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CENTRAL BANK OF TRNC  
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QUARTERLY BULLETIN





# **QUARTERLY BULLETIN**

**Issue: 2017-IV**



## I: FOREWORD

In the last quarter of 2017, the recovery in global finance activity increased its upward trend along with the raised growth, especially in developed countries. In this period, improvement in global financial conditions, supportive policies on economic activity and improvement in the environment of trust as well as the rise in commodity prices stand out as supporting factors for growth in the world economy. The reports published during this period emphasize that the global economic growth will continue to increase over the next two years, but that potential downside risks should not be overlooked. The reports also highlight the importance of the steps taken by the policy makers in order to adopt the reforms, which will accelerate the growth of the private sector in order to increase productivity and ensure greater growth so that global economic growth does not lose momentum.

In the Global Economic Outlook report published by the OECD in the last quarter of 2017, the global economic growth forecast for 2017 is increased from 3.5 percent to 3.6 percent, while the global growth forecasts for 2018 and 2019 are revised upwards as 3.7 percent and 3.6 percent, respectively. In the World Bank's Global Economic Outlook report, while the 2017 growth estimate for the global economy was raised from 3.5 percent to 3.6 percent, 2018 and 2019 growth estimates were raised to 3.1 percent and 3 percent, respectively.

In the fourth quarter of 2017, the inflation rate calculated by the TRNC Prime Ministry State Planning Organization has reached 16.2 percent by November, which is the highest point reached in the past 9 years, and closed the year 2017 at 14.68 percent. It is inevitable that consumer prices will increase, due to the depreciation of the Turkish lira against the most convertible exchange rates in 2017, the increase in the prices of imported products and the pricing of some of the core goods and services in foreign currency depending on the dollarization in our country. As of the end of 2017, the highest price increases were observed in entertainment and culture, furniture, home appliances and education items in one-year period. According to the methodology used in the calculation of the consumer price index, the price increases in food and non-alcoholic beverages and transportation items, which are the groups with the highest weight, were 14 percent and 13.6 percent, respectively.

The TRNC budget in 2017 displayed a more positive performance compared to the year 2016 and the budget, which had a surplus of 20.9 million TRY in 2016 had a surplus of 78.5 million TRY in 2017. While the budget revenues obtained in 2017 increased by 22 percent compared to the previous year, the increase in total expenditures during the same period was around 20 percent. The increase in tax revenues and donations, grants and loans items between 2016 and 2017 was 22 percent and 28 percent, respectively, while the increase in non-tax revenues remained at 9 percent. It is observed that the domestic income (calculated by deducting the grants and loans extended by Turkey from the budget revenues) to budget expenditures ratio has reached to 83 percent in the last 10 years from 69 percent. During the last 10-year period, in the budget expenditures, the share of the grants and loans extended by Turkey, which is the most important resource for financing the difference between the domestic income and the budget expenditures has decreased from 30 percent to 18 percent. A positive outlook has emerged over the last 10 years in the sense of covering the budget expenditures with our domestic income and strong steps are being taken in this regard.

The number of banks decreased to 21 due to the transfer of a branch bank operating in the banking sector to a private bank in the last quarter of 2017 with the approval of the Board of the Central Bank of the TRNC. As of the last quarter of 2017, it continues to provide service with 21 banks, 233 branches and 3,106 personnel operating in the sector. By the end of 2017, total assets of the banking sector increased by 23 percent compared to the same period of the previous year and reached 26,115 million TRY. Within one year period, total deposits, which the most important funding source of the sector, increased by 27 percent and gross loans, which is the most important asset of the sector, increased by 20 percent. Due to the fact that the rate of increase in loans has fallen below the rate of increase in total deposits, by the end of 2017, loan to deposit ratio decreased by about 4 points to 72.5 percent compared to the end of 2016. In the last two years, loan to deposit rate decreased by 8 points. Non-performing loans increased by 3.8 percent in one-year period to 875 million TRY. Due to the fact that the rate of increase in non-performing loans has fallen far short of the rate of increase in loans, the ratio of non-performing loans in the sector has decreased to 5.72 percent. By the fourth quarter of 2017, the capital adequacy standard ratio of the sector was 17.3 percent, well above the legal limit of 10 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 selected economies and TRNC economy in the world are included and the overview of the TRNC banking sector is reflected in detail as of the fourth quarter of 2017.

Best regards,



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## II: ABBREVIATIONS

EU	European Union
USA	United States of America
ECB	European Central Bank
IMM	Interbank Money Market
BoE	Bank of England
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
LLW	Late Liquidity Window
GNP	Gross National Product
GDP	Gross Domestic Product
IMF	International Monetary Fund
CGF	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
TRNC	Turkish Republic of Northern Cyprus
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

The Global Economic Outlook report published by the World Bank in January 2018 predicts that global economic growth, which has been much stronger than expected in 2017, could rise to 3.1 percent by 2018. The continuing improvement in investment, production and trade, and the benefit of strengthening commodity prices for commodity exporting emerging economies have been considered as contributing factors to global economic growth. However, it is predicted that this will be reflected as a major short-term rise in the global economy. The World Bank has also commented that the slowing down of potential growth in the long run could jeopardize the improvement of the life standards and poverty reduction in the world.

In the last quarter of 2017, World Bank Group President Jim Yong Kim stated that, *"Broad-based recovery in global growth is encouraging, but this is not the time to relax"* and emphasized that investment in human capital is needed, and the duties of the policy makers are significant in this regard. It is also commented that the productivity of the countries, increasing labor force participation and ending extreme poverty goals may be more achievable with this structural transformation.

In the World Bank report, growth in developed economies is expected to increase slightly to 2.2 percent in 2018, with central banks following the strategy of gradual exit from post-crisis policies and a slight increase in investments. Growth in developing markets and economies as a whole is estimated to be 4.5 percent in 2018, depending on the continuing improvement of the commodity exporters' activities.

The IMF's Regional Economic Outlook report for the European Region in November 2017 emphasized that the improvement in the European economy may be stronger than expected in the short term, but there are questions about the sustainability of economic revival in the long term. Notwithstanding the negative demographic trends and the low productivity that will slow down growth in the long run, it has also been noted that there are many important internal and external risks that will pull down the economic growth outlook.

The IMF report also suggested that many developed and developing countries should reduce their budget deficits in a growth friendly manner. As an upward trend in interest rates is anticipated, it has been emphasized that this is an important element especially for economies with high public debt. Currently it is commented in the report that expanding monetary policy is available in Europe due to low inflationary pressures but in economies where wage increases are accelerated, central banks should be ready to gradually soften their economic growth measures in order not to deviate from their inflation targets.

The IMF's report emphasizes that as a positive growth in the economy is displayed, policy makers should encourage short-term growth by using monetary and fiscal policy instruments and develop policies that go beyond their current instruments.

The slowdown in potential growth is the result of the weakening of the investment and productivity, and the aging of the global workforce. Deceleration is widespread and affects economies that constitute more than 65 percent of global GDP. The IMF's report emphasizes that, without efforts to reinvigorate the potential growth, the decline may extend to the next century and while it can reduce the average global growth by a quarter percentage point; it may slow down the developing country economies and markets at half the pace of the average global growth.

Shantayanan Devarajan, Vice President of the World Bank Economic Development Department, stated *"Analysis of the driving force behind the slowing down of potential growth reveals that we are not helpless in this regard"*, and he also commented that correcting the infrastructure services as well as reforms that encourage quality education and health care systems can significantly increase the potential growth, especially among developing market economies and developing economies. In the last quarter of 2017, all of the world's leading institutions made statements that emphasized education and health, and investment in human capital and they pointed out the importance of developing policies in this respect.

In the last quarter of 2017, the House of Representatives and the Senate in the United States approved the draft law, which includes the biggest changes in the country's tax system over the past three decades. With the new law, it was decided that institutions' tax would be permanently lowered from 35 percent to 21 percent, while income tax will be temporarily reduced at rates varying according to income levels. The tax reductions will most benefit the banking, retail, transportation and telecommunication sectors; it is predicted that the US economy will gain momentum and that it will create an upward pressure on the inflation.

In the Euro Zone, it is emphasized that credit growth has increased in many European countries but domestic demand and production speed are still lagging behind the expected level. Credit growth is an important indicator that must be monitored because of the continued strength of the investment, the bank's profitability and its positive effects on the balance sheet. In the Euro Zone, it is observed that there is an increase in the consumer loans extended to the private sector, while there is an unequal distribution among the countries in the growth of the loans extended to the enterprises. Especially in countries with high NPLs, it is observed that business loans are at lower levels. In general, NPLs in the Euro Zone continue to recover from the high levels before the crisis, but still do not fall to pre-crisis levels.

**Table 1.1: GDP Forecasts and Results**

Global GDP Growth Forecasts						
	2016 <sup>1</sup>	2016 <sup>2</sup>	2017 <sup>1</sup>	2017 <sup>2</sup>	2018 <sup>1</sup>	2018 <sup>2</sup>
<b>IMF</b>	3.4	3.1	3.5	3.6	3.8	3.7
<b>World Bank</b>	2.9	2.4	2.7	3.0	2.9	3.1
<b>OECD</b>	3	3.1	3.3	3.6	3.1	3.7

Source: OECD, World Bank, IMF

<sup>1</sup> The initial forecasts of the organizations of that year.

