9 per mille and by 1.95 percent respectively.

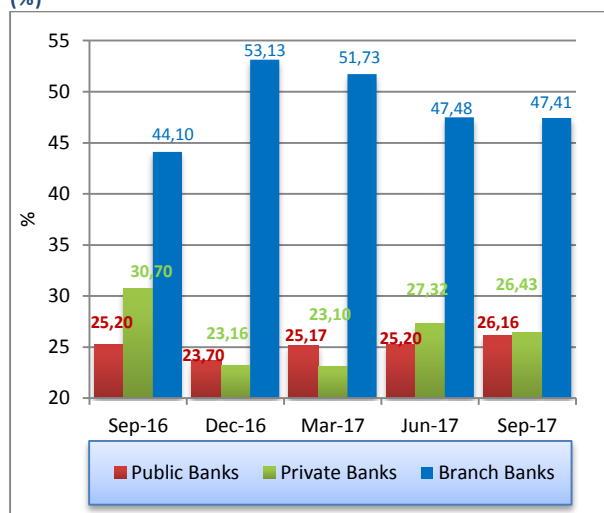
Chart 5.14: Securities Portfolio Totals and Quarterly Percentage Change



Source: Central Bank of TRNC

In the third quarter of 2017, the share of public banks in total securities portfolio increased from 25.20 percent to 26.16 percent compared to the previous quarter, while the share of branch banks and private banks decreased from 47.48 percent to 47.41 percent and from 27.32 percent to 21.2 percent, respectively. In September 2016 - September 2017 period, the share of private banks group decreased while the share of public banks and branch banks increased.

Chart 5.15: 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 6.37 percent, compared to the previous quarter. Deposits increased by 31.42 percent in one-year period and amounted to 19.672,9 million TRY at the end of September 2017.

As of the end of September 2017, it is observed that the largest share belongs to savings deposits with 14,146.6 million TRY as it was in the previous periods. This is followed by commercial deposits with 3,914.2 million TRY and official deposits with 1,344.5 million TRY. In September 2016 - September 2017 period, savings deposits increased by 28.35 percent, commercial deposits by 42.64 percent and official deposits by 47.18 percent.

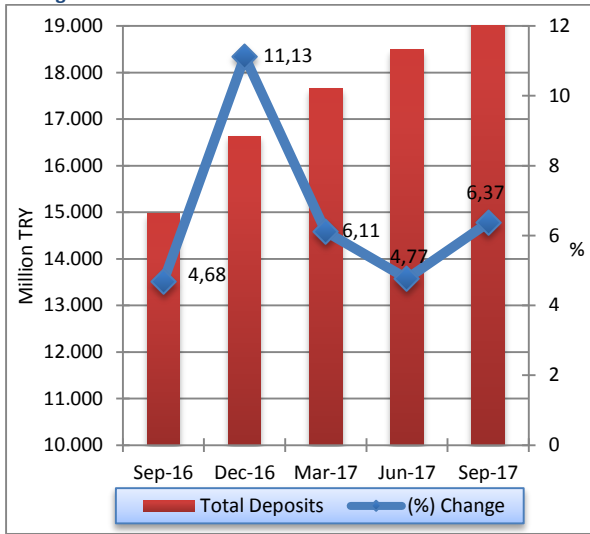
Table 5.11: Development of the Deposits by Type (Million TRY)

	2016			2017	
	September	December	March	June	September
Savings	11.022,3	12.287,2	12.895,4	13.373,9	14.146,6
Trading	2.744,1	3.040,5	3.310,7	3.512,2	3.914,2
Official	913,5	991,7	1.107,3	1.294,5	1.344,5
Other	289,9	315,8	339,0	313,5	267,5
Total Deposits	14.969,8	16.635,2	17.652,4	18.494,1	19.672,9
Debts to Banks	1.148,4	1.597,8	1.460,0	1.551,4	1.600,6
Total Deposits Including Debts to Banks	16.118,2	18.233,0	19.112,4	20.045,5	21.273,5

Source: Central Bank of TRNC

Total deposits increased by 4.68 percent in the third quarter of 2016, and by 11.13 percent in the fourth quarter. In the third quarter of 2017, the upward trend continued and an increase of 6.37 percent occurred.

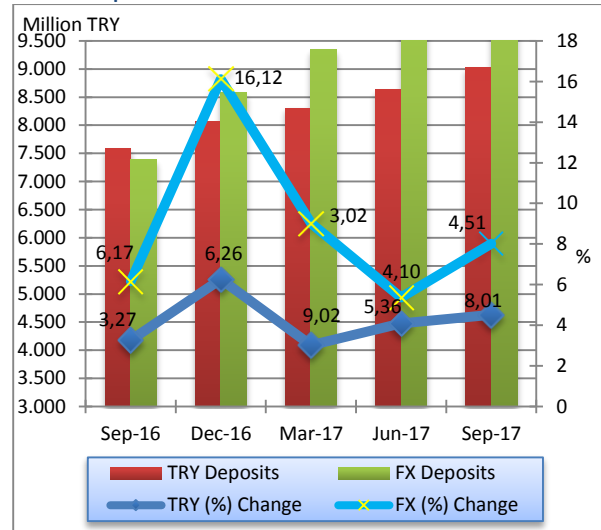
Chart 5.16: Development of the Deposits and Percentage Change



Source: Central Bank of TRNC

In the third quarter of 2017, it is observed that deposits amounted to 9,032.1 million TRY in Turkish Lira currency and 10,640.8 million TRY in foreign currency. In the period, TRY deposits increased by 4.51 percent and FX deposits increased by 8.01 percent compared to the previous quarter.

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



Source: Central Bank of TRNC

At the end of September 2017, compared to the previous quarter, TRY deposits of public banks didn't change and their FX deposits increased by 7.23 percent, while private banks' TRY deposits increased by 4.49 percent and FX deposits by 8.14 percent. In the same period, branch banks' TRY deposits increased by 10.07 percent and FX deposits increased by 8.34 percent.

Table 5.12: Development of Deposits on the Basis of Bank Groups (Million TRY)

	June 2017			September 2017			Percentage Change 06/2017-09/2017		
	TRY	FX	Total	TRY	FX	Total	TRY	FX	Total
Public Banks	3.088,9	2.014,2	5.103,1	3.088,8	2.159,9	5.248,7	0,00	7,23	2,85
Private Banks	3.031,8	5.085,5	8.117,3	3.167,9	5.499,3	8.667,2	4,49	8,14	6,77
Branch Banks	2.521,6	2.752,1	5.273,7	2.775,4	2.981,6	5.757,0	10,07	8,34	9,16
Total Deposits	8.642,3	9.851,8	18.494,1	9.032,1	10.640,8	19.672,9	4,51	8,01	6,37

Source: Central Bank of TRNC

As in previous periods, term concentration of the sector deposits belongs to one-month deposits with a ratio of 51.18 percent. One-month deposits are followed by, three-months deposits with a share of 20.54 percent, demand deposits with a share of 14.83 percent, one-year deposits with a share of 9.06 percent and six-months deposits with a share of 4.39 percent.

When the maturity distribution of deposits is compared to the previous quarter, there is an increase of 0.15 and 2.46 points in demand deposits and 1-month time

deposits and, 3-month, 6-month and 1-year time deposits increased by 2.12, 0.41 and 0.09 points respectively.

In June 2016 - June 2017 period, 1-month time deposits decreased by 3.65, demand deposits increased by 1.04, 3-month time deposits increased by 2.16, 6-month time deposits increased by 0.33 and 1-year time deposits increased by 0.12 points.

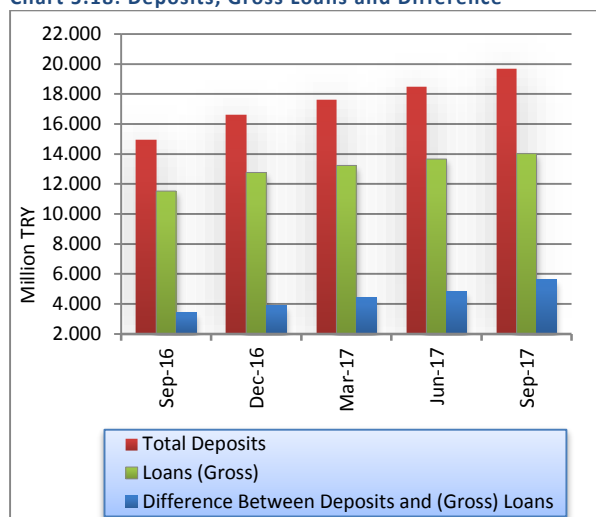
Table 5.13: Maturity Distribution of Deposits (%)

	2016		2017		Change (Points)		
	September	December	March	June	September	06/2017-09/2017	09/2016-09/2017
Demand	13,79	14,39	14,05	14,98	14,83	-0,15	1.04
1-Month	54,83	51,84	54,80	53,64	51,18	-2,46	-3,65
3-Month	18,38	20,20	17,91	18,42	20,54	2.12	2.16
6-Month	4,06	4,14	4,10	3,98	4,39	0.41	0,33
1-Year	8,94	9,43	9,14	8,97	9,06	0.09	0.12
Total	100,00	100,00	100,00	100,00	100,00		

Source: Central Bank of TRNC

The difference between total deposits and gross loans, which was 4,828 million TRY at the end of June 2017, increased by 817 million TRY and rose to 5,645 million TRY in September 2017.

Chart 5.18: Deposits, Gross Loans and Difference



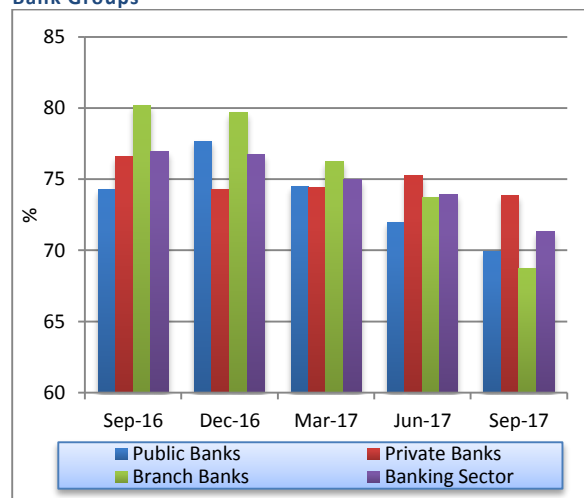
Source: Central Bank of TRNC

The loans to total deposits ratio, which is one of the indicators of the banking sector's depth and intermediary function, was 73.9 percent at the end of June 2017 and decreased to 71.31 percent at the end

of September 2017. The loans to total deposits ratio decreased by 5.65 points in one-year period.

When the deposits to loans ratio at the end of September 2017 is examined on the basis of bank groups, private banks are in the first place with 73.84 percent. Private banks are followed by public banks with a rate of 69.94 percent. Branch banks have a rate of 68.74 percent.

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



Source: Central Bank of TRNC

5.2.6 SHAREHOLDERS' EQUITY

Shareholders' equity, which is of great importance in terms of stability and healthy development of the sector, increased by 4.87 percent in the previous quarter and reached to 2,334.3 million TRY at the end of the third quarter of 2017.

Shareholders' equity increased by 22.63 percent in June 2016 - June 2017 period. In the one-year period, the paid-in capital of the sector increased by 143 million TRY and the reserve requirements increased by 134.2 million TRY.

Table 5.14: Development of the Shareholders' Equities (Million TRY)

	2016			2017	
	Sept.	Dec.	Mar.	Jun.	Sept.
Paid-in Capital	878,4	976,7	992,4	1.011,7	1.021,4
Reserve Requirements	423,8	426,4	520,1	558,0	558,0
Fixed Asset Revaluation Fund	0,2	0,3	0,3	0,9	0,9
Securities Value Increment Fund	72,7	82,1	85,9	88,8	92,6
Profit (Loss) of the Period	227,5	306,8	104,7	185,4	297,4
Accumulated Profit (Loss)	301,0	273,9	455,8	380,9	364,0
Total	1.903,6	2.066,2	2.159,2	2.225,8	2.334,3

Source: Central Bank of TRNC

5.2.7 MONEY SUPPLY

The most narrow defined money supply M1 increased by 5.62 percent at the end of September 2017 compared to June 2017 and rose to 4.126,2 million TRY from 3,906.8 million TRY. The M1 money supply has increased by 30.66 percent in one-year period.

At the end of June 2017, the M2 defined money supply amounted to 18,670.5 million TRY, increased by 6.3 percent in the third quarter of 2017 and reached 19,847.4 million TRY. The M2 money supply has increased by 29.85 percent in one-year period.

The broadest defined money supply M3, which is found by adding official deposits and other deposits within the Central Bank of TRNC to the M2 money supply, increased by 5.85 percent in the third quarter of 2017 compared to the previous quarter and increased from 20,066.2 million TRY to 21,240.3 million TRY. The increase rate in M3 compared to the same period of the previous year is 30.16 percent.

Table 5.15: Money Supply Data (Million TRY)

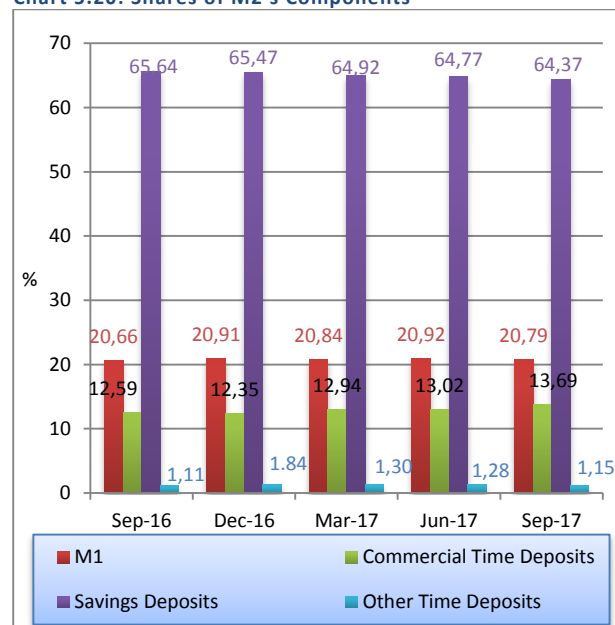
Years	Period	M1	Percentage Change	M2	Percentage Change	M3	Percentage Change
2015	I	2.338,5	5,77	12.470,8	4,97	13.249,2	4,65
	II	2.532,7	8,30	13.211,3	5,94	14.056,5	6,09
	III	2.829,9	11,73	14.279,2	8,08	15.106,4	7,47
	IV	2.841,2	0,40	14.215,8	-0,45	15.109,8	0,02
2016	I	2.797,9	-1,53	14.340,3	0,88	15.181,6	0,48
	II	2.976,9	6,40	14.620,3	1,95	15.593,1	2,71
	III	3.158,0	6,08	15.285,2	4,55	16.319,0	4,66
	IV	3.544,1	12,23	16.946,4	10,87	17.996,6	10,28
2017	I	3.754,8	5,95	18.019,6	6,33	19.209,2	6,74
	II	3.906,7	4,05	18.670,5	3,61	20.066,2	4,46
	III	4.126,2	5,62	19.847,4	6,30	21.240,3	5,85

Source: Central Bank of TRNC

As in previous periods, the largest share in M2 is 64.37 percent with the savings deposits as of September 2017. This is followed by M1 with a share of 20.79 percent, commercial time deposits with 13.69 percent and other time deposits with a ratio of 1.15 percent.

The savings time deposit, which constitutes the largest share of the structure of M2, decreased by 1.27 points to 64.37 percent in September 2016 - September 2017 period. In the period, commercial time deposits among other sub-components of M2 increased from 12.59 percent to 13.69 percent, M1 increased from 20.66 percent to 20.79 percent and other deposits increased from 1.11 percent to 1.15 percent.

Chart 5.20: Shares of M2's Components



Source: Central Bank of TRNC

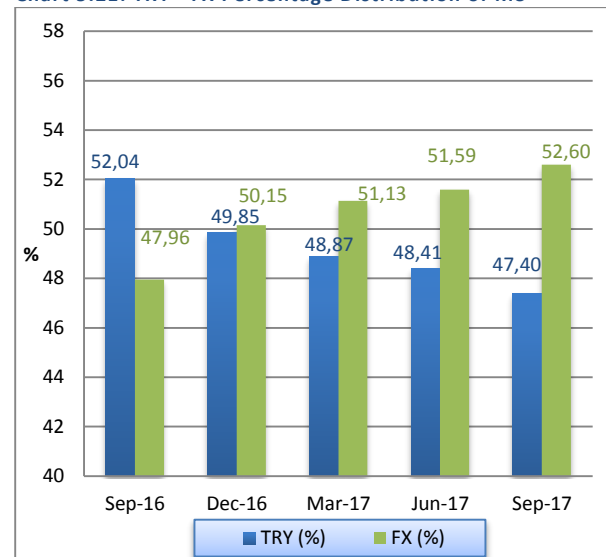
When the TRY-FX percentage distribution of M3 defined money supply is analysed as of September 2017, it is seen that the share of TRY deposits in M3 is 47.40 percent and the share of FX deposits is 52.60 percent. These shares were 52.04 percent in TRY and 47.96 percent in FX at the end of September 2016.

5.3 OVERVIEW OF INTERBANK MONEY MARKET

The first quarter data of 2016 only includes February and March, because of IMM's transition to a new information infrastructure.

As of the third quarter of 2017, there were 633 transactions in TRY, 167 transactions in USD, 220 transactions in EUR and 716 transactions in GBP. In this period, transactions of 9,554 million TRY in Turkish Lira currency and, 177 million USD, 5,263 million EUR and 5,715 million GBP in foreign currency were made.

Chart 5.21: TRY - FX Percentage Distribution of M3



Source: Central Bank of TRNC

Table 5.16: Transaction Volume (x 1.000) and Number

	TRY		\$		€		£	
	Number	Volume	Number	Volume	Number	Volume	Number	Volume
2016								
February - March	101	948.500	48	543.000	60	139.150	136	1.296.050
Q2	468	4.486.250	224	2.732.400	245	532.200	551	5.281.550
Q3	465	5.473.600	116	2.125.500	174	787.300	424	3.917.600
Q4	909	9.985.350	194	2.799.200	214	1.197.550	559	4.854.300
2017								
Q1	765	17.094.850	245	1.637.875	207	1.321.300	702	6.972.375
Q2	618	11.700.500	149	876.650	202	3.317.600	679	5.874.875
Q3	633	9.554.550	167	177.450	220	5.263.225	716	5.715.425

Source: Central Bank of TRNC

When we look at the volume distributions of transactions made in the third quarter of 2017, it is observed that the rate was 85.31 percent in TRY, 74.25 percent in USD, 99.55 in EUR and 100 percent in GBP. It is seen that 1-week transactions are made in TRY

currency. When we look at the volume distributions of one-month time transactions, one-month time was preferred by 4.42 percent in TRY, 25.75 percent in USD and 0.45 percent in EUR.

Table 5.17: Transaction Volume (x 1.000)

	TRY		\$		€		£	
	Volume	Share (%)	Volume	Share (%)	Volume	Share (%)	Volume	Share (%)
2016 February-March	948.500		543.000		139.150		1.296.050	
O/N	851.500	70,30	542.000	97,92	138.650	98,33		
1M	97.000	29,70	1.000	2.08	500	1.67	1.290.050	100,00
2016 Q2	4.486.250		2.732.400		532.200		5.281.550	
O/N	4.090.750	74,15	2.729.150	97,77	532.200	100,00	5.281.550	100,00
1W	1.000	0.21						
1M	394.500	25,64	3.250	2.23				
2016 Q3	5.473.600		2.125.500		787.300		3.917.600	
O/N	5.090.600	75,27	2.114.300	92,24	787.050	99,43	3.917.600	100,00
1M	383.000	24,73	11.200	7,76	250	0.57		
2016 Q4	9.985.350		2.799.200		1.197.550		4.854.300	
O/N	9.697.350	89,99	2.784.700	90,21	1.193.550	99,07	4.854.300	100,00
1M	288.000	10,01	14.000	9,28	4.000	0.93		
1W			500	0.52				
2017 Q1	17.094.850		1.637.875		1.321.300		6.972.375	
O/N	17.027.850	96,99	1.599.025	76,73	1.320.300	99,52	6.972.375	100
1W	42.000	1.18						
2W	1.000	0.13						
1M	24.000	1.70	38.350	22,86	1.000	0.48		
3M			500	0.41				
2017 Q2	11.700.500		876.650		3.317.600		5.874.875	
O/N	11.564.570	93,85	837.900	71,14	3.316.850	99,01	5.874.875	100
1W	108.250	3.72						
1M	26.500	2.43	38.750	28,86	750	0.99		
2017 Q3	9.554.550		177.450.00		5.263.225		5.715.425	
O/N	9.131.550	85,31	136.800	74,25	5.262.625	99,55	5.715.425	100
1W	322.000	10,27						
1M	101.000	4,42	40.650	25,75	600	0.45		

Source: Central Bank of TRNC

Average interest rates for overnight time transactions in the third quarter of 2017 were 7.65 percent in TRY, 0.5 percent in USD and EUR, and 0.76 percent in GBP. The average interest rates for 1-month time

transactions are 10.05 percent in TRY, 1.5 percent in USD and EUR. In this period, there was no 1-month time transactions in GBP.

Table 5.18: Average Interest Rates (%)

	TRY					\$			€		£		
	O/N	1W	2W	1M	3M	O/N	1W	1M	3M	O/N	1M	O/N	1M
2016 February-March	7,25			9,83		0.50		1.50		0.50	1.75	0.75	
Q2	7,25	10.00		10.00		0.50		1.60		0.50		0.75	
Q3	7,25			9,88		0.50		1.25		0.50	1.75	0.75	
Q4	7,25			9,77		0.50	1.00	1.29		0.50	1.25	0.75	
2017 Q1	7,25	9,58	10.00	9,75		0.50		1.34	1.75	0.50	1.25	0.75	
Q2	7,66	9,73		10,03		0.50		1.50		0.50	1.50	0.76	
Q3	7,65	9,75		10,05		0.50		1.50		0.50	1.50	0.75	

Source: Central Bank of TRNC

5.4 CREDIT CARDS MAXIMUM INTEREST RATES

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

The Central Bank of 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 TRNC is presented in the table below.

Table 5.19: Credit Cards Maximum Interest Rates (%)

Effective Date	TRY		FX	
	Monthly Maximum Contractual	Monthly Maximum Overdue Interest	Monthly Maximum Contractual	Monthly Maximum Overdue Interest
02/10/2015 (OG 144)	1.89	2.39	1.30	1.80
04/01/2016 (OG 1)	1.96	2.46	1.29	1.79
01/04/2016 (OG 41)	2.09	2.59	1.27	1.77
01/07/2016 (OG 85)	2.14	2.64	1.26	1.76
01/10/2016 (OG 123)	2.12	2.62	1.24	1.74
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

Source: Central Bank of TRNC

5.5 NON-BANKING FINANCE SECTOR

5.5.1 INTERNATIONAL BANKING UNITS

As of September 2017, the total asset size of the seven International Banking Units increased by 16.97 percent compared to the end of 2016 and reached 500.5 million USD. In this period, liquid assets decreased by 21.45 percent and reached 170.7 million dollars. Gross loans increased by 60.99 percent to 313,6 million USD, while other assets increased by 2.53 percent to 16,2 million USD.

During December 2016 - September 2017, deposits increased by 21.58 percent and rose to 438.8 million USD. Shareholders' equity increased by 12.53 percent to 53.1 million USD while other liabilities item decreased by 85.86 percent and reached 2.7 million USD.

Table 5.20: Consolidated Balance Sheet of International Banking Units (Million \$)

	December 2016	September 2017	Percentage Change
Liquid Assets	217,3	170,7	-21,45
Loans (Gross)	194,8	313,6	60,99
Other Assets	15,8	16,2	2,53
Assets/Liabilities	427,9	500,5	16,97
Deposits	360,9	438,8	21,58
Debts to Banks	0,7	5,9	742,86
Shareholders' Equity	47,2	53,1	12,53
Other Liabilities	19,1	2,7	-85,86

Source: Central Bank of TRNC

5.5.2 INSURANCE COMPANIES

The total assets of the consolidated balance sheet, which was prepared from the data of 32 insurance companies operating in the sector was 271.6 million TRY at the end of 2015 and it increased by 10.35 percent to 299.7 million TRY at the end of 2016. Cash values were 154,2 million TRY, receivables were 96,8 million TRY and fixed assets were 14,2 million TRY by the end of 2016.

Debts, which is one of the liability items of the insurance sector's consolidated balance sheet, decreased by 5.86 percent to 51.4 million TRY, while the provisions increased by 14.43 percent to 89.6 million TRY and Shareholders' equity increased by 13.5 percent and reached 121.9 million TRY in one year

period (December 2015–December 2016). In the same period, the profits increased by 16.4 percent and rose to 22.22 million TRY.

Table 5.21: Consolidated Balance Sheet of Insurance Companies (Million TRY)

	2015	2016	Percentage Change
Cash Assets	128,6	154,2	19,91
Receivables	96,0	96,8	0,83
Fixed Assets	14,4	14,2	-1,39
Other Assets	32,6	34,5	5,83
Assets/Liabilities	271,6	299,7	10,35
Debts	54,6	51,4	-5,86
Provisions	78,3	89,6	14,43
Shareholders' Equity	107,4	121,9	13,50
Profit/Loss	25,0	29,1	16,40
Other Liabilities	6,3	7,7	22,22

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

5.5.3 COOPERATIVES

The balance sheet dated December 2016 for the cooperatives operating in the country was prepared from the data of 100 cooperative companies covering about 99% of the sector in terms of asset size.

By the end of December 2015, the total assets of the cooperatives amounting to 1,123.4 million TRY decreased by 3.74 percent at the end of December 2016 and amounted to 1,081.4 million TRY. By the end of December 2016, gross credits decreased by 14.53 percent to 617.2 million TRY, liquid assets increased by 16.53 percent to 418.7 million TRY, and other assets increased by 8.33 percent to 45.5 million TRY, compared to the previous year.

In the liabilities section, deposits increased by 1.51 percent to 939.8 million TRY, while Shareholders' equity and other liabilities decreased by 25.19 percent and 34.37 percent, amounting to 97.1 and 44.5 million TRY, respectively.

Table 5.22: Consolidated Balance Sheet of Cooperatives (Million TRY)

	2015	2016	Percentage Change
Liquid Assets	359,3	418,7	16,53
Loans (Gross)	722,1	617,2	-14,53
Other Assets	42,0	45,5	8,33
Assets/Liabilities	1.123,4	1.081,4	-3,74
Deposits	925,8	939,8	1,51
Shareholders' Equity	129,8	97,1	-25,19
Other Liabilities	67,8	44,5	-34,37

Source: TRNC Registrar of Cooperative Companies

5.5.4 EXCHANGE OFFICES

As of the end of 2016, there were 33 licensed foreign exchange offices. When the consolidated balance sheets of exchange offices are examined, it is seen that there is an increase in the cash and cash equivalents, receivables, stocks and fixed assets, and a decrease in other current assets. Accordingly, cash and cash equivalents amounted to 18.4 million TRY, receivables amounted to 0.3 million TRY, stocks amounted to 8.6 million TRY and non-current assets amounted to 0.7 million TRY. The consolidated asset size of the foreign exchange offices increased by 15.23 percent compared to the end of 2016 and reached 28 million TRY. As of the end of 2016, short-term liabilities in the liability structure amounted to 7.3 million TRY, long-term liabilities to 3 million TRY, Shareholders' Equity to 17.65 million TRY and profits to 0.1 million TRY.

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

	2015	2016	Percentage Change
Cash and Cash Equivalents	16,7	18,4	10,18
Receivables	0,2	0,3	50,00
Stocks	7,0	8,6	22,86
Other Current Assets	-	-	-
Non-Current Assets	0,4	0,7	75,00
Assets/Liabilities	24,3	28,0	15,23
Foreign Sources	8,9	10,3	15,73
- Short-Term	6,1	7,3	19,67
- Long-Term	2,8	3,0	7,14
Shareholders' Equity	14,5	17,6	21,38
Profit/Loss	0,9	0,1	-88,89

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

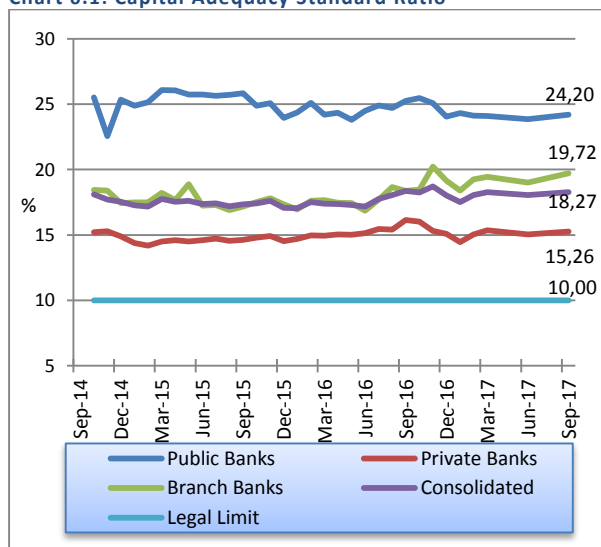
6 FINANCIAL STABILITY ANALYSIS

6.1 CAPITAL ADEQUACY

In the third quarter of 2017, the sector’s capital adequacy standard ratio increased by 0.23 points compared to the previous quarter and it reached 18.27 percent, well above the legal limit of 10 percent.

As of September 2017, CASR based on bank groups was 24.20 percent in public banks, 15.26 percent in private banks and 19.72 percent in branch banks. As of June 2017, these ratios were 23.85, 15.04 and 19.00 percent, respectively. Compared to the same period of the previous year, CASR decreased by 1.34 points in branch banks and 1.06 points in public banks, while it increased by 0.88 points in private banks.

Chart 6.1: Capital Adequacy Standard Ratio



Source: Central Bank of TRNC

When the risk weighted assets of the sector are compared with the previous period at the end of September 2017, the assets with 0 percent risk weight increased by 6.26 percent, the assets with 20 percent risk weight by 14.20 percent, those with 50 percent risk weight by 7.53 percent, and assets with 100 percent risk weight increased by 1.73 percent. In the period concerned, the total of market risk and operational risk increased by 59.7 million TRY and reached to 2,379.6 million TRY compared to the previous period. The total market risk and operational risk of the sector increased by 337,6 million TRY in one-year period (September 2016 - September 2017).

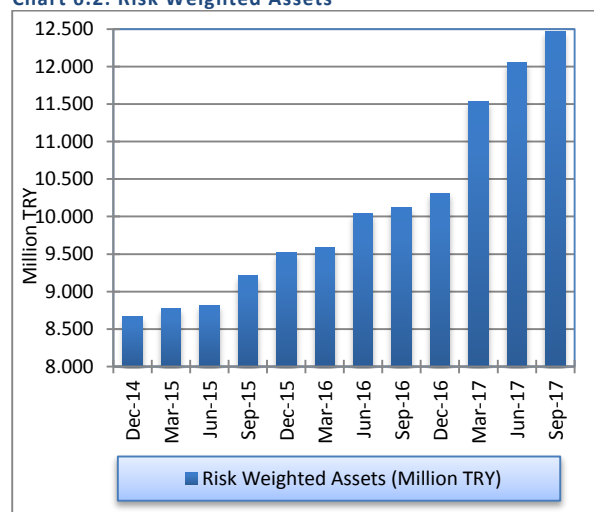
Table 6.1: Risk Weighted Assets

	Sept. 2016	Dec. 2016	Mar. 2016	Jun. 2017	Sept. 2017	Percent age Change (06/17-09/17)
% 0	8.598,2	9.810,4	10.170,6	10.467,2	11.122,9	6,26
% 20	1.505,7	1.709,6	1.840,3	2.008,9	2.294,2	14,20
% 50	3.567,6	4.027,2	4.346,5	4.712,6	5.067,4	7,53
% 100	5.992,3	6.439,4	6.667,9	6.970,5	7.091,1	1,73
Market Risk + Operational Risk	2.042,0	2.317,9	2.320,4	2.319,9	2.379,6	2,57

Source: Central Bank of TRNC

In the third quarter of 2017, risk-weighted assets increased by 3.44 percent, compared to the previous quarter. The weighted sum of risk-weighted assets, which amounted to 12,048.5 million TRY as of June 2017, increased by 414.7 million TRY at the end of September 2017 and reached 12,463.2 million TRY. Risk weighted assets of the sector increased by 23.16 percent in September 2016 - September 2017 period.

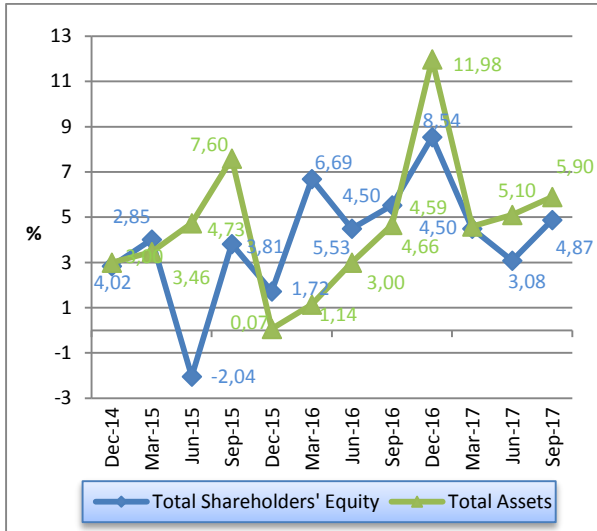
Chart 6.2: Risk Weighted Assets



Source: Central Bank of TRNC

As of the end of September of 2017, total assets increased by 5.90 percent and total shareholders' equity by 4.87 percent. Total assets and shareholders' equity increased by 30.36 percent and 22.63 percent, respectively, compared to the same period of the previous year.