<sup>2</sup> The latest forecasts of the organisations of that year.

## 1.2 ECONOMIC AND FINANCIAL OUTLOOK IN THE SELECTED COUNTRIES

### 1.2.1 GROWTH

The data released in the US showed that the country's economy maintained its strong outlook in the last quarter of the year. While retail sales data for November showed continued support for economic activity in the last quarter of the year, PMI data for the

last month of the year pointed to the fastest expansion, especially on the manufacturing side, since March 2015.

According to the FED's 'Economic Projections' data presented in the Monetary Policy Report in the July 2017, the US economy's GDP growth estimates are 2.2 percent in 2017, 2.1 percent in 2018 and 1.9 percent in 2019. In the US, growth in the fourth quarter of 2017 was 2.6 percent, well below the expectations of 3 percent. With growth in the last quarter, the US's growth in 2017 was 2.3 percent, well above the FED's estimates.

In the third quarter of 2017, the United Kingdom grew by 3.4 percent compared to the same quarter of the last year, and by 0.7 percent compared to the previous quarter of 2017. The UK's fourth quarter growth in 2017 became 0.5 percent compared to the previous quarter, well above the expectations. In the last quarter, as in the third quarter, growth in services and manufacturing continued while the shrinkage in the construction sector continued. The growth rate between 2016 and 2017 was the slowest growth in the last five years with 1.8 percent.

According to the IMF's Regional Economic Outlook report for the European region published in November 2017, the growth in Europe is visibly strengthening and expanding. Real GDP growth was estimated at 2.4 percent for 2017, while it was 1.7 percent in 2016. Estimates of the year 2018 were 2.1 percent with a 0.2 percentage point decrease. The most important factor in the strengthening and expansion of the European economy appears to be the reviving domestic demand.

The same report noted that the recovery in Europe has spread to other countries in the world and this has contributed significantly to global growth.

The Euro Zone economy grew parallel to expectations with 0.6 percent in the fourth quarter of 2017. The regional economy has thus grown in the last quarter of 2017 and has expanded throughout 19 consecutive quarters. The regional economy, which grew by 2.5 percent in 2017, above expectations, has recorded its fastest growth since the 2008 financial crisis.

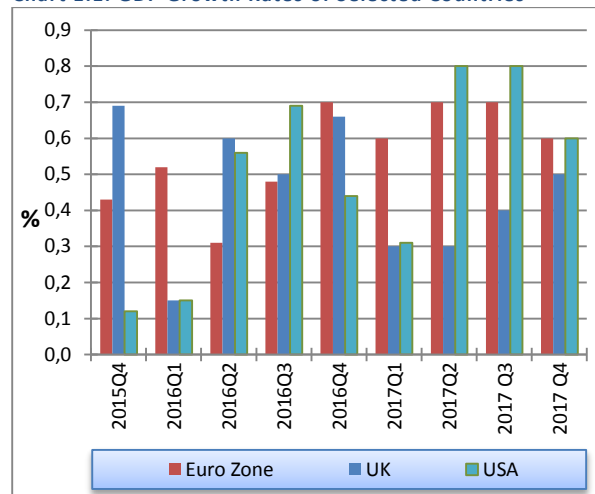
Data from the fourth quarter of 2017 related to Turkey's economic growth has not yet been published. According to third quarter data, Turkey's economy grew above expectations in this quarter compared to the same period of the previous year by 11.1 percent

according to the chained volume index and displayed the strongest performance of the last 6 years. Leading indicators point that economic activity continues to be strong in the last quarter of the year, despite the fact that it has lost momentum. In this context, Turkey's economy, which grew 7.4 percent in the first three quarters, is expected to close the year with a growth of around 7.1 percent.

In the Global Economic Prospects report published by the World Bank in January 2018, regional forecasts on economic growth were also included. According to the report, growth estimates for East Asia and the Pacific region are predicted as 6.2 percent for 2018. Stronger than expected growth among developed economies may cause a faster growth faster in the region. However, increasing geopolitical tension and global protectionism, sudden and unexpected tightening of global financial conditions, and faster than expected economic slowdown in major economies, including China, will pose a negative risk to regional growth. In the report, it is estimated that the growth rate in China will fall to 6.4 percent from 6.8 percent in 2018.

In the same report, the growth rate estimated for Europe and Central Asia region at 3.7 percent in 2017 was reduced to 2.9 percent in 2018. It is predicted that the recovery led by the commodity exporting economies in the east of the region will continue. However, as a result of easing the economic activities of the Euro Zone, it is expected that the gradual slowdown in the western region will balance the recovery in the eastern region. Increased political uncertainty and a fall in oil prices create a growth rate lower than expected. According to the report, Russia's estimated growth rate in 2017 was held at 1.7 percent, unchanged. In Turkey, after 6.7 percent growth forecast in 2017, it is expected to reach a growth rate of 3.5 percent in 2018.

Chart 1.1: GDP Growth Rates of Selected Countries



Source: OECD

## 1.2.2 INFLATION

In the FED's latest Federal Open Market Committee (FOMC) minutes held in December 2017, it was announced that in the US, CPI increased by 2.12 percent during 11 months until November, while core CPI inflation increased by 1.3 percent.

The committee predicted that the risks reflected to the inflation target will be balanced and that the inflation target of 2 percent will be reached in 2019 and 2020. It is pointed out that long-term inflation expectations are likely to fall, which is among the risks that lower the inflation rate, also, it is underlined that there are upward risks on inflation in an economy that is expected to grow above its potential, and these upward risks are balanced by the downside risks.

As of the end of 2017, the CPI in the Euro Zone remained below the 1.5 percent inflation forecast of the ECB and became 1.4 percent. ECB's 2018 inflation forecast was also announced as 1.4 percent. ECB President Mario Draghi said after the meeting on December 14 that the inflation outlook remains weak, but that there is no risk of deflation in the region.

According to data published in January 2018 by UK's Office for National Statistics (ONS), the rate of annual inflation dropped by one percentage point from 3.1 percent in November 2017 to 3.0 percent at the end of December.

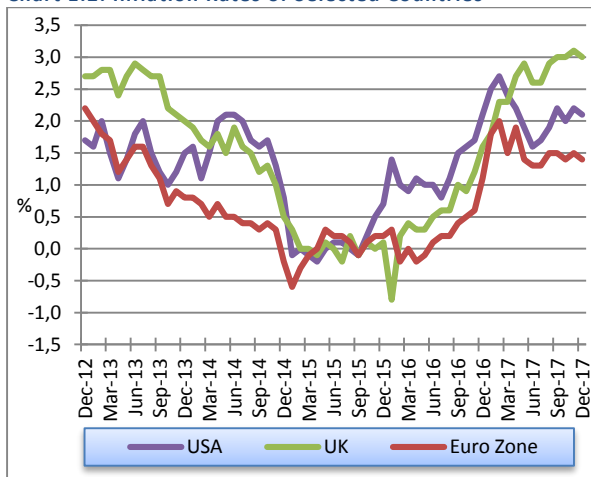
In December 2017, monthly increase in consumer prices in Turkey was 0.69 percent, slightly above the market expectations. Along with this change, Turkey's annual inflation was 11.92 percent in 2017. Domestic

Producer Price Index also increased by 1.37 percent in monthly basis in December, while it reached 15.47 percent in annual basis.

In the meeting held on December 14, 2017 Central Bank of the Republic of Turkey (CBRT) Monetary Policy Committee (MPC), decided to maintain a tight stance in monetary policy due to the fact that high levels of inflation and recent developments on the costs have increased risks for expectations and pricing behaviors. It was emphasized that the CBRT will continue to use all the instruments available to the CBRT until a significant improvement in inflation outlook and alignment with the targets is achieved.

The CBRT wrote an open letter to the government regarding the annual inflation rate, which is more than double the targeted 5 percent inflation rate for 2017. In the letter, it is mentioned that structural reforms aimed at increasing competition and productivity will be beneficial in order to ensure permanent price stability in medium term. In addition, it was commented that the efforts to increase the domestic added value by reducing the import input ratio in production and to manage the exchange rate risk with a perspective focused on financial stability have also been used in terms of the effectiveness of the monetary policy and will contribute significantly to the fight against inflation.

Chart 1.2: Inflation Rates of Selected Countries



Source: OPEC

### 1.2.3 POLICY INTERESTS

The Fed raised its policy rate by 25 basis points in line with the expectations in the last meeting of the year ended December 13, raising it to 1.25-1.50 percent. Thus, as predicted at the beginning of the year, the Fed increased the policy rates three times, 75 basis points. It is estimated that the Fed may go for three interest rate increases again in 2018. With the tax reforms and

as the US economy gains momentum, it is being commented that these can create an upward pressure on inflation and that it is one of the factors that will determine the frequency of interest increases. In this case, the Fed's decision on the monetary policy creates a significant uncertainty. In this framework, it is commented that the developments regarding the draft and its effects will be closely monitored.