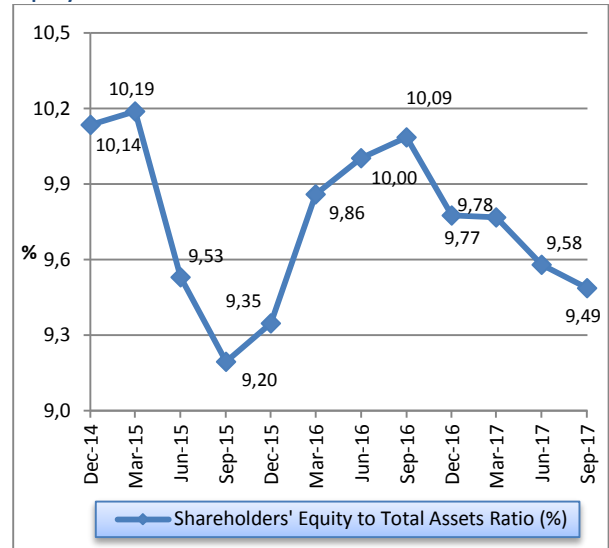
Chart 6.3: Increase Rates in Total Shareholders' Equity and Total Assets



Source: Central Bank of TRNC

The ratio of total shareholders' equity to total assets in the banking sector increased to 10 percent in the second quarter, to 10.09 percent in the third quarter and it decreased to 9.78 percent in the fourth quarter of 2016. This rate was 9.58 percent in the second quarter and it decreased to 9.49 percent in the third quarter of 2017.

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

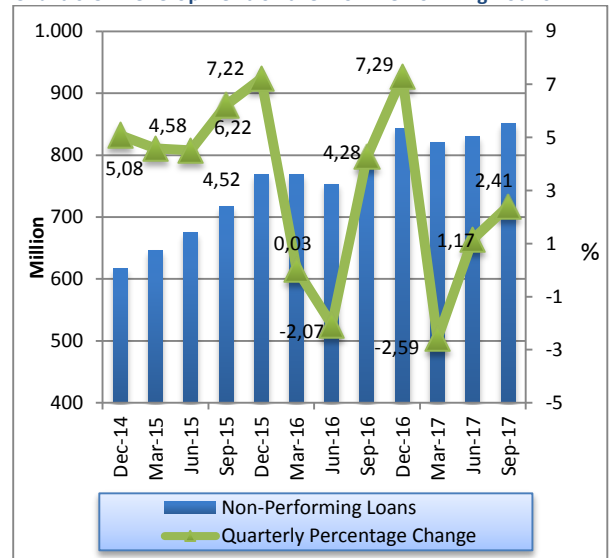


Source: Central Bank of TRNC

6.2 NON-PERFORMING LOANS

The sector's non-performing loans totaled 830.3 million TRY as of the end of June 2017 and increased by 2.41 percent and reached 850.2 million TRY as of the end of September 2017. Generally, non-performing loans increased by 8.28 percent compared to the same period of the previous year.

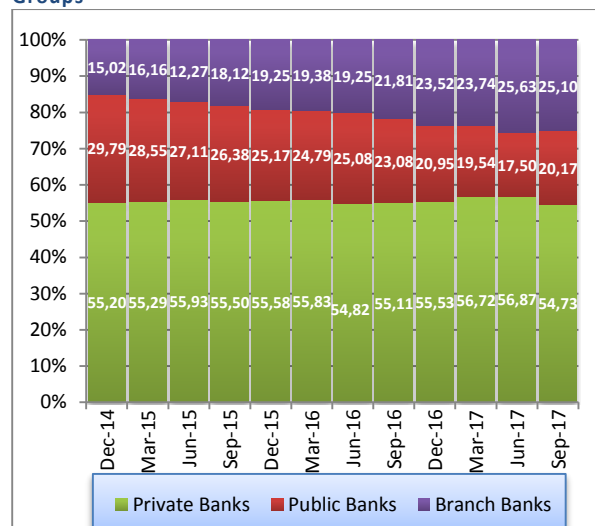
Chart 6.5: Development of the Non-Performing Loans



Source: Central Bank of TRNC

As of the third quarter of 2017, it is seen that the share of private banks and branch banks in total NPL decreased and the share of public banks increased compared to the previous quarter. Accordingly, while the share of private banks in total NPL decreased from 56.87 percent to 54.73 percent and the share of branch banks decreased from 25.63 percent to 25.10 percent in June 2017 - September 2017 period, the share of public banks in the total NPL increased to 20.17 percent from 17.50 percent. From September 2016 to September 2017, the share of private banks in total NPL increased from 55.11 percent to 54.73 percent, while the share of branch banks increased from 21.81 percent to 25.10 percent. The share of public banks decreased from 23.08 percent to 20.17 percent.

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



Source: Central Bank of TRNC

In the second quarter of 2017, total assets amounted to 24,602.1 million TRY, total gross loans amounted to 14,028.2 million TRY, non-performing loans amounted to 850.2 million TRY and provisions for non-performing loans amounted to 506.0 million TRY. When analysed by bank groups, as of September 2017, total assets in public banks are 6,116.1 million TRY, total gross loans are 3,670,9 million TRY, non-performing loans are 171,5 million TRY and provisions for non-performing loans are 97.1 million TRY. In the private banks, total assets amounted to 10,532.4 million TRY, total gross loans

amounted to 6,400.2 million TRY, non-performing loans amounted to 465.3 million TRY and provisions for non-performing loans amounted to 234.6 million TRY. Branch banks have total assets of 7,954.2 million TRY, total gross loans of 3,957.1 million TRY, non-performing loans of 213,4 million TRY and provisions for non-performing loans of 174,3 million TRY.

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

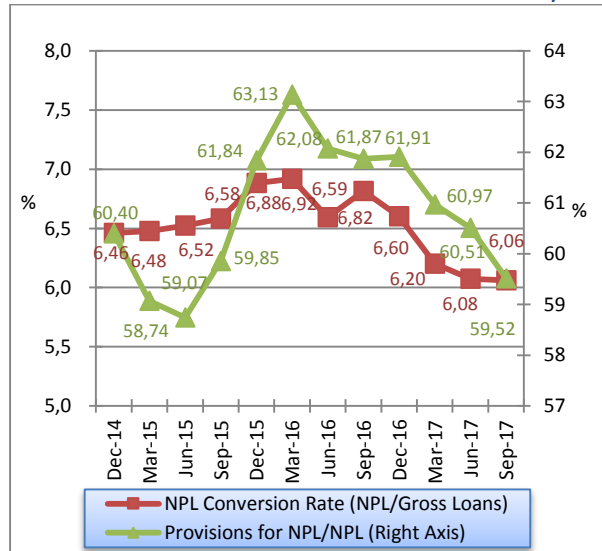
	Total Assets			Total Gross Loans			NPL			Provisions For Non-Performing Loans		
	Mar.17	Jun.17	Sept.17	Mar.16	Jun.17	Sept.17	Mar.17	Jun.17	Sept.17	Mar.16	Jun.17	Sept.17
Public Banks	5.749,2	5.955,1	6.116,1	3.656,5	3.674,1	3.670,9	160,4	145,3	171,5	108,7	95,0	97,1
Private Banks	9.444,1	9.914,3	10.532,4	5.814,6	6.105,8	6.400,2	465,5	472,2	465,3	228,4	233,5	234,6
Branch Banks	6.911,6	7.362,7	7.954,2	3.760,4	3.886,4	3.957,1	194,8	212,8	213,4	163,3	173,9	174,3
Total	22.104,9	23.232,1	24.602,7	13.231,5	13.666,3	14.028,2	820,7	830,3	850,2	500,4	502,4	506,0

Source: Central Bank of TRNC

The non-performing loans conversion rate, which has been on a slight upward trend since the fourth quarter of 2014, decreased by 0.33 points to 6.59 percent in the second quarter of 2016 compared to the previous quarter and in the third quarter of 2016 it increased by 0.23 points to 6.82 percent compared to the previous quarter. In the last quarter of 2016, the NPL conversion rate decreased by 0.22 percentage points to 6.6 percent compared to the third quarter. This ratio was 6.06 percent at the end of September 2017, decreasing by 0.02 points compared to the previous quarter. The NPL conversion rate decreased by 0.76 points during the one-year period (September 2016 - September 2017).

While the ratio of provisions for NPL to total NPL was 60.51 percent by the end of June 2017, it decreased by 0.99 points to 59.52 percent in September 2017. During September 2016 - September 2017, the ratio of provisions for NPL to total NPL decreased by 2.35 points.

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



Source: Central Bank of TRNC

The sector's asset profitability, which was 1.70 percent at the end of June 2017, decreased to 1.69 percent in the third quarter of 2017, the return on equity, which was 17.26 percent, increased to 17.39 percent and the net interest margin increased to 3.16 percent from 3 percent. In the period September 2016 - September 2017, the sector's asset profitability increased from 1.37 percent to 1.69 percent, its return on equity rose from 13.96 percent to 17.39 percent, while the net interest margin decreased from 3.31 percent to 3.16 percent.

Table 6.3: Asset and Equity Profitability and Net Interest Rate Ratios

Description	2016		2017		
	Sept.	Dec.	Mar.	Jun.	Sept.
Return on Assets ¹	1.37	1.65	1.80	1.70	1.69
Return on Equity ²	13,96	16,56	18,18	17,26	17,39
Net Interest Margin ³	3.31	3.25	3.18	3.00	3.16

Note: 1 Return on Assets: Net Profit / Total Assets
 2 Return on Equity: Net Profit / Total Shareholders' Equity
 3 (Net Interest Margin After Provision + Provisions for NPL) / Total Assets
 Source: Central Bank of TRNC

ANNEX A. ECONOMIC DECISIONS

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

Subject	Decisions of the Board of Directors published in the Notifications, Notices and Official Gazette		Official Gazette	
	Date	Number	Date	Number
Determining the new term's monthly maximum contractual and overdue interest rates.			02.10.2017	161
Time Out Deposits			25.07.2017	124

Table A.2: Economic Decisions - Assembly of the Republic

Subject	Law/Draft Law		Official Gazette	
	Date	Number	Date	Number
Law				
Law Drafts				
Laws to be Approved by the Presidency				
Regulations				

ANNEX B. STATISTICAL TABLES

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

Date	Liquid Assets	Loans	Other Assets	Total Assets	Shareholders' Equity	Deposits	Reserve Requirements	Other Liabilities	Total Liabilities
30 June 2013	2.622.682,346	105,015,585	1.830.484	2.729.528.415	217.783.359	1.352.697.549	805.019.967	354.027.540	2.729.528.415
30 Sept. 2013	3.052.496.431	139.133.835	1.799.949	3.193.430.215	218.683.984	1.724.387.219	828.836.908	421.522.104	3.193.430.215
31 Dec. 2013	3.213.649.639	78.854.104	63.070.913	3.355.574.656	291.100.579	1.818.251.291	870.763.371	436.559.672	3.355.574.656
31 Mar. 2014	3.079.515.185	147.484.184	1.728.249	3.228.727.618	245.971.070	1.675.102.982	876.948.620	430.704.946	3.228.727.618
30 June 2014	3.270.433.195	121.218.064	1.804.149	3.393.455.408	247.254.958	1.792.772.785	890.156.351	463.271.314	3.393.455.408
30 Sept. 2014	3.511.228.059	119.312.114	1.752.480	3.632.292.653	248.132.449	1.917.060.863	938.524.944	528.574.397	3.632.292.653
31 Dec. 2014	3.645.697.257	171.220.524	25.331.106	3.842.248.887	258.929.182	1.493.119.701	954.982.558	1.135.217.446	3.842.248.887
31 Mar. 2015	3.739.517.315	115.254.133	2.248.301	3.857.019.749	276.152.356	1.408.442.288	1.006.554.132	1.165.870.973	3.857.019.749
30 June 2015	4.297.312.709	132.031.767	18.942.188	4.448.286.664	276.996.548	1.482.713.730	1.062.691.010	1.625.885.376	4.448.286.664
30 Sep. 2015	4.883.071.770	133.138.667	2.280.396	5.018.490.833	278.408.386	1.554.299.105	1.159.694.120	2.026.089.222	5.018.490.833
31 Dec. 2015	4.820.323.929	184.465.057	20.635.529	5.025.424.515	400.156.276	1.597.089.925	1.143.470.037	1.884.708.277	5.025.424.515
31 Mar. 2016	4.759.331.238	177.928.840	2.511.781	4.939.771.859	317.637.476	1.368.093.189	1.158.875.053	2.095.166.141	4.939.771.859
30 June 2016	4.743.182.458	213.175.830	2.640.121	4.958.998.409	318.658.983	1.476.230.465	1.172.163.993	1.991.944.968	4.958.998.409
30 Sept. 2016	5.466.386.701	186.416.180	2.729.886	5.655.532.767	319.829.286	1.706.384.976	1.233.282.326	2.396.036.179	5.655.532.767
31 Dec. 2016	6.362.944.796	67.051.670	22.187.719	6.452.184.185	465.169.093	2.083.019.935	1.359.700.420	2.544.294.737	6.452.184.185
31 Mar. 2017	6.764.573.400	101,158,224	3.401.183	6.869.132.807	365.686.916	2.121.997.651	1.448.684.018	2.932.764.222	6.869.132.807
30 June 2017	6.981.906.564	134.992.949	2.841.955	7.119.741.468	367.060.935	2.317.720.970	1.512.813.049	2.922.146.514	7.119.741.468
30 Sept. 2017	7.630.043.970	191.469.924	2.907.269	7.824.421.163	368.577.947	2.505.097.829	1.615.196.100	3.335.549.287	7.824.421.163

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

Source: Central Bank of TRNC

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

Date	Cash Assets	Gold Deposit	Bank Deposits (TRY)	Bank Deposits (FX)	Foreign Banks	Securities Portfolio	Total
30 June 2013	61.108.724	2.506.876	1.274.274.978	1.206.215.874	36.180.430	42.395.464	2.622.682.346
30 Sept. 2013	88.890.514	2.506.876	1.359.032.554	1.456.467.434	26.347.485	119.251.568	3.052.496.431
31 Dec. 2013	62.270.427	2.146.362	1.403.280.967	1.522.482.954	78.923.761	144.545.168	3.213.649.639
31 Mar. 2014	57.681.769	2.146.362	1.068.596.270	1.717.402.462	35.043.690	198.644.632	3.079.515.185
30 June 2014	37.813.934	2.146.362	1.173.711.609	1.837.164.805	51.540.117	168.056.368	3.270.433.195
30 Sept. 2014	63.855.297	2.146.362	1.167.075.364	1.915.670.506	63.391.520	299.089.010	3.511.228.059
31 Dec. 2014	59.575.201	2.341.331	1.307.875.937	1.925.886.634	60.933.484	289.084.670	3.645.697.257
31 Mar. 2015	93.270.862	2.341.331	1.456.217.149	1.979.335.666	48.438.307	159.914.000	3.739.517.315
30 June 2015	82.385.984	2.341.331	1.467.167.127	2.411.582.643	113.843.324	219.992.300	4.297.312.709
30 Sep. 2015	140.974.336	2.341.331	1.467.337.337	2.899.368.703	114.480.913	258.569.150	4.883.071.770
31 Dec. 2015	87.625.194	2.611.239	1.402.006.529	2.945.775.755	55.692.162	326.613.050	4.820.323.929
31 Mar. 2016	117.668.364	2.611.239	1.499.576.679	2.952.607.384	77.638.972	109,228,600	4.759.331.238
30 June 2016	90.757.864	2.611.239	1.614.592.023	2.855.674.301	33.822.031	145.725.000	4.743.182.458
30 Sept. 2016	238.570.625	2.611.239	2.029.877.829	3.097.871.008	-	97.456.000	5.466.386.701
31 Dec. 2016	216.724.660	3.440.019	2.260.530.677	3.687.779.940	-	194.469.500	6.362.944.796
31 Mar. 2017	165.588.687	3.440.019	2.101.326.259	4.030.683.635	-	463.534.800	6.764.573.400
30 June 2017	171.906.834	3.440.019	1.823.606.608	4.299.854.053	-	683.099.050	6.981.906.564
30 Sept. 2017	275.459.595	3.440.019	1.842.387.496	4.739.760.510	-	768.996.350	7.630.043.970

Source: Central Bank of TRNC

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

Date	Agriculture	Trading	Industry	Export	Small Business Owner	Tourism	Education	Total
30 June 2013							2.546.937	2.546.937
30 Sept. 2013							2.718.359	2.718.359
31 Dec. 2013								-
31 Mar. 2014							2.431.745	2.431.745
30 June 2014							2.381.303	2.381.303
30 Sept. 2014							2.580.963	2.580.963
31 Dec. 2014								-
31 Mar. 2015							4.466.517	4.466.517
30 June 2015							4.642.279	4.642.279
30 Sep. 2015							5.311.384	5.311.384
31 Dec. 2015								-
31 Mar. 2016								-
30 June 2016							4.083.448	4.083.448
30 Sept. 2016							4.270.101	4.270.101
31 Dec. 2016							5.065.643	5.065.643
31 Mar. 2017								-
30 June 2017							4.943.377	4.943.377
30 Sept. 2017							5.415.736	5.415.736

Note: Interest revenue rediscounts are included in the figures.

Source: Central Bank of TRNC

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

Date	Public Deposits		Banks				Other		Total
			A-Deposits		B-Reserve Requirements				
	TRY	FX	TRY	FX	TRY	FX	TRY	FX	
30 June 2013	55.172.326	12.858.690	491.417.120	772.260.838	486.606.486	318.413.481	396.500	20.592.075	1.157.717.516
30 Sept. 2013	86.265.299	18.449.179	620.407.179	975.835.456	482.994.224	345.842.684	426.258	23.003.848	2.553.224.127
31 Dec. 2013	18.846.398	20.578.975	735.826.294	1.013.142.338	487.900.228	382.863.143	609.831	29.247.455	2.689.014.662
31 Mar. 2014	38.950.361	43.565.188	472.182.955	1.094.180.494	491.575.544	385.373.076	438.945	25.785.039	2.552.051.602
30 June 2014	53.919.830	11.982.605	466.591.523	1.122.184.360	499.327.153	390.829.198	17.474.716	120.619.751	2.682.929.136
30 Sept. 2014	69.233.058	18.698.887	502.033.797	1.136.473.300	526.918.645	411.606.299	27.425.327	163.196.494	2.855.585.807
31 Dec. 2014	17.094.271	9.256.228	567.445.436	868.076.651	532.525.648	422.456.910	629.724	30.617.391	2.448.102.259
31 Mar. 2015	10.753.910	21.354.653	497.415.629	849.731.141	555.437.616	451.116.516	441.602	28.745.353	2.414.996.420
30 June 2015	18.278.584	34.669.328	421.856.540	988.595.032	565.747.200	496.943.810	428.189	18.886.057	2.545.404.740
30 Sept. 2015	14.819.534	30.301.580	346.773.076	1.141.287.770	578.364.670	581.329.450	396.168	20.720.977	2.713.993.225
31 Dec. 2015	57.528.409	19.608.857	377.112.293	1.111.941.851	583.627.835	559.842.202	751.281	30.147.234	2.740.559.962
31 Mar. 2016	6.022.339	9.748.736	300.772.726	1.024.849.739	596.821.843	562.053.210	529.628	26.170.021	2.526.968.242
30 June 2016	78.931.631	12.662.410	294.047.768	975.886.690	606.507.229	565.656.764	479.769	114.222.197	2.648.394.458
30 Sept. 2016	51.544.433	68.733.216	389.781.881	1.098.732.181	622.344.234	610.938.092	527.417	97.065.848	2.939.667.302
31 Dec. 2016	29.069.115	35.483.804	459.264.539	1.442.174.000	652.163.031	707.537.389	794.582	116.233.895	3.442.720.355
31 Mar. 2017	58.041.406	24.242.055	461.185.477	1.467.785.063	691.268.617	757.415.401	624.885	110.118.765	3.570.681.669
30 June 2017	78.704.320	22.436.407	374.581.174	1.734.713.467	710.390.248	802.422.801	573.332	106,712,270	3.830.534.019
30 Sept. 2017	15.915.165	32.448.413	425.277.954	1.918.976.979	734.899.763	880.296.337	760.406	111.718.912	4.120.293.929

Source: Central Bank of TRNC

Table B.5: The Central Bank of TRNC Exchange Rates

Years	Months	USD		EURO		GBP	
		Buying	Selling	Buying	Selling	Buying	Selling
2011		1,8889	1,8980	2,4438	2,4556	2,9170	2,9322
2012		1.7826	1.7912	2.3517	2.3630	2.8708	2.8858
2013		2.1343	2.1381	2.9365	2.9418	3.5114	3.5297
2014		2.3189	2.3230	2.8207	2.8258	3.5961	3.6149
2015		2.9076	2.9128	3.1776	3.1833	4.3007	4.3231
2016		3.5192	3.5255	3.7099	3.7166	4.3189	4.3414
2017	1	3.8324	3.8393	4.0983	4.1057	4.7957	4.8207
	2	3.5882	3.5946	3.7963	3.8032	4.4479	4.4711
	3	3.6386	3.6452	3.9083	3.9153	4.5169	4.5404
	4	3.5504	3.5568	3.8744	3.8814	4.5835	4.6074
	5	3.5642	3.5707	3.9744	3.9816	4.57330	4.5971
	6	3.5071	3.5135	4.0030	4.0102	4.5413	4.5650
	7	3.5292	3.5356	4.1316	4.1390	4.6096	4.6336
	8	3.4410	3.4472	4.1430	4.1504	4.4520	4.4752
	9	3.5521	3.5585	4.1924	4.2000	4.7478	4.7726
	10	3,8174	3,8243	4,4378	4,4458	4,9906	5,0167
	11						
	12						

Source: Central Bank of TRNC

Table B.6: Cross Rates

Years	Months	Foreign Currency / USD	
		£	€
2011		1,5449	1,2938
2012		1,6111	1,3192
2013		1,6480	1,3759
2014		1,5535	1,2164
2015		1.4817	1.0929
2016		1.2293	1.0542
2017	1	1.2535	1.0694
	2	1.2417	1.0580
	3	1.2435	1.0741
	4	1.2932	1.0913
	5	1.2853	1.1151
	6	1.2971	1.1414
	7	1.3083	1.1707
	8	1.2960	1.2040
	9	1.3389	1.1803
	10	1.3096	1.1625
	11		
	12		

Source: Central Bank of TRNC

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

Effective Date	Currency				Board Decision		Official Gazette	
	"	\$	€	£	Date	Number	Date	Number
	Demand	Demand	Demand	Demand				
05.02.2008	15,00	3.00	2.25	4,25	05.02.2008	635	19.02.2008	32
29.02.2008	14,75	2.10	2.25	4.00	29.02.2008	640	13.03.2008	50
25.03.2008	14,75	1.50	2.25	4.00	25.03.2008	646	03.04.2008	59
22.05.2008	15,25	1.25	2.25	3.75	22.05.2008	652	16.06.2008	113
26.06.2008	15,75	1.25	2.25	3.75	26.06.2008	662	02.07.2008	124
30.07.2008	16,25	1.25	2.25	3.75	30.07.2008	666	15.08.2008	153
17.10.2008	16,25	0.75	2.00	3.25	16.10.2008	673	22.10.2008	187
14.11.2008	16,25	0.25	1.75	2.25	13.11.2008	676	26.11.2008	207
28.11.2008	15,75	0.25	1.75	2.25	27.11.2008	679	16.12.2008	217
22.12.2008	14,50	0.05	1.25	1.00	19.12.2008	682	25.12.2008	223
19.01.2009	12,60	0.05	1.25	0.75	16.01.2009	691	23.01.2009	18
20.02.2009	11,25	0.05	1.25	0.50	20.02.2009	698	04.03.2009	47
20.03.2009	10,25	0.05	1.25	0.50	20.03.2009	708	27.03.2009	58
17.04.2009	9,50	0.05	1.00	0.50	17.04.2009	712	27.04.2009	78
08.05.2009	9,50	0.05	0.75	0.50	08.05.2009	718	18.05.2009	85
15.05.2009	9,00	0.05	0.75	0.50	15.05.2009	720	28.05.2009	92
17.06.2009	8,50	0.05	0.75	0.50	17.06.2009	725	22.06.2009	107
17.07.2009	8,00	0.05	0.75	0.50	17.07.2009	729	03.08.2009	133
19.08.2009	7,50	0.05	0.75	0.50	19.08.2009	734	03.09.2009	152
18.09.2009	7,00	0.05	0.75	0.50	18.09.2009	738	06.10.2009	170
16.10.2009	6,50	0.05	0.75	0.50	16.10.2009	741	22.10.2009	182
07.12.2009	6,25	0.05	0.75	0.50	04.12.2009	749	15.12.2009	211
17.09.2010	6,00	0.05	0.75	0.50	17.09.2010	786	29.09.2010	167
15.10.2010	5,50	0.05	0.75	0.50	15.10.2010	788	25.10.2010	183
27.12.2010	5,00	0.05	0.75	0.50	24.12.2010	796	31.12.2010	220
01.01.2013	4.00	0.05	0.75	0.50	20.12.2012	835	21.12.2012	212
01.06.2013	3.50	0.05	0.75	0.50	09.05.2013	847	16.05.2013	85
01.09.2013	4.00	0.05	0.75	0.50	22.08.2013	853	29.08.2013	138
03.02.2014	5,00	0.25	0.75	0.50	30.01.2014	869	04.02.2014	26
01.04.2014	7,00	0.25	0.75	0.50	20.03.2014	876	27.03.2014	70
01.03.2015	6,50	0.25	0.25	0.50	10.02.2015	900	17.02.2015	25
03.04.2017	7,00	0.40	0.25	0.50	23.03.2017	947	03.04.2017	61

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

Source: Central Bank of TRNC

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

Effective Date	Currency				Board Decision		Official Gazette	
	"	\$	€	£	Date	Number	Date	Number
07.05.2002	12,00	0.50	0.50	1.50	30.04.2002	474	07.05.2002	50
12.12.2002	12,00	0.35	0.50	1.25	29.11.2002	483	12.12.2002	121
09.07.2003	12,00	0.25	0.50	1.25	02.07.2003	498	09.07.2003	79
01.09.2004	12,00	0.50	0.50	1.75	25.08.2004	531	01.09.2004	127
01.04.2005	10.00	0.75	0.50	1.75	29.03.2005	549	31.03.2005	47
01.11.2005	10.00	1.25	0.75	2.00	27.10.2005	567	08.11.2005	197
01.02.2006	10.00	2.00	1.00	2.00	31.01.2006	577	10.02.2006	27
03.07.2006	12,00	2.00	1.00	2.00	29.06.2006	587	14.07.2006	119
26.10.2007	11,75	2.00	1.00	2.00	26.10.2007	620	06.11.2007	197
22.11.2007	11,25	2.00	1.00	2.00	22.11.2007	622	04.12.2007	214
14.12.2007	10,75	2.00	1.00	2.00	14.12.2007	627	19.12.2007	224
18.01.2008	10,50	1.50	1.00	2.00	18.01.2008	632	24.01.2008	17
05.02.2008	10,50	1.00	1.00	2.00	05.02.2008	636	19.02.2008	32
29.02.2008	10,25	1.00	1.00	2.00	29.02.2008	638	13.03.2008	50
25.03.2008	10,25	0.50	1.00	2.00	25.03.2008	647	03.04.2008	59
22.05.2008	10,75	0.50	1.00	2.00	22.05.2008	653	16.06.2008	113
30.07.2008	11,00	0.50	1.00	2.00	30.07.2008	665	15.08.2008	153
17.10.2008	11,00	0.25	1.00	1.75	16.10.2008	674	22.10.2008	187
14.11.2008	11,00	0.10	1.00	1.25	13.11.2008	675	26.11.2008	207
28.11.2008	10,75	0.10	1.00	1.25	27.11.2008	680	16.12.2008	217
22.12.2008	9,75	0.00	0.75	0.50	19.12.2008	683	25.12.2008	223
19.01.2009	8,00	0.00	0.75	0.25	16.01.2009	692	23.01.2009	18
20.02.2009	6,50	0.00	0.75	0.25	20.02.2009	699	04.03.2009	47
08.05.2009	6,50	0.00	0.50	0.25	08.05.2009	719	18.05.2009	85
17.07.2009	6,00	0.00	0.50	0.25	17.07.2009	730	03.08.2009	133
19.08.2009	5,50	0.00	0.50	0.25	19.08.2009	735	15.09.2009	157
16.10.2009	5,25	0.00	0.50	0.25	16.10.2009	742	22.10.2009	182
07.12.2009	5,00	0.00	0.50	0.25	04.12.2009	750	15.12.2009	211
01.01.2013	4.00	0.00	0.50	0.25	20.12.2012	836	21.12.2012	212
01.06.2013	3.50	0.00	0.50	0.25	09.05.2013	849	16.05.2013	85
01.03.2015	3.50	0.00	0.00	0.00	10.02.2015	899	17.02.2015	25

Source: Central Bank of TRNC

Table B.9: Rediscount Interest Rates (%)

Effective Date	Currency																
	TRY					\$					€			£			
	Trade	Industry Tourism Agri. Edu.	Exp.	Small Business	Advances Against Foreign Exchange	Trade	Industry Tourism Edu.	Exp.	Advances Against Foreign Exchange	Trade	Industry Tourism Edu.	Exp.	Advances Against Foreign Exchange	Trade	Industry Tourism Edu.	Exp.	Advances Against Foreign Exchange
06.02.04	55	42	40	35	35	10	6	6	8	10	6	6	8	11	7	7	9
10.12.04	42	32	30	28	28	10	6	6	8	10	6	6	8	11	7	7	9
04.02.05	35	30	28	26	26	10	6	6	6	10	6	6	6	11	7	7	7
01.04.05	33	28	26	24	24	10	6	6	6	10	6	6	6	11	7	7	7
03.06.05	30	26	24	22	22	10	6	6	6	10	6	6	6	11	7	7	7
01.11.05	26	24	22	20	20	10	6	6	6	10	6	6	6	11	7	7	7
01.06.06	26	24	22	20	20	12	8	8	8	10	6	6	6	11	7	7	7
03.07.06	33	28	26	24	24	12	8	8	8	10	6	6	6	11	7	7	7
21.09.07	30	26	24	22	22	12	8	8	8	10	6	6	6	11	7	7	7
26.10.07	30	26	24	22	22	10.5	6.5	6.5	6.5	10	6	6	6	11	7	7	7
29.02.08	28	24	22	20	20	9	6	6	6	9	6	6	6	11	7	7	7
25.03.08	28	24	22	20	20	9	6	6	6	9	6	6	6	11	7	7	7
29.12.08	22	19	19	18	19	5	5	5	5	5	5	5	5	5	5	5	5
02.03.09	20	17	17	16	16	4	4	4	4	4	4	4	4	4	4	4	4
25.06.09	17	15	15	14	14	4	4	4	4	4	4	4	4	4	4	4	4
27.12.10	14	12	12	11	11	4	4	4	4	4	4	4	4	4	4	4	4
01.01.13	11	8	8	8	8	4	4	4	4	4	4	4	4	4	4	4	4
01.06.13	11	7	7	7	7	4	4	4	4	4	4	4	4	4	4	4	4

Source: Central Bank of TRNC

Table B.10: Reserve Requirements Ratios (%)

Effective Date	Description	TRY Liabilities	FX Liabilities
30.06.2002		15	16
30.11.2002		14	15
30.04.2003		13	14
30.10.2003		12	13
31.01.2004		11	12
31.07.2004		10	11
31.12.2005		10	11
30.06.2006		9	10
30.09.2007		9	9
31.12.2008		8	8
31.07.2012	Deposits with up to three months maturity (including three months)	8	8
	Deposits with three to six months maturity (including six months)	7	8
	Deposits with six months to one year maturity (including one year)	6	8
	Deposits with maturity longer than one year	5	8
	Other liabilities in Turkish Lira excluding deposits	8	8
	Precious Metal Liabilities	0	0
28.02.2014	Deposits with up to three months maturity (including three months)	8	8
	Deposits with three to six months maturity (including six months)	7	7
	Deposits with six months to one year maturity (including one year)	6	6
	Deposits with maturity longer than one year	5	5
	Other liabilities in Turkish Lira excluding deposits	8	8
	Precious Metal Liabilities	0	0

Source: Central Bank of TRNC

Table B.11: Overdraft Checks

Years	Months	People Restrained From Using Checks (Number of Persons)	
		Monthly Total	Cumulative Total
2011			3.244
2012			3.842
2013			2.910
2014			3,366
2015			3.699
2016	1	278	278
	2	241	519
	3	247	766
	4	204	970
	5	232	1.202
	6	275	1.477
	7	229	1.706
	8	263	1.969
	9	214	2.183
	10	299	2.482
	11	242	2.724
	12	253	2.977
2017	1	347	347
	2	197	544
	3	182	726
	4	174	900
	5	341	1.241
	6	182	1.423
	7	155	1.578
	8	173	1.751
	9	170	1.921
	10	196	2.117
	11		
	12		