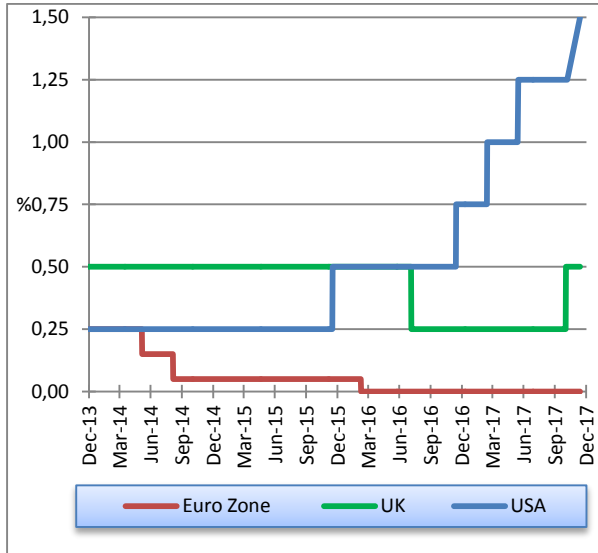
Raising its policy interest for the first time in 10 years at its meeting in November, The Bank of England (BoE) kept its policy interest rate at 0.5 percent at its meeting on 14 December, while keeping its asset purchase program target at 435 billion pounds. Drawing attention to the risks associated with Brexit in recent statements, BoE's concerns have been somewhat eased in the last meeting. BoE commented that with the completion of the first phase of the Brexit negotiations, the UK is less likely to get out of the EU in an irregular way and that this may increase economic confidence in the future period.

The ECB kept the deposit interest rate at -0.4 percent at the meeting on December 14, without any change in the monetary policy, but it did not change the asset-purchasing program, which would have fallen to 30 billion euros from January. On the other hand, the ECB has revised its forecast for growth and inflation and has raised its growth forecasts for the Euro Zone from 2.2 percent to 2.4 percent for 2017 and from 1.8 percent to 2.3 percent for 2018, and while keeping the 2017 inflation forecast is at 1.5 percent, it raised the 2018 forecast to 1.4 percent. After the meeting, ECB President Draghi stated that the risks regarding the area's growth outlook are broadly balanced, and it may lead to further growth surprises in the near term.

The data for the Euro Zone show that the region continues to recover consistently. While the unemployment rate in the region has been at its lowest level since the global crisis, economic activity has continued to display a positive outlook. Industrial production increased by 0.2 percent in October 2017, despite the expectation that it would not change compared to the previous month with the support of non-durable consumption goods production. According to leading PMI data for December, the manufacturing and services sectors in the Euro Area performed well above expectations and the manufacturing and services PMI indices reached the summit of 7 years, rising to 60.6 and 56.5 levels respectively.

The Central Bank of the Republic of Turkey (CBRT) Monetary Policy Board (MPC) did not change the interest rates at the meeting held in December 14, and kept the marginal funding rate at 9.25 percent, the CBRT borrowing interest rate at 7.25 percent and one-week repo auction interest at 8 percent.

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

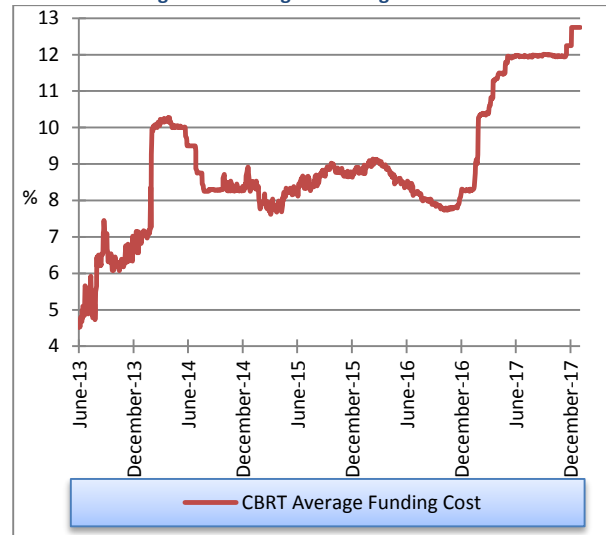


Source: FED, ECB, BoE

At the same MPC meeting, a strong monetary tightening was carried out as exchange rate developments increased the risk of inflation and within the framework of the Late Liquidity Window (LLW) application, while the Central Bank lending interest rate applied in overnight currencies between the hours 16.00-17.00 in the Interbank Money Market was kept at 0 percent, the lending rate was raised from 12.25 percent to 12.75 percent.

Within this framework, the one-week repo auction was not opened and the funding requirement of the system was begun to be provided only from the LLW system. Accordingly, in the recent period, the average funding cost of the CBRT is equal to the interest of LLW.

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

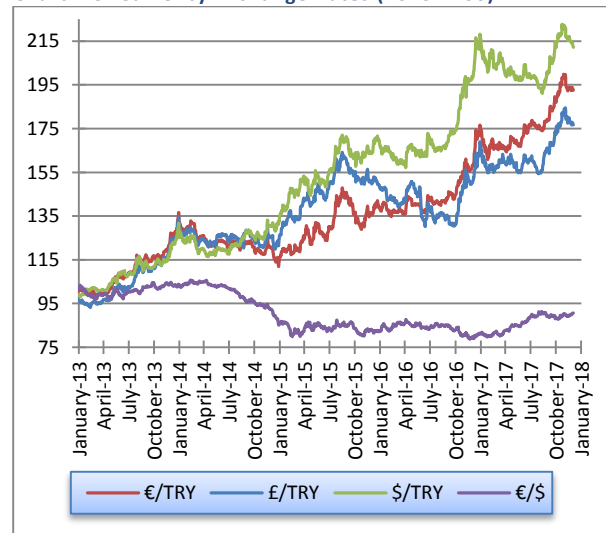


Source: CBRT

### 1.2.4 EXCHANGE RATES

As in the third quarter of 2017, the Turkish lira continued to experience a significant depreciation against other currencies in the last quarter compared to the same period of the previous year. In the last quarter of 2016, TRY had the rates of 4.07, 3.54, 3.28 against sterling, euro and US dollar, while it was 5.03, 4.47, 3.80 in the same period of 2017. When the two periods are compared, it is seen that TRY depreciated by 23.58, 26.27 and 15.85 percent against sterling, euro and US dollar, respectively.

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



Source: Central Bank of TRNC



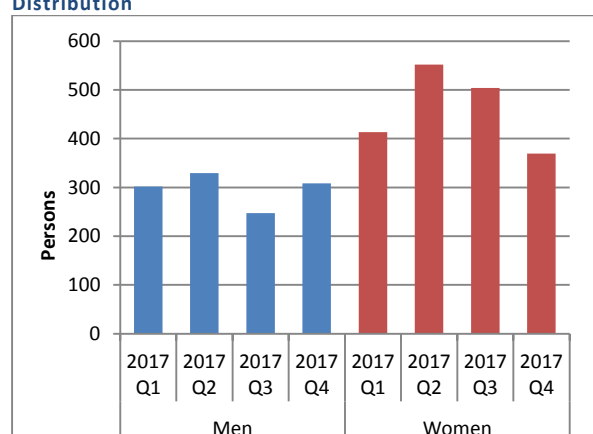


## 2 EMPLOYMENT AND PRICES

### 2.1 EMPLOYMENT

According to the unemployment data prepared by the TRNC Labor Office, by the end of October and November of 2016, the number of registered unemployed people, which was 1,522, decreased to 1,246 as of the end of October and November 2017. When the unemployment rate for November of this year is analyzed by gender composition, it is seen that about 37% of the active registered unemployed people are composed of men and 63% of them are women.

**Chart 2.1: Registered Active Unemployment - Periodic Distribution**



Source: Labor Office

While the number of jobseekers in the third quarter of 2017 was 748, the number of new job seeking applicants in October and November 2017 was 813. By the end of October and November 2017, when 947 people who were unregistered and employed were taken into consideration, the number of jobseekers was 617 at the end of November.

**Table 2.1: Registered Active Unemployment - Overview (persons)**

	2016 Q4	2017 Q1	2017 Q2	2017 Q3	2017 Q4*
<b>Job seekers by the end of the previous period</b>	802	700	712	878	748
<b>Applicants applying for employment during the period</b>	1,218	1,158	1,509	1,224	813
<b>Persons employed during the period</b>	570	474	727	546	480
<b>Persons unregistered during the period</b>	750	672	616	808	467
<b>Job seekers by the end of the period</b>	<b>700</b>	<b>712</b>	<b>878</b>	<b>748</b>	<b>617</b>

Source: Labor Office

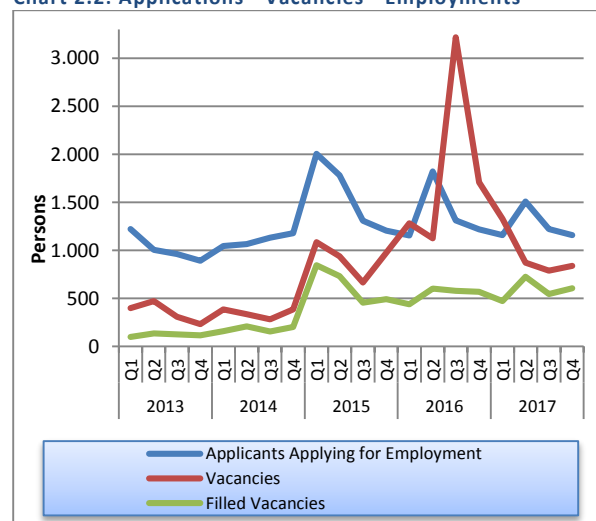
When the active vacancy listings are examined, it is seen that 1,018 vacancies were transferred to the fourth quarter of 2017 as of the third quarter of 2017 and 712 new vacancies were opened in October and November. As of October and November 2017, 1,046 vacancies were transferred to the next period in reaction to 480 filled and 204 canceled vacancies.

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

	2016 Q4	2017 Q1	2017 Q2	2017 Q3	2017 Q4*
<b>Vacancies transferred from the last period</b>	164	109	693	807	1,018
<b>Vacancies received during the period</b>	1,709	1,329	874	790	712
<b>Vacancies filled during the period</b>	570	474	727	546	480
<b>Vacancies cancelled during the period</b>	1,194	271	33	33	204
<b>Vacancies transferred to the next period</b>	<b>109</b>	<b>693</b>	<b>807</b>	<b>1,018</b>	<b>1,046</b>

Source: Labor Office

**Chart 2.2: Applications - Vacancies - Employments**



Source: Labor Office

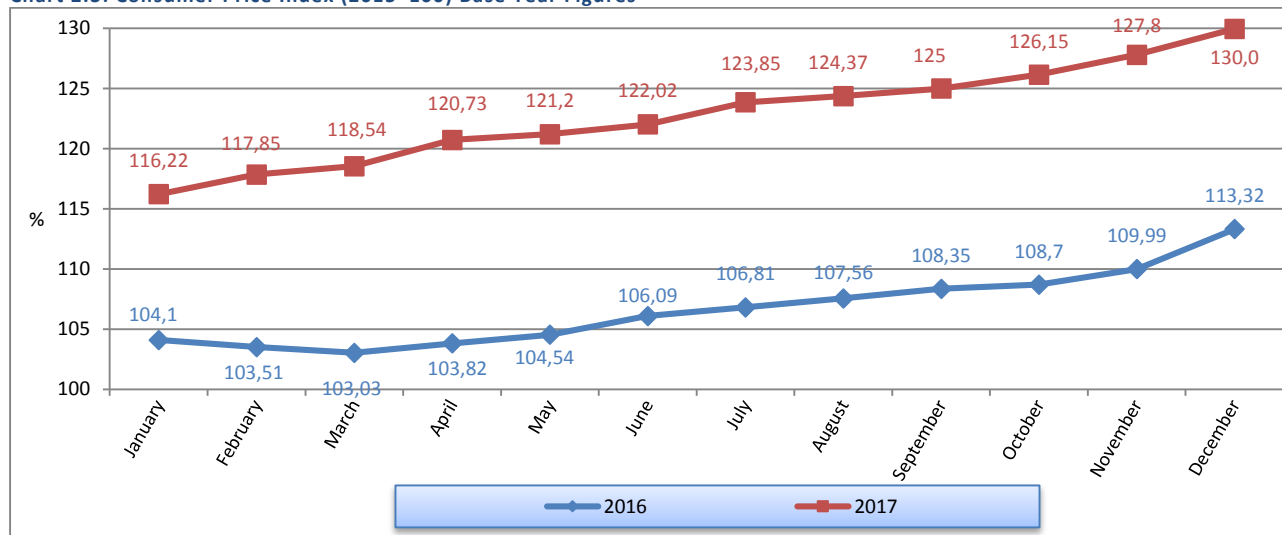
\*: Since the figures for December are not published by the TRNC Labor Office, the data for the fourth quarter of 2017 are based on October and November.

## 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

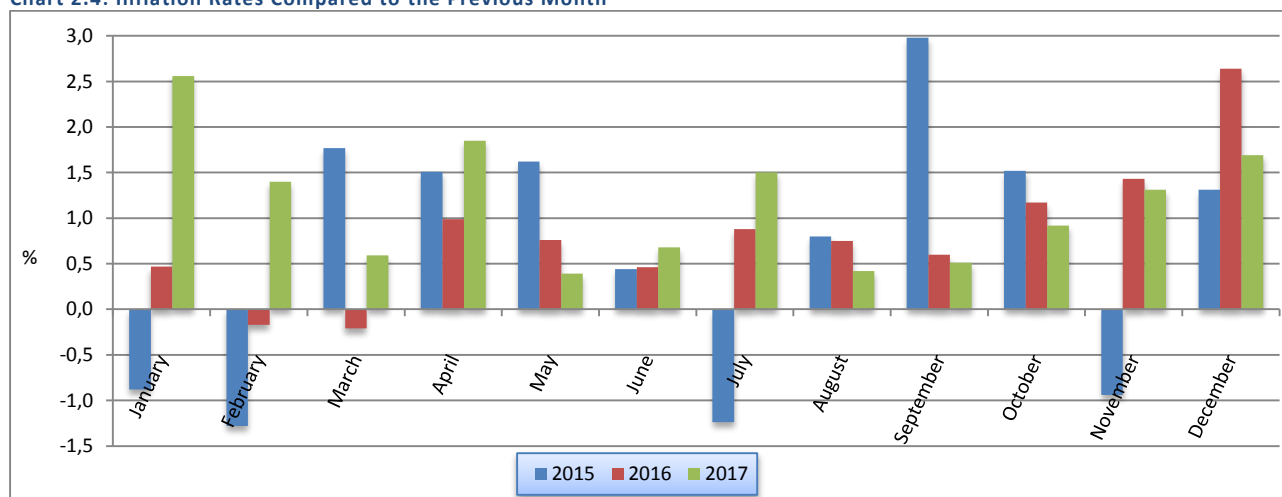


Source: SPO

When the inflation rates in the fourth quarter of 2017 with respect to the previous month are compared with the same periods of 2016, the rates of 1.17 percent, 1.43 percent and 2.64 percent in October, November

and December of 2016 reached 0.92 percent, 1.31 percent and 1.69 percent in the same months of 2017, respectively.

Chart 2.4: Inflation Rates Compared to the Previous Month

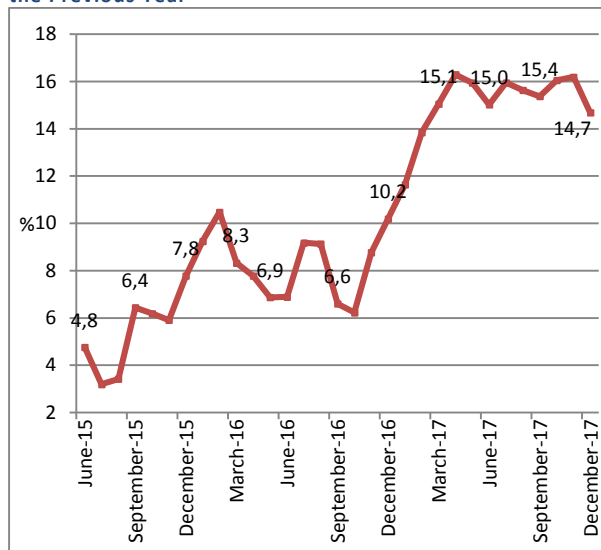


Source: SPO



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, 15.37 percent in September and 14.68 in December 2017, respectively.

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

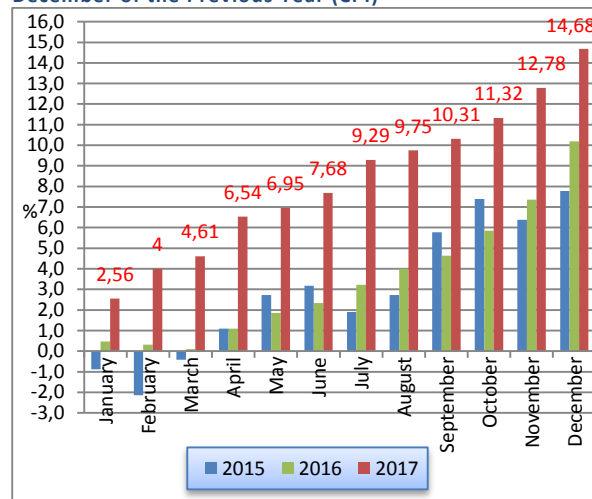


Source: SPO

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 2015 and 2016, year-end inflation rates reached 7.78 percent and 10.19 percent, respectively. As of November of 2017, annual inflation was at the level of 16.05 percent, but it was down by base effect in December, closing the year at 14.68 percent.