Source: Central Bank of TRNC

Table B.12: Assets / Liabilities Sum of the Banking Sector (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 Customer	Loans Extended by the Central Bank of TRNC	Loans Extended Through the Central Bank of TRNC	Other Loans	Total
30 June 2014	110,3	2.6	16.0	0.0	59,8	4.317,3	18.5	13.1	2.686,1	219,1	0.6	2.3	0.0	763,2	8.208,9
30 Sept. 2014	102,8	12.8	3.3	0.0	64,0	4.425,5	11.5	13.5	2.780,3	225,8	2.3	2.5	0.0	831,1	8.475,4
31 Dec. 2014	95,9	9.3	3.2	0.0	77,0	4.802,6	27.0	13.7	2.869,0	229,1	0.1	0.0	0.0	813,5	8.940,4
31 Mar. 2015	98,5	7.4	3.1	0.0	83,1	4.990,4	30.5	14.7	2.936,2	251,4	0.1	4.4	0.0	904,3	9.324,1
30 June 2015	117,1	10.1	3.4	0.0	92,1	5.195,8	15.0	14.5	3.033,7	257,8	0.1	4.6	0.0	929,8	9.674,0
30 Sept. 2015	133,1	11.8	3.8	0.0	86,1	5.532,5	10.4	15.8	3.152,2	259,9	0.1	5.2	0.0	963,7	10.174,6
31 Dec. 2015	138,5	11.0	3.6	0.0	96,4	5.740,9	15.9	14.8	3.073,4	265,1	0.1	0.0	0.0	1.039,7	10.399,4
31 Mar. 2016	146,2	7.0	3.7	0.0	90,7	5.731,3	17.8	14.2	3.085,4	251,0	0.1	0.0	0.0	999,0	10.346,4
30 June 2016	161,7	2.1	3.0	0.0	96,6	5.987,6	13.5	13.8	3.130,1	279,9	0.1	4.1	0.0	974,9	10.667,4
30 Sept. 2016	161,0	4.5	2.3	0.0	93,5	6.022,0	12.2	13.5	3.222,1	289,8	0.1	4.2	0.0	910,7	10.735,9
31 Dec. 2016	165,8	3.8	3.7	0.0	102,4	6.910,7	16.5	14.9	3.411,8	324,8	0.1	4.9	0.0	961,2	11.920,6
31 Mar. 2017	179,5	5.6	3.8	0.0	112,6	7.206,5	22.8	14.4	3.514,1	358,9	0.1	0.0	0.0	992,5	12.410,8
30 June 2017	180,0	6.0	3.2	0.0	91,3	7.475,2	20.3	14.2	3,642,2	379,2	0.1	5.3	0.0	1.019,0	12.836,0
30 Sept. 2017	178,0	6.9	3.5	0	111,2	7.598,6	16.7	15.9	3.815,2	391,6	0.1	5.4	0	1.034,9	13.178,0

Source: Central Bank of TRNC

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

Date	Discount Loans	Export Loans	Import Loans	Export Guaranteed Investment Loans	Other Investment Loans	Business Loans	Directed Loans	Loans of Funds Originated	Consumer Loans	Credit Cards	Loans to Purchase Security for Customer	Loans Extended by the Central Bank of TRNC	Loans Extended Through the Central Bank of TRNC	Other Loans	Total
30 June 2014	110,3	2.6	16.0	0.0	59,8	4.317,3	18.5	13.1	2.686,1	219,1	0.6	2.3	0.0	763,2	8.208,9
30 Sept. 2014	102,8	12.8	3.3	0.0	64,0	4.425,5	11.5	13.5	2.780,3	225,8	2.3	2.5	0.0	831,1	8.475,4
31 Dec. 2014	95,9	9.3	3.2	0.0	77,0	4.802,6	27.0	13.7	2.869,0	229,1	0.1	0.0	0.0	813,5	8.940,4
31 Mar. 2015	98,5	7.4	3.1	0.0	83,1	4.990,4	30.5	14.7	2.936,2	251,4	0.1	4.4	0.0	904,3	9.324,1
30 June 2015	117,1	10.1	3.4	0.0	92,1	5.195,8	15.0	14.5	3.033,7	257,8	0.1	4.6	0.0	929,8	9.674,0
30 Sept. 2015	133,1	11.8	3.8	0.0	86,1	5.532,5	10.4	15.8	3.152,2	259,9	0.1	5.2	0.0	963,7	10.174,6
31 Dec. 2015	138,5	11.0	3.6	0.0	96,4	5.740,9	15.9	14.8	3.073,4	265,1	0.1	0.0	0.0	1.039,7	10.399,4
31 Mar. 2016	146,2	7.0	3.7	0.0	90,7	5.731,3	17.8	14.2	3.085,4	251,0	0.1	0.0	0.0	999,0	10.346,4
30 June 2016	161,7	2.1	3.0	0.0	96,6	5.987,6	13.5	13.8	3.130,1	279,9	0.1	4.1	0.0	974,9	10.667,4
30 Sept. 2016	161,0	4.5	2.3	0.0	93,5	6.022,0	12.2	13.5	3.222,1	289,8	0.1	4.2	0.0	910,7	10.735,9
31 Dec. 2016	165,8	3.8	3.7	0.0	102,4	6.910,7	16.5	14.9	3.411,8	324,8	0.1	4.9	0.0	961,2	11.920,6
31 Mar. 2017	179,5	5.6	3.8	0.0	112,6	7.206,5	22.8	14.4	3.514,1	358,9	0.1	0.0	0.0	992,5	12.410,8
30 June 2017	180,0	6.0	3.2	0.0	91,3	7.475,2	20.3	14.2	3,642,2	379,2	0.1	5.3	0.0	1.019,0	12.836,0
30 Sept. 2017	178,0	6.9	3.5	0	111,2	7.598,6	16.7	15.9	3.815,2	391,6	0.1	5.4	0	1.034,9	13.178,0

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 Customer	Loans Extended by the Central Bank of TRNC	Loans Extended Through the Central Bank of TRNC	Other Loans	Total
30 June 2014	82,9	0.2	9.7	0	52,6	2.616,4	18.5	5.6	1.883,5	218,1	0.6	0	0	516,3	5.404,4
30 Sept. 2014	75,4	0	0.1	0	56,8	2.679,4	11.5	5.4	1.958,4	224,7	2.3	0	0	564,2	5.578,2
31 Dec. 2014	66,3	0	0.1	0	60,9	2.898,0	27.0	5.8	2.038,4	228,2	0.1	0	0	566,7	5.891,5
31 Mar. 2015	72,0	0	0.1	0	63,7	2.898,1	30.5	5.8	2.036,9	250,6	0.1	0	0	592,5	5.950,3
30 June 2015	90,2	0	0.1	0	68,0	2.897,1	15.0	5.4	2.084,3	257,0	0.1	0	0	613,4	6.030,6
30 Sep. 2015	101,5	0	0.1	0	59,1	2.926,8	10.4	5.4	2.135,7	257,9	0.1	0	0	6.11,7	6.108,7
31 Dec. 2015	107,3	0	0.1	0	64,9	3.161,8	16.0	5.4	2.139,0	264,3	0.1	0	0	695,5	6.454,4
31 Mar. 2016	114,4	0	0.4	0	62,1	3.238,7	17.9	5.1	2.166,9	250,1	0	0	0	691,6	6.547,2
30 June 2016	126,0	2.1	0.1	0	57,6	3.311,3	13.5	4.5	2.212,4	278,9	0	0	0	678,0	6.684,4
30 Sept. 2016	123,0	4.4	0.1	0	52,9	3.296,1	12.1	4.0	2.243,5	288,2	0.1	0	0	644,8	6.669,2
31 Dec. 2016	117,6	3.8	0.3	0	53,2	3.575,9	16.5	3.8	2.270,9	323,1	0.1	0	0	644,9	7.010,1
31 Mar. 2017	127,2	5.6	0.5	0	61,7	3.637,1	22.8	3.5	2.310,6	356,9	0.1	0	0	675,1	7.201,1
30 June 2017	131,8	6.1	0.1	0	60,2	3.664,0	20.3	3.8	2.401,9	376,9	0.1	0	0	698,8	7.364,0
30 Sept. 2017	135,3	6.9	0.2	0	74,4	3.631,2	16.7	5.3	2.457,6	389,1	0.1	0	0	684,7	7.401,6

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 Customer	Loans Extended by the Central Bank of TRNC	Loans Extended Through the Central Bank of TRNC	Other Loans	Total
30 June 2014	27.5	2.4	6.3	0	7.2	1.700,9	0	7.6	802,4	1.0	0	2.4	0	246,9	2.804,6
30 Sept. 2014	27.4	12.7	3.2	0	7.1	1.746,2	0	8.1	821,9	1.1	0	2.5	0	267,0	2.897,2
31 Dec. 2014	29.6	9.3	3.1	0	16.0	1.904,6	0	7.8	830,6	1.0	0	0	0	246,9	3.048,9
31 Mar. 2015	26.6	7.5	3.1	0	19.4	2.092,3	0	9.0	899,5	0.1	0	4.5	0	311,8	3.373,8
30 June 2015	26.9	10.1	3.4	0	24.2	2.298,8	0	9.0	949,4	0.7	0	4.5	0	316,4	3.643,4
30 Sep. 2015	31,7	11.7	3.5	0	27.1	2.605,7	0	10.3	1.016,7	2.0	0	5.1	0	352,1	4.065,9
31 Dec. 2015	31.2	11.0	3.2	0	31.5	2.579,1	0	9.4	934,4	1.0	0	0	0	344,2	3.945,0
31 Mar. 2016	31.8	7.0	3.3	0	28.6	2.492,6	0	9.1	918,5	1.0	0	0	0	307,3	3.799,2
30 June 2016	35,6	0	2.9	0	39,0	2.676,3	0	9.3	917,7	1.0	0	4.1	0	297,1	3.983,0
30 Sept. 2016	38	0	2.7	0	40,6	2.725,8	0	9.5	978,5	1.5	0	4.2	0	265,9	4.066,7
31 Dec. 2016	48,2	0	3.3	0	49,1	3.334,8	0	11.1	1.141	1.7	0	5.0	0	316,3	4.910,5
31 Mar. 2017	52,3	0	3.3	0	51.0	3.569,4	0	11.0	1.203,5	1.9	0	0	0	317,3	5.209,7
30 June 2017	48.2	0	3.1	0	31.1	3.811,2	0	10.4	1.240,3	2.2	0	5.3	0	320,2	5.472,0
30 Sept. 2017	42,7	0	3.3	0	36,8	3.967,3	0	10.6	1.357,6	2.5	0	5.4	0	350,2	5.776,4

Source: Central Bank of TRNC

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

Date	Short-Term Loans	Percentage Change	Medium and Long-Term Loans	Percentage Change	Total	Percentage Change
30 June 2014	3.726,4	2.81	4.482,5	5,01	8.208,9	4,03
30 Sept. 2014	3.795,6	1.86	4.679,8	4,40	8.475,4	3.25
31 Dec. 2014	4.076,9	7,41	4.863,5	3.92	8.940,4	5,49
31 Mar. 2015	4.163,4	2.12	5.160,7	6,11	9.324,1	4,29
30 June 2015	4.240,8	1.86	5.433,2	5,28	9.674,0	3.75
30 Sep. 2015	4.384,3	3.38	5.790,3	6.6	10.174,6	5,17
31 Dec. 2015	4.602,5	4,98	5.796,8	0.11	10.399,4	2.21
31 Mar. 2016	4.535,0	-1,47	5.811,4	0.25	10.346,4	-0,51
30 June 2016	5.034,6	11,02	5.632,8	-3,08	10.667,4	3.11
30 Sept. 2016	5.012,0	-0,45	5.723,9	1.62	10.735,9	0.64
31 Dec. 2016	5.660,9	12,95	6.259,7	9,36	11.920,6	11,03
31 Mar. 2017	5.889,9	4,05	6.520,9	4,17	12.410,8	4,11
30 June 2017	3.331,8	-43,43	9.504,2	45,75	12.836,0	3.43
30 Sept. 2017	3.414,7	2.49	9.763,3	2.73	13.178,0	2.66

Source: Central Bank of TRNC

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

Date	Public Loans	Percentage Change	Private Loans	Percentage Change	Total	Percentage Change
30 June 2014	2.177,8	4,02	6.031,1	4,03	8.208,9	4,03
30 Sept. 2014	2.174,9	-0,13	6.300,5	4,47	8.475,4	3,25
31 Dec. 2014	2.416,9	11,13	6.523,5	3,54	8.940,4	5,49
31 Mar. 2015	2.442,9	1,07	6.881,2	5,48	9.324,1	4,29
30 June 2015	2.411,2	-1,29	7.262,8	5,55	9.674,0	3,75
30 Sep. 2015	2.484,0	3,02	7.690,6	5,89	10.174,6	5,17
31 Dec. 2015	2.692,1	8,38	7.707,3	0,22	10.399,4	2,21
31 Mar. 2016	2.679,4	-0,47	7.667,0	-0,52	10.346,4	-0,51
30 June 2016	2.662,4	-0,63	8.005,0	4,41	10.667,4	3,10
30 Sept. 2016	2.656,7	-0,21	8.079,2	0,93	10.735,9	0,64
31 Dec. 2016	2.995,6	12,76	8.925,0	10,47	11.920,6	11,03
31 Mar. 2017	3.005,0	0,31	9.405,8	5,39	12.410,8	4,11
30 June 2017	2.948,7	-1,87	9.887,3	5,12	12.836,0	3,43
30 Sept. 2017	2.874,9	-2,50	10.303,1	4,21	13.178,0	2,66

Source: Central Bank of TRNC

Table B.18: Loan Sizes (Million TRY)

Date	Loans Larger Than 100 Thousand TRY	Loans Between 51-100 Thousand TRY	Loans Between 11-50 Thousand TRY	Loans Between 1 - 10 Thousand TRY	Loans Less Than 1 Thousand TRY	Grand Total
30 June 2014	6.063,1	729,1	988,8	399,1	28,8	8.208,9
30 Sept. 2014	6.278,3	759,4	991,4	419,3	27,0	8.475,4
31 Dec. 2014	6.706,8	784,8	1.008,3	424,9	15,6	8.940,4
31 Mar. 2015	7.074,3	787,4	1.017,0	429,6	15,8	9.324,1
30 June 2015	7.428,9	768,4	1.023,5	437,4	15,8	9.674,0
30 Sep. 2015	7.912,1	780,3	1.024,0	443,8	14,4	10.174,6
31 Dec. 2015	8.154,1	780,1	1.017,5	432,5	15,2	10.399,4
31 Mar. 2016	8.137,3	776,4	1.025,0	392,7	15,0	10.346,4
30 June 2016	8.422,4	772,3	1.038,8	408,5	25,4	10.667,4
30 Sept. 2016	8.520,5	797,2	1.002,0	395,1	21,4	10.735,9
31 Dec. 2016	9.711,1	801,8	998,2	388,2	21,3	11.920,6
31 Mar. 2017	10.156,3	817,8	984,8	400,1	51,8	12.410,8
30 June 2017	10.547,2	847,3	993,7	423,9	23,9	12.836,0
30 Sept. 2017	10.861,7	879,5	996,5	416,4	23,9	13.178,0

Source: Central Bank of TRNC

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

Date	Paid-in Capital	Reserve Requirements	Fixed Asset Rev. Fund	Securities Value Increment Fund	Profit (Loss) of the Period	Accumulated Profit (Loss)	Total
30 June 2014	785,1	260,0	1.4	13.5	117,8	213,3	1.391,1
30 Sept. 2014	796,6	260,4	1.4	13.5	177,4	212,8	1.462,1
31 Dec. 2014	800,8	261,6	1.4	13.5	214,7	211,6	1.503,6
31 Mar. 2015	802,4	307,6	1.6	13.5	79,9	359,1	1.564,1
30 June 2015	771,9	353,8	1.4	14.7	128,4	262,0	1.532,2
30 Sep. 2015	778,9	355,0	1.4	12.6	185,4	257,3	1.590,6
31 Dec. 2015	791,4	367,3	0.2	12.6	201,8	244,7	1.618,0
31 Mar. 2016	791,8	426,1	0.2	78,7	56,2	373,2	1.726,2
30 June 2016	848,5	425,3	0.3	72,3	156,3	301,2	1.803,9
30 Sept. 2016	878,5	423,7	0.2	72,7	227,5	301,0	1.903,6
31 Dec. 2016	976,7	426,4	0.3	82,1	306,8	273,9	2.066,2
31 Mar. 2017	992,4	520,0	0.3	86,0	104,7	455,8	2.159,2
30 June 2017	1.011,7	558,0	0.9	88,8	185,4	381,0	2.225,8
30 Sept. 2017	1.021,4	558,0	0.9	92,6	297,4	364,0	2.334,3

Source: Central Bank of TRNC

Table B.20: Capital Adequacy Ratio (%)

Date	Public Banks	Private Banks	Branch Banks	Banking Sector	Legal Limit
30 June 2014	24,49	14,36	18,00	17,47	10.00
30 Sept. 2014	25,15	14,77	17,87	17,66	10.00
31 Dec. 2014	25,35	14,90	17,43	17,53	10.00
31 Mar. 2015	26,08	14,51	18,23	17,75	10.00
30 June 2015	25,74	14,61	17,24	17,36	10.00
30 Sep. 2015	25,83	14,62	17,18	17,33	10.00
31 Dec. 2015	23,95	14,53	17,35	17,06	10.00
31 Mar. 2016	24,19	14,94	17,66	17,39	10.00
30 June 2016	24,48	15,14	16,85	17,18	10.00
30 Sept. 2016	25,26	16,14	18,38	18,36	10.00
31 Dec. 2016	24,06	15,09	19,15	18,24	10.00
31 Mar. 2017	24,09	15,35	19,45	18,26	10.00
30 June 2017	23,85	15,40	19,00	18,04	10.00
30 Sept. 2017	24,20	15,26	19,72	18,27	10.00