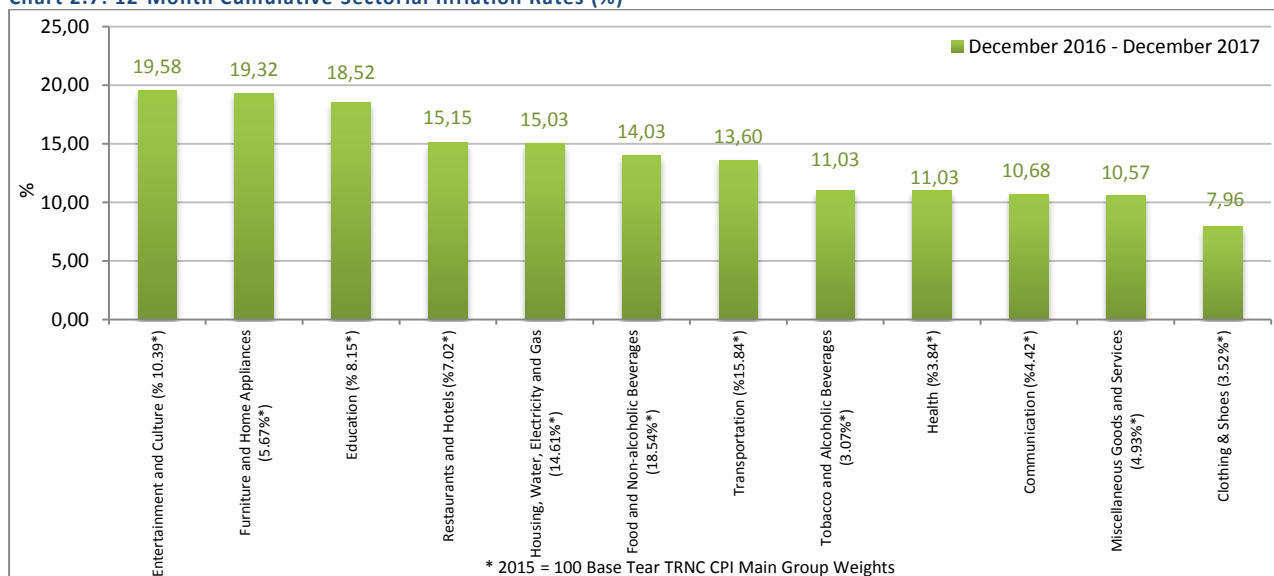
Chart 2.6: Cumulative Inflation Rates Compared to December of the Previous Year (CPI)



Source: SPO

The sectors with the highest price increase at the end of December 2017 are entertainment with 19.58 percent, furniture and home appliances with 19.32 percent and education items with 18.52 percent. By the end of December 2017, the lowest price increase, which occurred in clothing and shoes item, was 7.96 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) Percentage Change (%)**

	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
	November	1.31	12.78	16.19
	December	1.69	14.68	14.68

Source: SPO

### 3 FOREIGN TRADE AND TOURISM

(The exports data for December and the imports data for October-November-December prepared by the TRNC Department of Trade could not be obtained therefore; the existing data was not updated.)

#### 3.1 DEVELOPMENTS ON EXPORTS AND IMPORTS

According to the exports and imports data announced by the Department of Trade, the total exports of the TRNC in October and November 2017 are 10,7 million USD and the total imports in September 2017 is 124,8

million USD. Compared to the same periods of the previous year, exports in October and November 2017 decreased by 4.76 percent and imports in September increased by 12.83 percent.

Table 3.1: Exports and Imports

	Exports (US dollar)			Imports (US dollar)		
	2016	2017	Percentage Change	2016	2017	Percentage Change
January	7,576.893	7,576.748	-0.001	84,312.548	109,947.253	30.40
February	11,374.335	11,353.943	-0.17	103,417.745	125,913.639	21.75
March	11,349.344	13,489.437	18.85	123,345.410	144,387.317	17.06
<b>Quarter I</b>	<b>30,300.572</b>	<b>32,420.128</b>	<b>6.99</b>	<b>311,075.703</b>	<b>380,248.209</b>	<b>22.23</b>
April	13,519.195	10,928.229	-19.16	130,399.249	130,252.492	-0.11
May	11,066.525	9,359.598	-15.42	127,426.907	144,292.089	13.23
June	9,034.438	7,184.406	-20.48	242,689.632	125,225.342	-48.40
<b>Quarter II</b>	<b>33,620.158</b>	<b>27,472.233</b>	<b>-18.29</b>	<b>500,515.788</b>	<b>399,769.923</b>	<b>-20.1</b>
July	5,444.101	8,483.461	55.83	126,076.307	131,921.203	4.63
August	7,290.110	6,738.864	-7.56	130,706.896	149,181.133	14.1
September	7,206.180	7,212.369	0.08	110,671.770	124,872.638	<b>12.83</b>
<b>Quarter III</b>	<b>19,940.391</b>	<b>22,434.694</b>	<b>12.5</b>	<b>367,454.973</b>	<b>405,974.974</b>	<b>10.48</b>
October	6,777.324	5,768.228	-14.88			
November	4,473.982	4,946.955	10.57			
<b>Quarter IV (October – November)</b>	<b>11,251.306</b>	<b>10,715.183</b>	<b>-4.76</b>			
<b>Year Total (January - November) *(January – September)</b>	<b>95,112.427</b>	<b>93,042.238</b>	<b>-2.17</b>	<b>1.179.046.464*</b>	<b>1.185.993.106*</b>	<b>0.59*</b>

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

2) Hydrocarbon imports are not included.

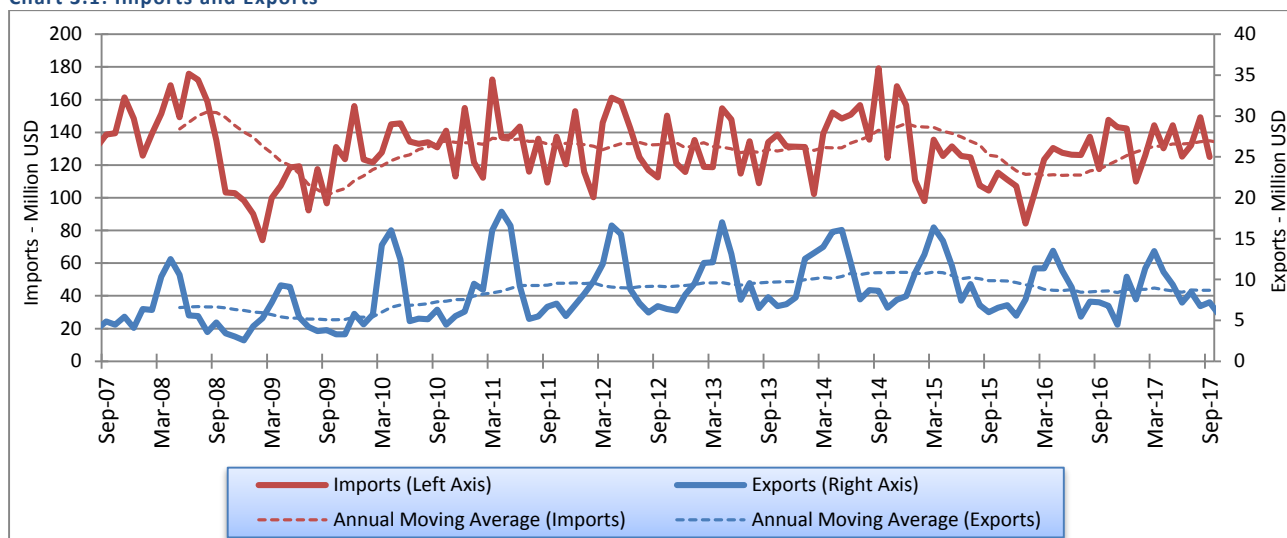
3) Import and export figures for 2017 are temporary figures.

Source: Department of Trade

When exports and imports of the TRNC for 10 years between the period September 2007 and September 2017 are analyzed, 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

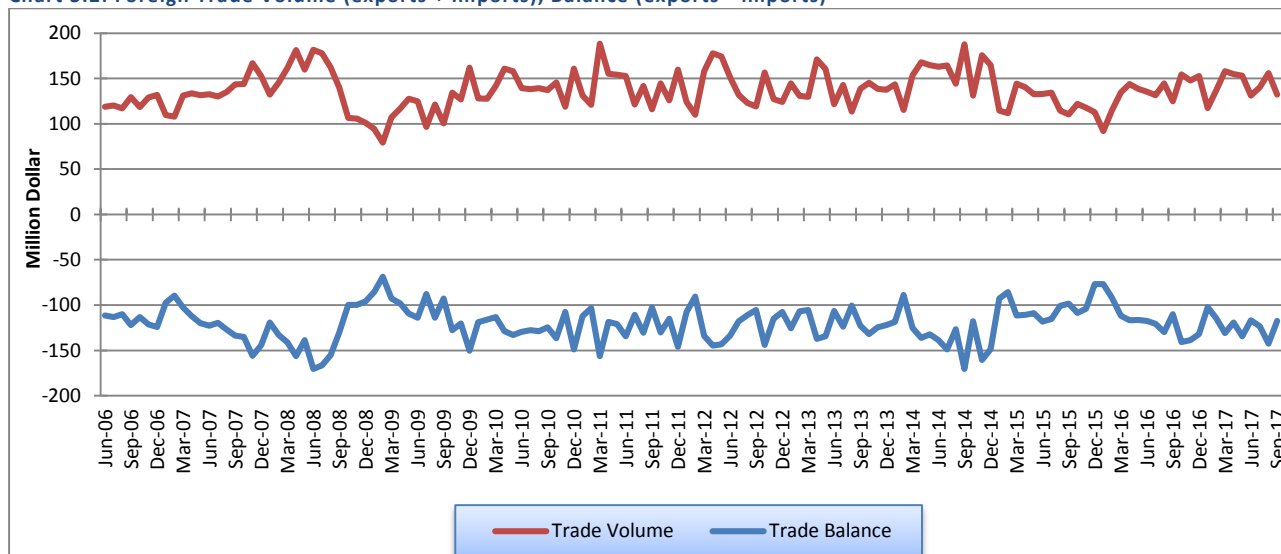


Source: Department of Trade

Due to the low imports-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 September 2016 and September 2017 increased from 124.6 million USD to 132.1 million USD while foreign trade deficit was 110.2 million USD and 117.7 million USD, respectively.

While the exports-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 September 2017 it was 6.9.

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



Source: Department of Trade

In November 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-November	63.6	3.6	1.8	21.1	9.5

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 September 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 2017, decreased by 1.6 percent to 19.3 percent in September 2017. In the first nine months of 2017, there has been a decrease in

imports from Turkey and the EU countries, and an increase in the share of imports from other country groups, the Middle East and Arab countries, the Far East countries and other European countries.

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

Years	Turkey	EU	Far Eastern Countries	Other EU Countries	Middle East and Arab Countries	Other Countries
2006	68.8	18.0	6.0	1.2	4.8	1.2
2007	67.9	16.1	7.3	2.6	4.3	1.8
2008	69.8	14.0	6.5	4.7	3.4	1.6
2009	69.6	15.5	6.6	2.3	4.0	2.0
2010	70.9	15.6	5.7	1.9	4.3	1.6
2011	68.6	16.8	4.9	2.5	5.2	2.0
2012	72.4	14.5	4.8	1.7	4.8	1.8
2013	66.7	15.8	6.6	3.8	5.4	1.7
2014	64.7	15.5	8.1	4.6	4.9	2.2
2015	64.5	18.1	7.7	3.0	4.7	2.0
2016	60.4	20.9	8.7	3.3	4.5	2.2
2017 January-September	60.3	19.3	9.0	3.3	4.8	2.9

Source: Department of Trade

### 3.2 TOURISM

In the fourth quarter of 2017, the total number of arriving passengers, which was 439,653, increased by 8.3 percent compared to the same period of 2016.

In the last quarter of 2017, the number of Turkish Citizen passengers arriving to TRNC increased by 7.2

percent compared to the same period of the previous year and the number of passengers from third countries increased by 12.0 percent. (Table 3.4)

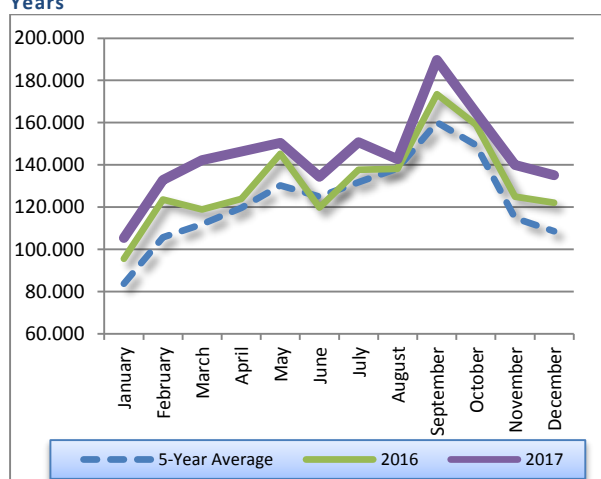
Table 3.4: Number of Arriving Passengers to TRNC

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	<b>262,472</b>	<b>288,164</b>	<b>9.8</b>	<b>70,494</b>	<b>92,233</b>	<b>30.8</b>	<b>332,966</b>	<b>380,397</b>	<b>14.2</b>
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	<b>311,760</b>	<b>335,059</b>	<b>7.5</b>	<b>77,129</b>	<b>96,115</b>	<b>24.6</b>	<b>388,889</b>	<b>431,174</b>	<b>10.9</b>
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	<b>329,680</b>	<b>364,046</b>	<b>10.4</b>	<b>119,582</b>	<b>119,062</b>	<b>-0.04</b>	<b>449,262</b>	<b>483,108</b>	<b>7.5</b>
October	117,311	117,996	0.6	41,718	46,645	11.8	159,029	164,641	3.5
November	95,540	105,986	10.9	29,398	33,862	15.3	124,938	139,878	12.0
December	101,469	112,997	11.4	20,520	22,137	7.9	121,989	135,134	10.8
Quarter IV	<b>314,320</b>	<b>336,979</b>	<b>7.2</b>	<b>91,636</b>	<b>102,644</b>	<b>12.0</b>	<b>405,956</b>	<b>439,653</b>	<b>8.3</b>
Year Total	<b>1.218.232</b>	<b>1.324.248</b>	<b>8.7</b>	<b>358,841</b>	<b>410,082</b>	<b>14,3</b>	<b>1.577.073</b>	<b>1.734.330</b>	<b>10.0</b>

Source: Tourism Planning Department

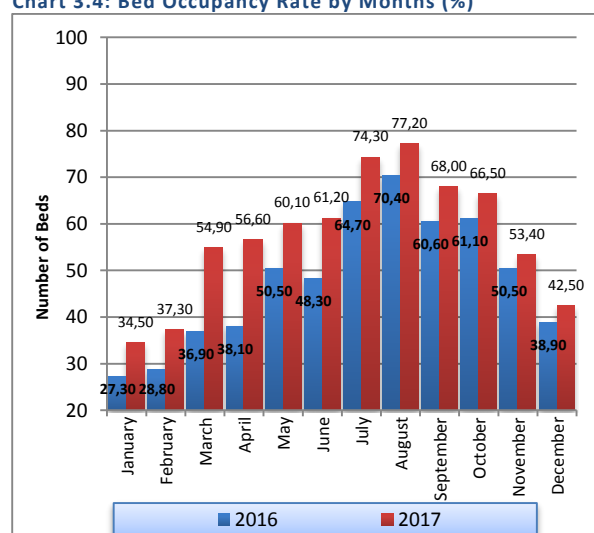
When the number of arriving passengers in 2017 is compared with the previous year and the average of the last five years, it is observed that the total number of arriving passengers in the fourth quarter of 2017 is above the averages of the year 2016 and the last 5 years.

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.

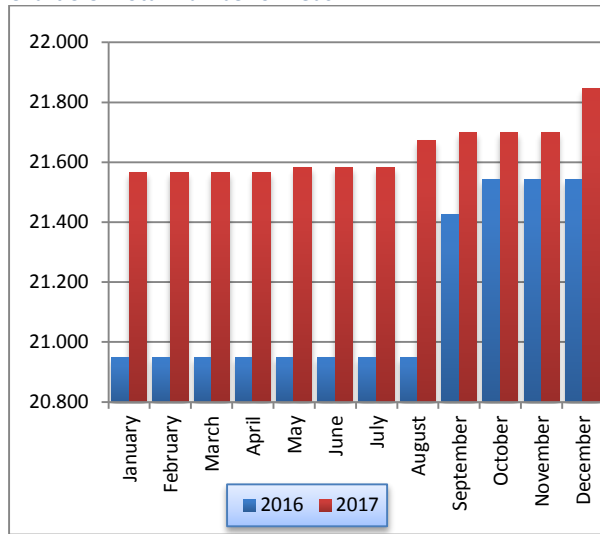
Chart 3.4: Bed Occupancy Rate by Months (%)



Source: Tourism Planning Department

When the development of the total bed capacity of the sector in the years 2016 and 2017 are compared, it is observed that the bed capacity of 21,543 at the end of 2016 reached 21,845 by the end of 2017.

**Chart 3.5: Total Number of Beds**



Source: Tourism Planning Department





## 4 BUDGETARY DEVELOPMENTS

### 4.1 FOURTH QUARTER RESULTS FOR 2017

In the fourth quarter of fiscal year 2017, total budget revenues of TRNC increased by 24.9 percent and the total expenditures increased by 14.3 percent compared to the same period of the previous year. Following these changes, budget revenues and budget expenditures were 1,702.3 and 1,774.2 million TRY in the fourth quarter of 2017. In the fourth quarter of 2016, public finance, which had a deficit of 188,6 million TRY, had a deficit of 71.9 million TRY in the same period of 2017.