Source: Central Bank of TRNC

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

Date	Interest Revenues	Interest Expenditures	Non-Tax Revenues	Non-Tax Expenditures	Period Net Profit / Loss
30 June 2014	603,5	214,2	125,2	210,1	117,8
30 Sept. 2014	914,7	315,9	184,8	320,0	177,4
31 Dec. 2014	1.230,1	409,3	246,6	438,5	214,7
31 Mar. 2015	330,9	109,3	68,5	110,6	79,9
30 June 2015	672,2	215,3	132,6	228,3	128,4
30 Sep. 2015	1.028,1	308,5	191,3	354,2	185,4
31 Dec. 2015	1.391,1	378,4	272,9	485,6	201,8
31 Mar. 2016	375,6	118,3	77,8	125,5	56,1
30 June 2016	758,1	252,3	173,5	251,6	156,3
30 Sept. 2016	1.150,1	373,9	242,0	373,9	227,5
31 Dec. 2016	1.558,7	465,1	334,8	519,3	306,7
31 Mar. 2017	433,5	156,3	92,1	141,5	104,7
30 June 2017	885,7	308,4	195,5	295,1	185,4
30 Sept. 2017	1.383,6	802,7	298,9	456,9	297,4

Source: Central Bank of TRNC

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

Date	Demand	1-Month	3-Month	6-Month	1-Year	Total
30 June 2014	1.386,0	6.392,3	1.719,3	386,0	1.153,7	11.037,3
30 Sept. 2014	1.440,2	6.573,9	1.847,5	463,2	1.186,0	11.510,8
31 Dec. 2014	1.469,5	6.744,4	1.910,0	493,0	1.156,9	11.773,8
31 Mar. 2015	1.480,3	7.034,4	2.043,0	466,5	1.233,8	12.258,0
30 June 2015	1.651,8	7.323,3	2.202,8	526,6	1.295,5	13.000,0
30 Sep. 2015	1.864,3	7.773,2	2.394,4	598,2	1.377,7	14.007,8
31 Dec. 2015	1.859,2	7.689,2	2.516,1	566,5	1.319,5	13.950,5
31 Mar. 2016	1.750,4	7.918,7	2.488,7	591,5	1.274,8	14.024,1
30 June 2016	1.912,7	7.930,3	2.584,2	603,7	1.269,6	14.300,5
30 Sept. 2016	2.064,9	8.206,5	2.751,7	608,2	1.338,5	14.969,8
31 Dec. 2016	2.394,0	8.623,1	3.360,7	689,5	1.567,9	16.635,2
31 Mar. 2017	2.480,3	9.674,2	3.161,1	723,8	1.613,0	17.652,4
30 June 2017	2.771,0	9.919,8	3.407,0	736,9	1.659,4	18.494,1
30 Sept. 2017	2.916,9	10.069,4	4.041,3	862,7	1.782,6	19.672,9

Source: Central Bank of TRNC

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

Date	Demand	1-Month	3-Month	6-Month	1-Year	Total
30 June 2014	749,7	3.968,1	968,8	178,9	296,7	6.162,2
30 Sept. 2014	749,1	4.052,1	1.005,7	221,2	311,0	6.339,1
31 Dec. 2014	798,0	4.122,7	1.013,8	234,3	299,1	6.467,9
31 Mar. 2015	769,5	4.328,5	1.068,6	213,9	285,6	6.666,1
30 June 2015	821,1	4.403,3	1.137,2	207,8	285,3	6.854,7
30 Sep. 2015	837,2	4.427,9	1.171,5	202,1	266,5	6.905,2
31 Dec. 2015	865,0	4.452,8	1.259,1	201,5	283,0	7.061,4
31 Mar. 2016	797,1	4.557,7	1.280,1	225,0	261,6	7.121,5
30 June 2016	898,2	4.618,9	1.341,7	221,6	263,3	7.343,7
30 Sept. 2016	968,4	4.690,1	1.463,3	203,2	258,9	7.583,9
31 Dec. 2016	1.122,6	4.796,3	1.611,5	231,0	297,1	8.058,5
31 Mar. 2017	1.083,7	5.157,3	1.503,4	283,7	274,1	8.302,2
30 June 2017	1.276,2	5.173,5	1.636,5	273,9	282,2	8.642,3
30 Sept. 2017	1.318,5	5.221,5	1.831,2	358,1	302,8	9.032,1

Source: Central Bank of TRNC

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

Date	Demand	1-Month	3-Month	6-Month	1-Year	Total
30 June 2014	636,2	2.424,3	750,5	207,1	857,0	4.875,1
30 Sept. 2014	691,0	2.521,8	841,8	242,1	875,0	5.171,7
31 Dec. 2014	671,5	2.621,7	896,3	258,7	857,7	5.305,9
31 Mar. 2015	710,8	2.705,9	974,5	252,5	948,2	5.591,9
30 June 2015	830,8	2.919,9	1.065,5	318,8	1.010,3	6.145,3
30 Sept. 2015	1.027,1	3.345,3	1.222,9	396,1	1.111,2	7.102,6
31 Dec. 2015	994,3	3.236,4	1.256,9	365,0	1.036,5	6.889,1
31 Mar. 2016	953,3	3.361,1	1.208,6	366,5	1.013,0	6.902,5
30 June 2016	1.014,5	3.311,4	1.242,5	382,1	1.006,3	6.956,8
30 Sept. 2016	1.096,5	3.516,5	1.288,3	405,0	1.079,6	7.385,9
31 Dec. 2016	1.271,4	3.826,8	1.749,2	458,5	1.270,7	8.576,7
31 Mar. 2017	1.396,6	4.516,9	1.657,7	440,1	1.338,9	9.350,2
30 June 2017	1.494,9	4.746,3	1.770,5	463,0	1.377,2	9.851,9
30 Sept. 2017	1.598,4	4.847,8	2.210,1	504,7	1.479,7	10.640,8

Source: Central Bank of TRNC

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

Date	Official	Trading	Savings	Other	Banks	Total
30 June 2014	760,6	1.461,2	8.544,2	271,3	596,5	11.633,8
30 Sept. 2014	767,0	1.610,1	8.850,1	283,6	705,2	12.216,0
31 Dec. 2014	760,4	1.696,1	9.016,1	301,2	799,4	12.573,2
31 Mar. 2015	746,3	1.854,6	9.366,2	291,0	750,8	13.008,9
30 June 2015	792,2	2.063,5	9.858,0	286,3	805,0	13.805,0
30 Sept. 2015	787,1	2.408,0	10.576,4	236,3	867,4	14.875,2
31 Dec. 2015	822,7	2.350,4	10.537,9	239,5	961,3	14.911,8
31 Mar. 2016	825,4	2.380,7	10.581,1	236,9	1.024,2	15.048,3
30 June 2016	881,2	2.442,5	10.745,4	231,4	1.025,7	15.326,2
30 Sept. 2016	913,5	2.744,1	11.022,3	289,9	1.148,4	16.118,2
31 Dec. 2016	991,7	3.040,5	12.287,2	315,8	1.597,8	18.233,0
31 Mar. 2017	1.107,4	3.310,6	12.895,4	339,0	1.460,1	19.112,5
30 June 2017	1.294,5	3.512,2	13.373,9	313,5	1.551,4	20.045,5
30 Sept. 2017	1.344,5	3.914,2	14.146,6	267,5	1.600,8	21.273,5

Source: Central Bank of TRNC

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

Date	Official	Trading	Savings	Other	Banks	Total
30 June 2014	612,0	791,2	4.632,2	126,8	266,6	6.428,8
30 Sept. 2014	594,3	868,7	4.737,8	138,3	357,8	6.696,9
31 Dec. 2014	577,2	879,8	4.875,8	135,1	399,0	6.866,9
31 Mar. 2015	552,5	965,0	5.006,1	142,5	331,0	6.997,1
30 June 2015	588,9	1.015,5	5.120,9	129,4	276,2	7.130,9
30 Sep. 2015	571,4	1.076,5	5.130,1	127,3	237,6	7.142,9
31 Dec. 2015	614,6	1.110,6	5.193,0	143,2	254,6	7.316,0
31 Mar. 2016	615,7	1.101,8	5.286,0	118,1	285,5	7.407,1
30 June 2016	669,7	1.107,3	5.441,0	125,7	208,8	7.552,5
30 Sept. 2016	708,4	1.216,8	5.492,2	166,5	227,8	7.811,7
31 Dec. 2016	756,3	1.319,0	5.823,8	159,4	331,8	8.390,3
31 Mar. 2017	809,7	1.352,5	5.963,4	176,8	351,3	8.653,7
30 June 2017	1.022,5	1.368,4	6.116,2	135,1	313,2	8.955,4
30 Sept. 2017	1.029,4	1.516,0	6.387,8	98,9	319,0	9.351,2

Source: Central Bank of TRNC

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

Date	Official	Trading	Savings	Other	Banks	Total
30 June 2014	148,5	670,0	3.912,1	144,5	329,8	5.204,9
30 Sept. 2014	172,6	741,5	4.112,3	145,3	347,4	5.519,1
31 Dec. 2014	183,2	816,3	4.140,3	166,1	400,4	5.706,3
31 Mar. 2015	193,8	889,5	4.360,2	148,5	419,8	6.011,8
30 June 2015	203,3	1.048,0	4.737,1	156,9	528,8	6.674,1
30 Sep. 2015	215,8	1.331,5	5.446,3	108,9	629,8	7.732,3
31 Dec. 2015	208,1	1.239,8	5.345,0	96,3	706,6	7.595,8
31 Mar. 2016	209,7	1.279,0	5.295,1	118,8	738,6	7.641,2
30 June 2016	211,6	1.335,2	5.304,3	105,6	817,0	7.773,7
30 Sept. 2016	205,1	1.527,4	5.530,0	123,4	920,6	8.306,5
31 Dec. 2016	235,4	1.721,5	6.463,4	156,4	1.266,0	9.842,7
31 Mar. 2017	297,7	1.958,2	6.932,1	162,2	1.108,7	10.458,9
30 June 2017	272,0	2.143,8	7.257,6	178,4	1.238,2	11.090,0
30 Sept. 2017	315,1	2.398,3	7.758,8	168,6	1.281,6	11.922,3

Source: Central Bank of TRNC

Table B.28: Money Supply (Million TRY)

Year	Term	M1	Percentage Change	M2	Percentage Change	M3	Percentage Change
2013	I	1.690,9	1,79	8.958,1	2,19	9.608,9	0,25
	II	1.767,3	4,52	9.507,6	6,13	10.177,6	5,92
	III	1.853,2	4,86	9.994,6	5,12	10.787,2	5,99
	IV	1.963,4	5,95	10.562,0	5,68	11.345,1	5,17
2014	I	2.049,8	4,40	10.794,4	2,20	11.601,9	2,26
	II	2.152,4	5,01	11.130,9	3,12	11.957,3	3,06
	III	2.163,0	0,49	11.578,9	4,02	12.433,8	3,99
	IV	2.211,0	2,21	11.880,2	2,60	12.660,2	1,82
2015	I	2.338,5	5,77	12.470,8	4,97	13.249,2	4,65
	II	2.532,7	8,30	13.211,3	5,94	14.056,5	6,09
	III	2.829,9	11,74	14.279,5	8,09	15.106,7	7,47
	IV	2.841,2	0,40	14.215,9	-0,45	15.109,8	0,02
2016	I	2.797,9	-1,53	14.340,3	0,88	15.181,6	0,48
	II	2.976,9	6,40	14.620,3	1,95	15.593,1	2,71
	III	3.158,0	6,08	15.285,2	4,55	16.319,0	4,66
	IV	3.544,1	12,23	16.946,4	10,87	17.996,6	10,28
2017	I	3.754,8	5,95	18.019,6	6,33	19.209,2	6,74
	II	3.906,7	4,05	18.670,5	3,61	20.066,2	4,46
	III	4.126,2	5,62	19.847,4	6,30	21.240,3	5,85

Source: Central Bank of TRNC

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

1	KIBRIS VAKIFLAR BANKASI LTD.
2	AKFİNANS BANK LTD.
3	CREDİTWEST 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	UNİVERSAL BANK LTD.
12	VİYA BANK LTD.
13	YAKINDOĞU BANK LTD.
14	KIBRIS KAPİTAL BANK LTD.
15	KIBRIS FAİSAL İSLAM BANKASI LTD.
16	HSBC BANK A.Ş.
17	T. GARANTİ BANKASI A.Ş.
18	T. HALK BANKASI A.Ş.
19	T. İŞ BANKASI A.Ş.
20	TC ZİRAAT BANKASI A.Ş.
21	ALBANK LTD.
22	TÜRK EKONOMİ BANKASI A.Ş.

Source: Central Bank of TRNC

Table B.30: Basic Economic and Social Indicators

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
GNP (Current Prices, Million TRY)	4.101,4	4.671,3	5.128,3	5.415,3	5.649,5	6.559,2	6.915,8	7.579,4	8.840,4	10.210,7	11.605,5	12,989.1 ^(F)
GNP (Million USD)	2.845,2	3.598,8	3.995,6	3.502,5	3.750,6	3.908,5	3.840,8	3.969,5	4.031,9	3.744,9	n.a	n.a
GNP per capita (Current Prices, TRY)	17.063	19.165	20.739	21.538	22.147	25.850	27.077	29.217	33.128	35.225	n.a	n.a
GNP per capita (USA)	11.837	14.765	16.158	13.930	14.703	15.404	15.038	15.302	15.109	13.737,2	13.902	12.135,5
Inflation Rate (%)	19.2	9.4	14.5	5.7	3.3	14.7	3.6	10.2	6.5	7.8	10.2	10,9 ^(T)
Deposits (Million USD) (2)	3.294,9	4.166,1	3.645,7	4.277,0	4.426,1	4.281,8	5.034,1	5.006,4	5.077,3	4.798,0	4,726,9	n.a
Foreign Exchange Reserve (Million USD)	2.030,9	2.072,1	1.802,6	1.974,7	2.069,1	2.116,4	1.775,6	1.555,7	1.379,0	n.a	n.a	n.a
Exports (Million USD) (3)	64,9	83,7	83,6	71,1	96,4	119,9	116,3	120,7	134,0	118,1	105,5	102,9 ^(F)
Imports - (Million USD) (4)	1.376,2	1.539,2	1.680,7	1.326,2	1.604,2	1.699,9	1.703,9	1.699,4	1.538,8	1.500,6	1.520,7	1,596.7 ^(F)
Foreign Trade Balance (Million USD)	-1,311.3	-1,455.5	-1,597.1	-1,255.1	-1,507.8	-1,580.0	-1,587.6	-1,578.7	-1,404.8	-1,382.5	-1,415,2	-1,493.8 ^(F)
Exports / Imports (%)	4.7	5.1	4.4	5.4	6.0	9.0	7.2	7.1	7.5	7.9	6.9	6,4 ^(T)
Number of Arriving Tourists	715.749	791.036	808.682	800.376	902.390	1.022.089	1.166.186	1.232.753	1.366.007	1.483.244	1.171.117	1.294.677
a) Turkey	572.633	634.580	650.405	638.700	741.925	801.326	904.505	923.308	1.020.577	1.110.795	903.912	987.269
b) Other	143.116	156.456	158.277	161.676	160.465	220.763	261.681	309.445	345.430	372.449	267.205	307.408
Net Tourism Income (Million USD)	303,2	381,0	383,7	390,7	405,8	459,4	571,9	613,4	691,6	746,7	714.4 ^(F)	725.8 ^(F)
Employment	91.815	89.787	91.223	91.550	93.498	93.470	96.539	97.867	103.149	112.811	118,387 ^(F)	121.889 ^(T)
Number of Unemployed	9.552	9.361	9.881	12.941	12.619	9.864	9.174	8.929	9.320	9.043	8.075	7.257 ^(T)
Unemployment Rate (%)	9.4	9.4	9.8	12.4	11.9	9.5	8.7	8.4	8.3	7.4	6.4	5,6 ^(T)
Population (5)	257.513	268.011	274.436	283.736	277.680	283.281	292.129	301.988	313.626	326.158	n.a	n.a
Annual Population Growth (%)	15.6	4.0	2.4	3.3	1.1	-1.3	3.1	3.3	3.8	3.9	n.a	n.a
Population Density	79,4	82,7	84,7	87,5	85,7	87,4	90,1	93,1	96,7	100,6	n.a	n.a
Health Expenditures / GNP (%)	3.4	3.9	3.5	3.5	3.4	3.1	3.1	3.2	3.1	2.5	n.a	n.a
Health Expenditures / Budget (%)	7.2	8.6	7.6	7.4	7.3	7.2	7.3	7.4	7.6	6.6	n.a	n.a
Annual Average 1 USD = TRY	1.4415	1.2980	1.2835	1.5461	1,5063	1.6782	1.8006	1.9094	2.1926	2.7266	3,0228	3,7725

1) Foreign aids are not included.

2) Turkish Lira deposits and foreign currency deposits are included.