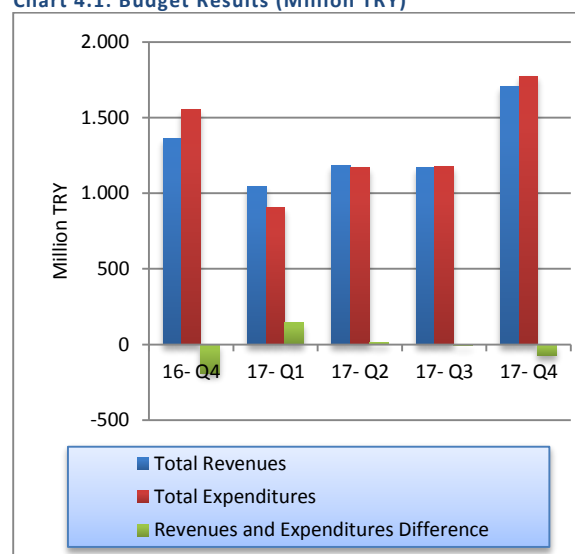
**Table 4.1: Budget Balance (Million TRY)**

	2016		2017		% Change
	Annual Results	Oct. - Dec. Results	Annual Forecast	Oct. - Dec. Results	
<b>Budget Revenues</b>	4,181.1	1,363.2	5,102.1	1,702.3	24.9
<b>Budget Expenditures</b>	4,160.2	1,551.8	5,023.6	1,774.2	14.3
<b>Budget Balance</b>	<b>20.9</b>	<b>-188.6</b>	<b>78.5</b>	<b>-71.9</b>	<b>-61.9</b>

Source: Ministry of Finance

32.6 percent of the total budget revenues of 4,181.1 million TRY obtained in 2016 were collected in the fourth quarter. In the same period of 2017, 33.4 percent of the total budget revenues were collected. In 2017, 35.3 percent of 5,023.6 million TRY, which was used in the execution of services and activities, have been used within the fourth quarter. This rate was 37.3 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 fourth quarter of fiscal year 2017, budget revenues increased by 339.1 million TRY compared to the same period of the previous year and became 1,702.3 million TRY. Tax revenues item with the largest share in budget revenues totaled 906.2 million TRY in the fourth quarter of 2017. Total tax revenues were 742.5 million TRY in the same period of 2016. Donations, grants and loans item, which had the second highest share in budget revenues in the fourth quarter of 2016 increased by 32.4 percent compared to the same period of the previous year and reached 499.3 million TRY in the fourth quarter of 2017. In the fourth quarter of 2017, non-tax revenues item amounted to 265.9 million TRY.

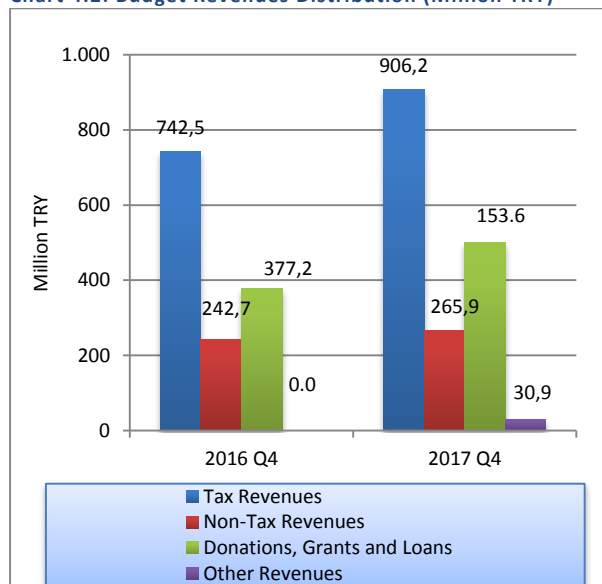
**Table 4.2: Budget Revenues (Million TRY)**

	2016	2017	% Change
	Oct.- Dec.	Oct.- Dec.	
<b>Tax Revenues</b>	742.5	906.2	22.0
<b>Non-Tax Revenues</b>	242.7	265.9	9.6
<b>Donations, Grants and Loans</b>	377.2	499.3	32.4
<b>Other Revenues</b>	0.8	30.9	3,762.5
<b>Total</b>	<b>1,363.2</b>	<b>1,702.3</b>	<b>24.9</b>

Source: Ministry of Finance

While the share of donations, grants and loans item in total budget revenues in the fourth quarter of 2016 was 27.7 percent, it rose to 29.3 percent in the same period of 2017. In the same periods, while the share of tax revenues item decreased to 53.2 from 54.5, the share of non-tax revenues item decreased to 15.6 from 17.8. The share of other revenues item reached 1.8 percent from 0.1 percent.

Chart 4.2: Budget Revenues Distribution (Million TRY)



Source: Ministry of Finance

### 4.3 EXPENDITURES

As of the fourth quarter of 2017, total budget expenditures increased by 14.3 percent compared to the same period of the previous year and increased to 1,774.2 million TRY from 1,551.8 million TRY. In the mentioned periods, current transfers, goods and services purchase expenditures and personnel expenditures increased by 4.1, 12.4 and 14.5 percent, respectively.

In the fourth quarter of 2017, current transfers expenditure item of the TRNC budget increased by 4.1 percent compared to the same period of the previous year and reached to 795.6 million TRY. In this period, personnel expenditures item which increased by 14.5 percent compared to the same period of previous year, reached to 577.5 million TRY. Capital expenditures and transfers item also increased by 71 percent during the same period and amounted to 237.3 million TRY in the fourth quarter of 2017.

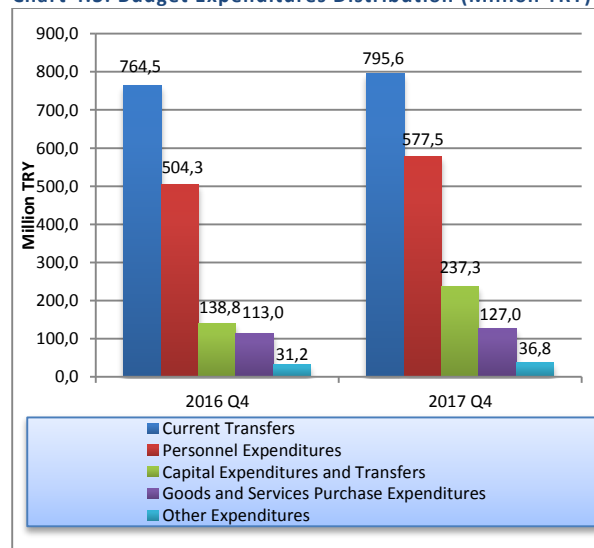
Table 4.3: Budget Expenditures (Million TRY)

	2016 Oct.- Dec.	2017 Oct.- Dec.	% Change
<b>Current Transfers</b>	764.5	795.6	4.1
<b>Personnel Expenditures</b>	504.3	577.5	14.5
<b>Capital Expenditures and Transfers</b>	138.8	237.3	71.0
<b>Goods and Service Purchase Expenditures</b>	113.0	127.0	12.4
<b>Other Expenditures</b>	31.2	36.8	17.9
<b>Total</b>	<b>1,551.8</b>	<b>1,774.2</b>	<b>14.3</b>

Source: Ministry of Finance

The share of personnel expenditure item in total expenditures is 32.6 percent in the fourth quarter of 2017, while it was 32.5 percent in the fourth quarter of 2016. In the fourth quarter of 2016, the share of the current transfers constituting 49.3 percent of the total budget expenditures decreased in the fourth quarter of 2017 and became 44.8 percent. The share of personnel expenditures and current transfers in budget expenditures was 81.8 percent in the fourth quarter of 2016 and it became 77.4 percent in the same period of 2017.

Chart 4.3: Budget Expenditures Distribution (Million TRY)



Source: Ministry of Finance

#### 4.4 BUDGET IMPLEMENTATION RESULTS

The total budget expenditures and revenues were 5,023.6 million TRY and 5,102.1 million TRY in 2017, respectively, and the budget, which generated a surplus of 20.9 million TRY in 2016, had a surplus of 78.5 million TRY in 2017. Along with these figures, budget revenues increased by 22.03 percent between the years 2016-2017, while the increase in the budget expenditures were around 20.75 percent. Tax revenues item, which have the highest share in budget revenues, increased by 22.09 percent compared to 2016 and

reached 3,047.1 million TRY in 2017. Non-tax revenues item, which had the second highest share in budget revenues throughout 2016, increased by 9.47 percent in 2017 to 1,048.1 million TRY. Current transfers item, which had the highest share in budget expenditures throughout 2016, increased by 18.26 percent in 2017 to 2,360.0 million TRY. The highest increase in budget expenditures was capital expenditures and transfers item with 74.39 percent.