3) Exports to the Southern Cyprus are not included.

4) Hydrocarbon imports are not included.

5) De-jure

(F) Forecast

(n.a.) Not available

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

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

Sectors	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017 ^(F)
1. Agriculture	249,4	288,2	259,2	300,6	330,3	366,4	386,5	405,0	489,3	609,7	647,6	738,8
2. Industry	377,5	430,8	542,8	516,7	552,4	558,5	587,1	636,6	779,7	937,7	1.064,7	1.227,2
3. Construction	314,8	364,4	362,2	346,4	312,1	408,5	335,8	370,7	370,2	480,5	511,6	618,9
4. Trade - Tourism	617,5	630,3	721,7	766,3	900,0	1.216,8	1.385,3	1.527,9	1.829,1	2.012,9	2.280,6	2,575,3
5. Transportation - Communication	437,2	533,4	614,5	597,3	525,2	553,1	642,9	711,4	788,0	896,6	965,3	1.141,2
6. Financial Institutions	259,3	309,4	357,8	388,4	404,4	472,6	506,0	579,7	637,4	719,4	887,6	913,1
7. Housing Income	117,7	144,2	175,9	202,5	220,6	274,4	305,8	358,2	398,9	456,2	535,3	589,2
8. Self-Employment and Services	441,9	493,5	525,2	609,3	652,3	727,5	801,8	891,6	1.026,1	1.422,6	1.679,9	1.903,9
9. Public Services	808,0	1.003,5	1.104,0	1.201,2	1.180,1	1.294,3	1.294,9	1.349,9	1.603,6	1.715,2	1.850,1	2.060,2
10. Import Taxes	364,7	406,7	416,6	447,6	536,3	637,0	709,1	775,9	936,4	971,8	1.178,3	1.235,6
11. GDP	3.988,1	4.604,3	5.079,9	5.376,3	5.614,1	6.509,0	6.955,1	7.606,9	8.858,6	10.222,5	11.601,2	13.003,4
12. Net Factor Income From Abroad	113,3	66,9	48,4	38,9	35,4	50,2	-39,3	-27,5	-18,2	-11,7	4,2	-14,2
GNP	4.101,4	4.671,2	5.128,3	5.415,3	5.649,5	6.559,2	6.915,8	7.579,4	8.840,4	10.210,7	11.605,5	12.989,1

(F)Forecast
Source: SPO

Table B.32: Percentage Distribution of Gross Domestic Product

Sectors	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017 ^(F)
1. Agriculture	6.3	6.3	5.1	5.6	5.9	5.6	5.6	5.3	5.5	6.0	5.6	5.7
2. Industry	9.5	9.4	10.7	9.6	9.8	8.6	8.4	8.4	8.8	9.2	9.2	9.4
2.1. Quarrying	1.0	1.1	0.8	0.7	0.6	0.7	0.6	0.6	0.5	0.7	0.7	0.7
2.2. Manufacturing Industry	4.5	4.4	4.0	3.2	2.3	2.5	2.8	2.9	3.1	3.7	3.7	3.8
2.3. Electricity-Water	3.9	3.9	5.9	5.8	6.9	5.3	5.1	4.8	5.1	4.8	4.8	4.9
3. Construction	7.9	7.9	7.1	6.5	5.6	6.3	4.8	4.9	4.2	4.7	4.4	4.8
4. Trade - Tourism	15.5	13.7	14.2	14.3	16.0	18.7	19.9	20.1	20.6	19.7	19.7	19.8
4.1. Wholesale and Retail Trade	12.1	9.5	9.7	9.0	10.7	11.1	11.4	11.2	12.3	10.7	11.0	10.6
4.2. Hotel Management and Restaurant Management	5.6	4.2	4.5	5.2	5.4	7.6	8.5	8.9	8.3	9.0	8.7	9.2
5. Transportation - Communication	10.7	11.6	12.1	11.1	9.4	8.5	9.3	9.4	8.9	8.8	8.3	8.8
6. Financial Institutions	6.5	6.7	7.1	7.2	7.2	7.2	7.3	7.6	7.2	7.0	7.6	7.0
7. Housing Ownership	3.0	3.1	3.5	3.8	3.9	4.2	4.4	4.7	4.5	4.4	4.6	4.5
8. Self-Employment and Services	11.1	10.7	10.3	11.3	11.6	11.2	11.5	11.7	11.6	13.9	14.5	14.6
9. Public Services	20.3	21.8	21.7	22.3	21.0	19.9	18.6	17.7	18.1	16.8	15.9	15.8
10. Import Taxes	9.2	8.8	8.2	8.3	9.6	9.8	10.2	10.2	10.6	9.5	10.2	9.5
GDP	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: SPO

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 ^(F)	2017 ^(F)
1. Total Resources	4.394,9	4.996,3	5.629,3	5.516,7	6.065,0	6.849,7	7.141,1	7.664,8	8.866,0	9.470,2	10.499,0	12.259,9
2. Total Investments	1.018,0	1.089,2	1.049,1	946,6	1.049,6	1.266,5	1.175,5	1.147,8	1.276,7	1.598,5	1.791,2	2.138,6
3. Total Consumption	3.376,8	3.907,1	4.580,1	4.570,0	5.015,4	5.583,1	5.965,6	6.516,9	7.589,3	7.871,7	8.707,8	10.121,3
4. Public Disposable Income	756,0	904,7	1.105,6	751,9	962,2	1.059,2	1.491,8	1.341,3	1.688,9	2.123,1	2.317,2	2.586,1
5. Private Disposable Income	3.345,4	3.766,5	4.022,7	4.663,3	4.687,3	5.449,9	5.424,0	6.238,1	7.151,5	8.087,7	8.962,7	10.403,0
6. Private Savings Ratio (%)	28.6	29.0	20.1	33.9	26.0	28.0	20.8	25.0	23.3	29.8	29.4	28.1
7. Total Domestic Savings	724,6	764,2	548,2	845,2	634,1	976,1	950,3	1.062,5	1.251,0	2,339,0	2.572,1	2.867,8

(F) Forecast

Source: SPO

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

Sectors	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 ^(F)	2017 ^(F)
1. Agriculture	-3.2	0.4	-18,2	8.2	10.0	10.8	3.7	-1.6	4.8	14.5	-8,0	8.5
2. Industry	20.0	-0.9	-10,3	-9,1	-0.2	3.4	-0.7	1.7	8.5	19.5	2.5	4.7
3. Construction	68,1	4.2	-8,0	-18,5	3.8	3.3	-16,0	-0.3	-4,5	6.5	3.0	3.0
4. Trade-Tourism	9.5	-2.7	-2.1	-8,7	18.3	6.0	6.1	1.4	8.5	-0.8	1.7	2.7
5. Transportation-Communication	-0.7	-3.6	2.2	-2.8	-20,0	-4,3	5.7	2.0	3.2	5.7	1.8	3.0
6. Financial Institutions	8.9	6.3	9.6	1.7	0.3	1.4	8.1	7.5	0.8	1.6	2.0	2.5
7. Housing Ownership	20.1	4.6	2.7	3.8	4.0	3.9	3.7	3.2	2.6	3.0	2.8	3.5
8. Self-Employment and Services	12.5	6.6	4.3	3.4	-5,3	4.3	1.5	2.3	8.8	9.5	4.5	5.5
9. Public Services	2.4	8.2	1.2	-5,0	0.4	2.8	1.9	1.4	-0.1	0.1	-0.3	0.5
10. Import Taxes	-0.6	12.3	-0.8	-7,1	18.6	3.9	8.9	-2.1	7.9	-9,6	9.5	-5,0
11. GDP	12.7	2.8	-2.9	-5,5	3.7	3.9	1.8	1.1	4.8	4.0	2.0	2.7
12. Net Factor Income From Abroad	34.1	-47,3	-36,4	-28,2	-9,8	27.1	-174,5	35.3	40,5	41,9	0.0	0.0
GNP	13.2	1.5	-3.4	-5,7	3.6	4.0	0.5	1.3	4.9	4.1	2.1	2.7

(F) Forecast

Source: SPO

Table B.35: Sectorial Distribution of Fixed Capital Investments (Current Prices, Million TRY)

Sectors	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 ^(F)	2017 ^(F)
1. Agriculture	37.0	25.1	33.1	27.1	49.1	51.0	54.2	71.5	80.7	62,1	97,5	123,9
2. Industry	154.5	188.4	199.7	103.8	142.7	196.3	182.3	134.1	176.6	224,7	251,4	345,4
3. Construction	34.7	20.9	14.0	14.2	18.0	23.8	20.2	18.2	20.2	27.7	33.9	37,1
4. Trade-Tourism	90.6	101.2	82.2	55.6	71.0	204.9	99.4	97.4	71.3	263,5	149,6	179,3
5. Transportation-Communication	125.7	72.0	97.3	92.6	143.8	94.7	125.6	124.6	136.0	139,2	207,9	295,8
6. Financial Institutions	10.1	11.4	14.9	24.9	12.6	10.4	14.1	12.8	11.4	10.3	17.3	21.8
7. Housing Ownership	353.4	467.0	480.2	427.3	403.4	506.4	450.3	543.3	512.9	584,6	722,6	710,4
8. Self-Employment and Services	49.1	88.4	78.7	122.7	143.6	68.2	71.1	57.3	84.9	129,9	126,6	150,5
9. Public Services	37.0	89.9	62.5	62.1	32.1	54.2	77.2	88.4	71.8	102,4	102,4	155,4
Total	892,1	1.064.3	1.062.6	930.3	1.016.3	1.209.9	1.094.4	1.147.6	1.165.8	1.544,4	1.709,4	2.019,6

(F) Forecast
Source: SPO

Table B.36: General Balance of the Public Sector (Current Prices, TRY)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
1. Public Income	1.524.019.743,1	1.739.498.572,7	1.986.206.692,7	1.862.053.831,4	2.089.052.564,2	2.303.325.976,6	2.773.761.861,1	2.796.812.940,2	3.303.034.133,3	3.787.876.529,9
2. Transfers	768.021.456,6	834.788.680,2	944.710.702,4	1.110.115.570,6	1.126.848.647,3	1.244.081.261,1	1.281.938.535,1	1.455.510.968,5	1.614.102.550,8	1.640.841.227,2
3. Public Disposable Income	755.998.286,5	904.709.892,4	1.041.495.990,3	751.938.260,8	962.203.916,8	1.059.244.715,5	1.491.823.326,0	1.341.301.971,7	1.688.931.582,5	2.147.035.302,7
4. Public Current Expenditures	988.884.634,8	1.231.306.843,6	1.366.456.132,8	1.487.589.785,8	1.547.895.080,9	1.621.100.773,5	1.667.829.509,0	1.836.123.617,8	2.101.198.831,6	2.197.130.018,9
5. Public Savings	-232.886.348,3	-326.596.951,2	-324.960.142,5	-735.651.525,0	-585.691.164,1	-561.856.058,0	-176.006.183,0	-494.821.646,1	-412.267.249,1	-50.094.716,2
6. Public Investment	315.787.586,7	255.504.843,5	281.025.335,4	185.112.669,3	181.161.264,3	196.745.696,8	237.422.206,9	183.704.785,6	242.524.709,3	260.408.259,1
7. Public Funding Requirement	548.673.935,0	582.101.794,7	605.985.477,9	920.764.194,3	766.852.428,4	758.601.754,8	413.428.389,9	678.526.431,7	654.791.958,4	310.502.975,3

Source: SPO

Table B.37: General Balance of the Private Sector (Current Prices, TRY)

	2008	2009	2010	2011	2012	2013	2014	2015	2016 ^(*)	2017 ^(*) (F)
1. Private Disposable Income	4.086.838.144,1	4.663.342.438,0	4.687.331.019,2	5.499.929.813,2	5.424.008.303,3	6.238.101.304,5	7.151.456.425,1	8.063.696.357,5	8.967,7	10.403,0
2. Private Consumption	3.213.685.863,7	3.082.454.773,9	3.467.492.896,7	3.962.008.014,7	4.297.745.493,7	4.680.794.290,1	5.509.552.018,9	5.674.598.609,6	6.324,0	7.475,2
3. Private Savings	873.152.280,4	1.580.887.664,1	1.219.838.122,5	1.537.921.798,5	1.126.262.809,6	1.557.307.014,4	1.641.904.406,2	2.389.097.747,9	2.638,7	2.927,8
4. Private Investment	768.116.852,5	761.493.469,8	868.423.234,0	1.069.816.463,7	938.089.479,7	964.130.762,7	1.012.765.867,8	1.338.050.212,6	1.502,2	1.804,3
5. Private Savings-Investment Difference	105.035.427,9	819.394.194,3	351.414.888,5	468.105.334,8	188.173.329,9	593.176.251,7	628.138.538,4	1.051.047.535,3	1.136,6	1.123,5

(F) Forecast
Source: SPO

Table B.38: Government Budget Balance (Current Prices, TRY)

	2006	2007	2008	2009	2010	2011	2012	2013	2014 ^(*)	2015 ^(*)
I. Budget Revenues	1.509.540.794,2	1.912.021.359,7	1.928.800.834,9	1.850.579.976,4	2.094.884.139,9	2.342.746.054,0	2.733.508.126,6	2.717.380.643,9	3.207,9	3.465,0
1. Domestic Income	1.215.615.338,9	1.628.462.492,5	1.634.990.825,2	1.577.760.033,6	1.791.246.833,6	1.952.147.952,7	2.338.729.397,3	2.286.524.201,4	2.708,7	2.915,9
2. Foreign Aids	293.925.455,2	283.558.867,2	293.810.009,7	272.819.942,9	303.637.306,3	390.598.101,3	394.778.729,3	430.856.442,4	499,2	549,1
II. Budget Expenditures	1.923.710.074,6	2.125.063.562,9	2.364.729.328,4	2.575.108.349,3	2.660.956.990,0	2.844.717.192,2	2.964.278.216,8	3.261.442.097,7	3.635,4	3.841,9
1. Recurring Expenditures	742.526.703,9	932.560.258,6	1.024.958.715,7	1.103.415.414,9	1.140.049.984,5	1.159.028.230,4	1.199.857.540,4	1.295.770.450,0	1.495,5	1.566,2
2. Transfers	784.546.989,9	844.881.606,6	974.597.265,7	1.154.300.902,4	1.169.441.199,0	1.254.351.944,3	1.319.785.540,6	1.458.418.886,8	1.580,4	1.643,3
3. Defence	118.843.456,0	120.047.875,5	146.813.407,4	167.395.579,2	163.327.202,5	199.979.873,2	194.687.299,6	201.795.988,0	227,5	240,9
4. Investments	277.792.924,8	227.573.822,2	218.359.939,6	149.996.452,8	188.138.604,0	231.357.144,3	249.947.836,2	305.456.773,0	362,0	391,4
III. Budget Balance	-414.169.280,4	-287.087.316,2	-474.386.821,0	-759.185.805,2	-566.072.850,1	-501.971.138,2	-230.770.090,2	-544.061.453,9	-427,6	-376,9

(*) Million TRY
Source: SPO

Table B.39: Government Budget Balance (GNP Percentage)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
I. Budget Revenues	36,8	40,9	37,6	34,2	37,1	35,7	39,5	35,9	36,3	33,9
1. Domestic Income	29.6	34.9	31.9	29.1	31.7	29.8	33.8	30.2	30.6	28.6
2. Foreign Aids and Loans	7.2	6.1	5.7	5.0	5.4	6.0	5.7	5.7	5.6	5.4
II. Budget Expenditures	46,9	45,5	46,1	47,6	47,1	43,4	42,9	43,0	41,1	37,6
1. Recurring Expenditures	18.1	20.0	20.0	20.4	20.2	17.7	17.3	17.1	16.6	15.3
2. Transfers	19.1	18.1	19.0	21.3	20.7	19.1	19.1	19.2	17.9	16.1
3. Defence	2.9	2.6	2.9	3.1	2.9	3.0	2.8	2.7	2.6	2.4
4. Investments	6.8	4.9	4.3	2.8	3.3	3.5	3.6	4.0	4.1	3.8
III. Budget Balance	-10,1	-4,6	-8,5	-13,4	-10,0	-7,7	-3,3	-7,2	-4,8	-3,7

Source: SPO

Table B.40: Balance of Payments (Million USD)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 ^(F)	2017 ^(F)
1. Current Accounts Balance	-203,6	-250,4	-390,3	-65,4	-275,8	-173,1	-125,1	-44,7	-11,7	271,6	258,4	193,3
2. Balance of Capital Movements	390,9	335,0	410,5	495,0	438,5	326,5	346,2	259,7	186,9	168,9	152,6	164,9
3. Reserve Movement (- Increase, + Decrease)	-433,3	-41,2	269,5	-172,1	-94,4	-47,3	-340,8	-219,9	-176,7	-75,8	-410,9	-358,2
4. Net Errors and Omissions	246,0	-43,4	-289,7	-257,5	-68,3	-106,1	119,7	4,9	1,5	-364,7	0,0	0,0

(F) Forecast

Source: SPO

Table B.41: Percentage Change Rates of Consumer Prices Index Compared to December of the Previous Year

Months	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
January	2.6	1.8	3.4	0.7	-0.9	1.0	1.3	1.6	-0.1	-0,27	1.39	-0,70	1.00	2.09	-0.88	0.47	2.56
February	5.9	3.9	6.0	0.3	-0.9	0.7	2.0	2.2	0.1	-0,31	2.10	-0,95	0.46	4,43	-2.14	0.31	4.00
March	13.3	6.2	7.9	1.8	-0.9	2.5	3.5	3.8	1.1	0.00	3.88	-0,03	0.66	5,02	-0.41	0.09	4.61
April	30.7	7.3	9.8	2.4	0.5	4.2	4.2	6.3	1.2	0.71	4,85	1.83	1.51	5,38	1.09	1.09	6.54
May	34.5	7.3	12.9	4.6	-0.2	6.4	4.3	7.9	2.5	0.29	6,46	1.69	1.80	4,56	2.73	1.86	6.95
June	39,2	8.2	9.0	4.2	-0.4	8.5	3.4	9.8	3.2	0.31	5,95	0.73	3.30	4,89	3.18	2.33	7.68
July	43,3	11.4	6.9	4.2	-0.2	10.2	3.6	11.5	0.8	0.92	7,02	-0.28	3.21	5,15	1.90	3.23	9.29
August	50,8	15.2	7.1	6.5	0.5	12.6	5.9	11.3	2.6	1.92	9,49	0.84	4,17	5,77	2.72	4.00	9,75
September	59,7	16.9	9.1	8.4	2.0	15.9	7.7	14.3	3.3	2.58	10,39	2.57	6,30	5,84	5.78	4.63	10.31
October	69,1	20.7	10.9	10.3	2.5	18.6	9.3	15.6	4.9	3.61	11,90	3.52	7,89	7,69	7.39	5.85	
November	71,9	21.9	11.7	10.9	2.3	19.0	9.0	16.4	6.0	3.54	13,91	3.61	8,29	6,97	6.38	7.36	
December	76,8	24.5	12.6	11.6	2.7	19.2	9.4	14.5	5.7	3.27	14,72	3.60	10,22	6,49	7.78	10.19	

Source: SPO

Table B.42: Inflation Rates of TRNC and TR

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	10,90 ^(F)	9,89 ^(F)
1990	69,4	60,4	2004	11,6	9,3			
1991	46,3	71,1	2005	2,7	7,7			
1992	63,4	66,0	2006	19,2	9,7			
1993	61,2	71,1	2007	9,4	8,4			
1994	215,0	125,5	2008	14,5	10,1			
1995	72,2	76,1	2009	5,7	6,5			
1996	87,5	79,8	2010	3,2	6,4			
1997	81,7	99,1	2011	14,7	10,4			

Source: SPO, CBRT

Table B.43: Consumer Price Index (2015 = 100 Base Year)

Main Groups	Main Spending Groups' Effects on Change Compared to the Previous Month											
	2017											
	1	2	3	4	5	6	7	8	9	10	11	12
1. Food and Non-alcoholic Beverages	0.52	0.28	0.28	0.31	-1,79	-2,24	2.25	1.99	0.29			
2. Alcoholic Beverages and Tobacco	0.23	0.00	0.00	0.01	0.12	0.30	0.36	0.22	0.01			
3. Clothing & Shoes	-0,40	-0,03	-0,03	0.39	1.03	1.37	-0,31	-10,41	0.22			
4. Housing, Water, Electricity, Gas and Other Fuels	1.15	-0,06	-0,06	0.17	-0,05	-0,65	0.28	-0,02	0.18			
5. Furniture, Home Appliances and Home Maintenance Services	0.32	0.03	0.03	0.02	0.81	1.10	1.65	0.19	0.02			
6. Health	0.11	0.12	0.12	0.08	-0,03	0.45	0.29	0.15	0.01			
7. Transportation	0.70	-0,07	-0,07	0.06	0.15	0.09	0.26	0.80	0.14			
8. Communication	0.06	0.21	0.21	0.00	-0,10	1.22	-0,18	-0,01	0.07			
9. Entertainment and Culture	-0,12	-0,04	-0,04	0.29	4,27	8,83	1.55	0.95	-0,46			
10. Education	0.26	-0,09	-0,09	0.02	-0,14	0.15	1.47	1.18	0,33			
11. Restaurants and Hotels	-0,44	0.21	0.21	0.47	3.09	1.13	7,79	0.41	-0,34			
12. Miscellaneous Goods and Services	0.17	0.03	0.03	0.03	0.14	0.40	0.06	0.70	0.04			
General	2.56	0.59	0.59	1.85	0.39	0.68	1.50	0.42	0.51			

Source: SPO

Table B.44: Minimum Wage Developments

Years	Minimum Wage (TRY / YTL)	Exercise Date
1991	520.000	01.01.1991
1992	806.000	01.01.1992
1993	1.373.000	01.01.1993
1994	3.000.000	01.01.1994
1994	5.000.000	01.08.1994
1995	9.420.000	01.01.1995
1995	11.590.000	01.09.1995
1996	14.800.000	01.01.1996
1997	23.000.000	01.01.1997
1997	33.800.000	01.09.1997
1998	50.250.000	01.01.1998
1998	67.000.000	01.09.1998
1999	85.000.000	01.01.1999
1999	103.000.000	01.01.1999
2000	137.000.000	01.01.2000
2000	160.000.000	01.07.2000
2001	200.000.000	01.01.2001
2001	240.000.000	01.08.2001
2002	320.000.000	01.01.2002
2002	380.000.000	01.10.2002
2003	440.000.000	01.01.2003
2003	500.000.000	01.08.2003
2004	550.000.000	01.03.2004
2004	627.000.000	01.07.2004
2005	720 (YTL)	01.06.2005
2006	780 (YTL)	01.01.2006
2006	860 (YTL)	01.08.2006
2007	950 (YTL)	01.02.2007
2008	1.060 (YTL)	01.01.2008
2008	1.190 (YTL)	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

Source: SPO

Table B.45: Fuel Retail Prices

Date	Unleaded Gas		Euro Diesel	Diesel	Petroleum
	95 Octane	97 Octane			
10.01.2014	3.50	3.67	3.66	3.29	3.29
31.01.2014	3.58	3.75	3.73	3.36	3.36
21.02.2014	3.62	3.79	3.73	3.36	3.36
14.03.2014	3.67	3.85	3.77	3.37	3.37
04.04.2014	3.67	3.85	3.72	3.32	3.32
29.04.2014	3.67	3.85	3.68	3.28	3.28
21.05.2014	3.63	3.81	3.66	3.26	3.26
12.06.2014	3.63	3.81	3.64	3.25	3.25
03.07.2014	3.76	3.94	3.75	3.35	3.35
24.07.2014	3.74	3.92	3.71	3.31	3.31
14.08.2014	3.70	3.89	3.71	3.31	3.31
26.09.2014	3.69	3.88	3.70	3.29	3.29
17.10.2014	3.64	3.83	3.65	3.24	3.24
07.11.2014	3.49	3.68	3.53	3.12	3.12
28.11.2014	3.42	3.61	3.48	3.07	3.07
19.12.2014	3.18	3.37	3.26	2.86	2.86
14.01.2015	2.99	3.18	3.06	2.67	2.67
04.02.2015	2.95	3.14	2.97	2.58	2.58
25.02.2015	3.04	3.23	3.06	2.67	2.67
18.03.2015	3.13	3.32	3.15	2.76	2.76
01.05.2015	3.31	3.50	3.32	2.93	2.93
23.05.2015	3.40	3.59	3.41	3.02	3.02
07.07.2015	3.40	3.59	3.39	2.99	2.99
28.07.2015	3.30	3.49	3.22	2.82	2.82
18.08.2015	3.27	3.46	3.22	2.82	2.82
09.09.2015	3.27	3.46	3.22	2.85	2.85
30.09.2015	3.29	3.48	3.26	2.92	2.92
21.10.2015	3.27	3.46	3.23	2.92	2.92
16.01.2016	3.18	3.38	3.07	2.86	2.86
23.01.2016	3.18	3.38	2.97	2.86	2.86
06.02.2016	3.12	3.32	2.86	2.86	2.86
19.03.2016	3.20	3.40	2.94	2.94	2.94
05.05.2016	3.27	3.47	3.03	2.94	3.02
26.05.2016	3.39	3.59	3.20	-	3.17
17.06.2016	3.41	3.61	3.29	-	3.26
12.07.2016	3.41	3.61	3.29	-	3.26
24.08.2016	3.47	3.67	3.30	-	3.26
20.09.2016	3.54	3.74	3.36	-	3.32
11.10.2016	3.57	3.77	3.36	-	3.35
01.11.2016	3.63	3.83	3.45	-	3.41
07.01.2017	3.83	4,03	3.62	-	3.56
11.03.2017	3.76	3.96	3.59	-	3.51
01.04.2017	3.71	3.91	3.51	-	3.43
18.05.2017	3.67	3.87	3.47	-	3.39

Source: Ministry of Economy and Energy

Table B.46: Sectorial Distribution of Employed Population (According to the Household Labor Force Survey)

Sectors	2008		2009		2010		2011		2012		2013		2014		2015		2016	
	Population	%	Population	%	Population	%	Population	%	Population	%	Population	%	Population	%	Population	%	Population	%
1. Agriculture, Forestry, Hunting and Fishing	3.171	3.5	4.432	4.8	5.300	5.7	3.377	3.61	3.892	4,03	4.901	5,01	4.017	3.9	4.580	4.1	4.261	3.6
2. Mining and Quarrying	113	0.1	106	0.1	73	0.1	39	0.04	179	0.19	157	0.16	119	0.1	109	0.1	171	0.1
3. Manufacturing Industry	7.171	7.9	7.312	8.0	8.393	9.0	6.636	7.1	6.632	6.87	5.961	6,09	8.075	7.8	8.971	8.0	9.646	8.1
4. Electricity, Gas, Water, Sewerage, Waste Water Treatment	860	0.9	952	1.0	1.051	1.1	1,286	1.38	1,356	1.4	1,421	1.45	1,787	1.7	2,384	2.1	1,748	1.5
5. Construction	10.491	11.5	9.204	10.1	7.746	8.3	6.496	6.95	7,224	7,48	7.139	7,29	8.096	7.8	8.451	7.5	9.745	8.2
6. Wholesale and Retail Trade	16.123	17.7	15.609	17.0	16.547	17.7	17.256	18,46	16.141	16,72	16.689	17,05	18.817	18.2	19.428	17.2	20.834	17.6
7. Restaurants and Hotels	5.941	6.5	7.316	8.0	7.470	8.0	7.553	8,08	9.518	9,86	8.007	8,18	8.859	8.6	11.301	10,0	11.614	9.8
8. Transportation, Storage, Communication, Publishing and Programming	6.082	6.7	4.872	5.3	5.026	5.4	5.282	5,65	5.156	5,34	6.133	6,27	6.431	6.2	6.484	5.7	6.957	5.9
9. Financial Intermediary Institutions	3.638	4.0	3.777	4.1	3.498	3.7	3.560	3.81	3.312	4,43	3.404	3,48	3.730	3.6	4.889	4.3	5.095	4.3
10. Real Estate, Rental, Technical and Administrative Service Activities	3.004	3.3	4.180	4.6	4.686	5.0	5.481	5,86	6.714	6,95	5.931	6,06	7.989	7.7	7.802	6.9	7.723	6.5
11. Public Administration	14.854	16.3	15.417	16.8	15.669	16.8	17.428	18,65	15.775	16,34	18,559	18,96	15.081	14.6	13.886	12.3	13.644	11.5
12. Educational Services	9.715	10.6	10.182	11.1	9.149	9.8	9.967	10,66	10.028	10,39	10.040	10,26	9.493	9.2	11.796	10.5	14.214	12.0
13. Human Health and Social Services Activities	2.907	3.2	2.533	2.8	2.481	2.7	3.020	3,23	3.487	3,61	2.838	2,9	3.130	3.0	3.884	3.4	3.998	3.4
14. Other Community Services	7.151	7.8	5.658	6.2	6.408	6.9	6,086	6,51	7.125	7,38	6.688	6,83	7.524	7.3	8.850	7.8	8.738	7.4
Total	91.223	100	91.550	100	93.498	100	93.470	100	96.539	100	97.868	100	103.149	100	112.815	100	118.387	100

Source: SPO

Table B.47: Exports of TRNC by Country Groups (USD)

Years	Turkey	European Union Countries	Other EU Countries	Middle East Countries	Other Countries	Total Exports
2006	30.875.362	9.708.799	9.805.754	11.543.938	2.933.694	64.867.547
2007	48.907.443	13.225.555	7.369.006	9.702.231	4.480.578	83.684.813
2008	41.770.636	17.147.124	4.953.414	14.220.270	5.572.694	83.664.138
2009	38.482.808	13.156.210	1.206.347	13.833.521	4.384.880	71.063.766
2010	44.741.216	11.816.654	3.475.821	31.104.188	5.282.030	96.419.909
2011	61.333.755	9.515.772	1.514.866	36.886.525	10.645.168	119.896.086
2012	58.878.076	8.678.585	1.014.857	39.821.898	9.873.712	116.267.128
2013	62.969.817	9.145.514	2.733.484	38.472.891	7.359.533	120.681.239
2014	78.446.382	8,304,840	835.323	40.583.800	5.814.745	133.985.090
2015	66.228.637	6.195.715	3.811.828	35.611.170	5.885.294	117.732.644
2016	65.926.161	10.723.521	919.095	23.983.472	3.747.388	105,299,637
2017 (January – June)	34.689.236	1.668.072	1.562.320	11.874.077	2.595.450	59.601.358

Source: Ministry of Economy and Energy

Table B.48: Exports of TRNC by Country Groups (USD)

Years	Turkey	European Union Countries	Far Eastern Countries	Other EU Countries	Middle East Countries	Other Countries	Total Imports
2006	946.978.969	247.072.030	82.977.243	16.460.425	65.267.005	17.464.606	1.376.220.278
2007	1.044.965.855	248.220.981	111.304.222	40.423.905	66.253.726	28.022.604	1.539.191.293
2008	1.172.502.792	236.344.802	109,156,742	78.503.072	56.482.297	27.673.475	1.680.657.180
2009	923.438.219	205.604.209	87.720.997	30.311.431	52.507.371	26.582.965	1.326.165.192
2010	1.137.378.970	251.285.189	90.266.660	29.873.873	69.000.395	26.375.578	1.604.180.665
2011	1.165.712.306	286.204.302	82.493.886	42.982.735	87.880.256	34.654.478	1.699.927.963
2012	1.234.214.030	247.749.409	81.109.808	28.245.460	81.484.144	31.111.112	1.703.913.963
2013	1.155.334.547	257.018.820	113.400.316	59.110.065	86.239.017	28.323.666	1.699.426.431
2014	995.563.199	238.330.438	125.280.677	70.915.525	75.481.630	33.204.743	1.538.776.212
2015	967.563.226	271.360.515	115.042.857	45.084.868	70.781.057	30.744.861	1.500.577.384
2016	940.845.300	326.806.415	133.943.157	51.872.616	69.557.193	34.165.573	1.557.190.254
2017 (January – May)	388.915.210	133.148.611	50.188.674	26.109.728	31.846.562	16.459.236	646.668.021

Source: Ministry of Economy and Energy

Table B.49: Distribution of Arriving Passengers to the TRNC by Ports

Years	Ercan	Kyrenia	Famagusta	Karpasia	Total
2014	1.577.347	49.967	18.608	291	1.646.213
2015	1.693.694	60.733	19.196	342	1.773.965
2016	1.785.746	57.513	19.004	295	1.862.558
2017 (January-September)	1.225.156	53.889	15.401	231	1.294.677

Source: Tourism Planning Department

Table B.50: Number of Persons Accommodating in Touristic Accommodation Facilities

Countries	Number of Persons							
	2010	2011	2012	2013	2014	2015	2016	2017(January-June)
Foreign	108.343	156.381	183.651	209.379	224.881	235.661	173.587	257.479
TRNC	52.653	45.243	45.175	40.125	49.598	52.335	43.471	36.073
Turkey	336.240	393.238	459.529	464.397	529.909	588.045	451.249	535.413
Grand Total	497.236	594.862	688.355	713.901	804.387	876.041	668.307	828.965

Source: SPO

ANNEX C. NOTES

Money Supply

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

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

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

M2= M1 + Time Deposits in the Banks

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

Deposits and Loans

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

Bank

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

Banking Sector

It refers to the sector consisting of the banks described above. All kinds of financial institutions other than the 22 eligible banks are excluded from the sector.

Monetary Data of the Banking Sector

The monetary aggregates of the sector are compiled from temporary balance sheets provided to the Central Bank of the TRNC by the banks. These balance sheets are prepared on the last day of each calendar month and show the balance sheet status of the banks as of that day. However, since the Central Bank may request amendments to certain items of these balance sheets as a result of some examinations, these balance sheets are considered 'Temporary'.

Conversion Method

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

Other Issues Related to the Bulletin

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

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

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