**Table 4.4: Budget Implementation Results (Million TRY)**

	2016	2017	2016 – 2017 Change (%)	
<b>Revenues</b>	Tax Revenues	2.495,8	3.047,1	22.09
	Non-Tax Revenues	957,4	1.048,1	9.47
	Donations, Grants and Loans	726,4	930,8	28.14
	Other Revenues	1,5	76,1	4,973.33
	<b>Grand Total</b>	<b>4,181.1</b>	<b>5,102.1</b>	<b>22.03</b>
<b>Expenditures</b>	Current Transfers	1,995.6	2,360.0	18.26
	Personnel Expenditures	1,537.6	1,768.8	15.04
	Capital Expenditures and Transfers	233,1	406,5	74.39
	Goods and Service Purchase Expenditures	298,9	371,1	24.16
	Other Expenditures	95,0	117,2	23.37
	<b>Grand Total</b>	<b>4,160.2</b>	<b>5,023.6</b>	<b>20.75</b>

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, decreased by 37.5 percent in the fourth quarter of 2017 compared to the same period of the previous year and reached -193.5 million TRY. Total loans extended by Turkey, which is the source of

funding for the deficit of this quarter, increased by 0.7 percent compared to the same period of the previous year and rose from 120.8 million TRY to 121.6 million TRY.

In the fourth quarter of 2017, due to the increases of 163.7 and 23.2 million TRY observed in the same period of the previous year in the tax revenue and non-tax income items, local revenues item increased by 22 percent and amounted to 1,203 million TRY.

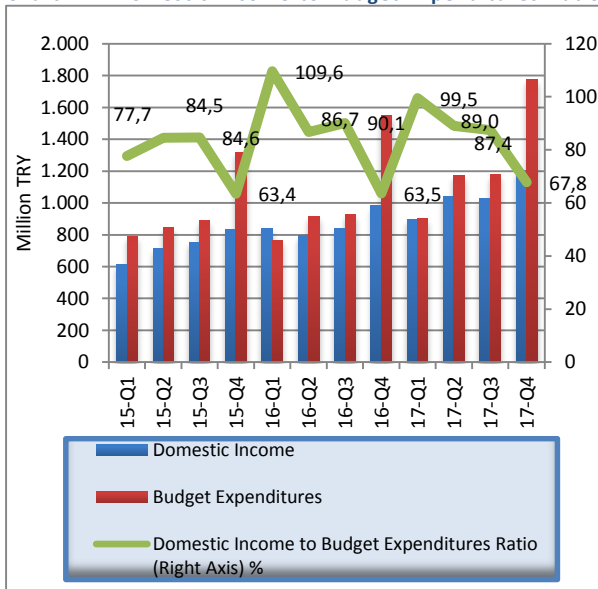
Table 4.5: Financing Balance (Million TRY)

	2016 Oct. - Dec.	2017 Oct. - Dec.
<b>Budget Revenues</b>	<b>1,242.4</b>	<b>1,580.7</b>
<b>1. Domestic Income</b>	<b>986,0</b>	<b>1,203,0</b>
Tax Revenues	742,5	906,2
Non-Tax Revenues	242,7	265,9
Other Revenues	0,8	30,9
<b>2. Foreign Aids</b>	<b>256,4</b>	<b>377,7</b>
Aids from Turkey	256,4	377,7
<b>Budget Expenditures</b>	<b>1,551.8</b>	<b>1,774.2</b>
Personnel Expenditures	504,3	577,5
Current Transfers	764,5	795,6
Capital Expenditures	138,8	237,3
Other Expenditures	144,2	163,8
<b>Financing Balance</b>	<b>-309,4</b>	<b>-193,5</b>
<b>Financing</b>	<b>120,8</b>	<b>121,6</b>
Loans Granted by Turkey	120,8	121,6
Domestic Borrowing	0,0	0,0

Source: Ministry of Finance

According to the budget figures of the fourth quarter of 2017, the domestic income to budget expenditures ratio has been 67.8 percent. The same rate was 63.5 percent in the fourth quarter of 2016.

Chart 4.4: Domestic Income to Budget Expenditures Ratio

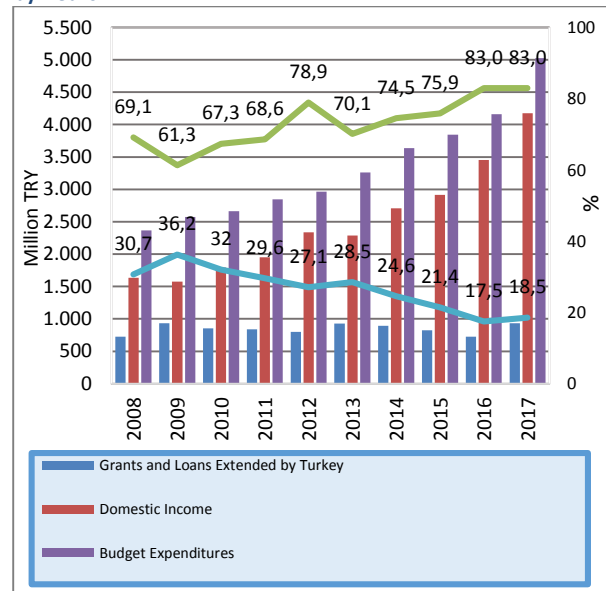


Source: Ministry of Finance

It is observed that the domestic income (calculated by deducting the grants and loans extended by Turkey from the budget revenues) to budget expenditures ratio has reached to 83 percent in the last 10 years from 69 percent. The share of the grants and loans extended by Turkey, which is the most important resource for financing the gap between the domestic income and

the budget expenditures, in the budget expenditures in the last 10-year period has decreased from 30 percent to 18 percent. Though a positive outlook has emerged over the last 10 years in the sense of covering the budget expenditures with our domestic income, public finance is still unable to cover all of the budget expenditures and the budget deficit problem continues to arise.

Chart 4.5: Domestic Income to Budget Expenditures Ratio by Years



Source: Ministry of Finance

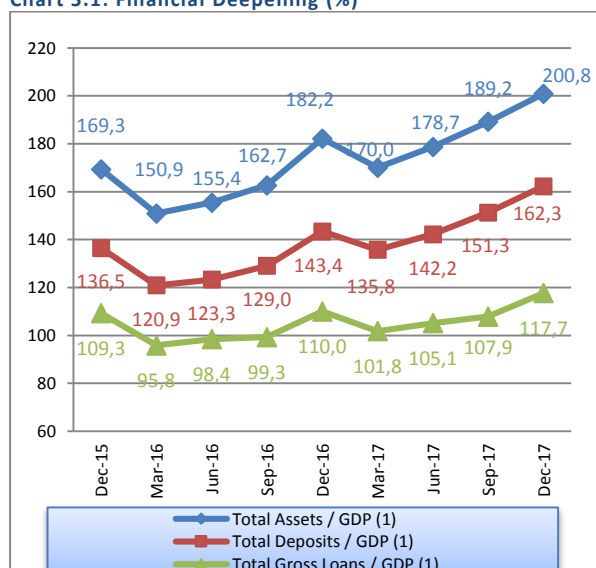
## 5 MONETARY AND FINANCIAL DEVELOPMENTS

### 5.1 OVERVIEW OF THE BANKING SECTOR

#### 5.1.1 FINANCIAL DEEPENING

When the financial deepening figures of the fourth quarter of 2017 are analyzed, the total gross loans to GDP ratio increased to 117.7 percent from 107.9 percent, the total assets to GDP ratio increased to 200.8 percent from 189.2 percent and the total deposits to GDP ratio increased to 162.3 percent from 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 slightly decreased to 27.42 percent in the fourth quarter of 2017, compared to the previous quarter. This rate was 24.96 percent in the same period of the previous year.

The CASR (Capital Adequacy Standard Ratio), which was 18.03 percent at the end of 2016, decreased by 0.73 points to 17.30 percent in the last quarter of 2017.

The share of NPL in gross loans decreased by 0.34 percentage points to 5.72 percent at the end of December 2017, compared to the previous quarter.

The gross loans to deposits ratio increased by 1.24 percentage points to 72.55 percent in the fourth quarter of 2017, compared to the previous period.

The share of gross loans in total assets, which was 60.39 percent in December 2016, declined to 58.61 percent in the last quarter of 2017. It decreased by 1.59 points, compared to the previous quarter.

In the fourth quarter of 2017, growth rate of gross loans increased by 9.11 percent compared to the previous quarter. Gross loans increased by 10.78 percent in the same period of the previous year.

Compared to the previous quarter, deposits increased by 6.37 percent at the end of September 2017, showing an increase of 7.24 percent in the fourth quarter of 2017.

The financial leverage ratio, which was 9.54 at the end of September 2017, reached 9.99 in the last quarter of 2017.

Table 5.1: Performance Ratios

	2016		2017		
	Dec.	Mar.	Jun.	Sept.	Dec.
Liquid Assets / Total Assets (%)	24.96	25.28	26.27	27.80	27.42
CASR (%)	18.03	18.26	18.04	18.27	17.30
NPL / Gross Loans (%)	6.60	6.20	6.08	6.06	5.72
Gross Loans / Total Deposits (%)	76.72	74.96	73.90	71.31	72.55
Gross Loans / Total Assets (%)	60.39	59.86	58.83	57.02	58.61
Quarterly Growth Rate on Gross Loans (%)	10.78	3.67	3.18	2.65	9.11
Quarterly Growth Rate on Deposits (%)	11.12	6.11	4.55	6.37	7.24
Financial Leverage <sup>1</sup>	9.23	9.24	9.44	9.54	9.99

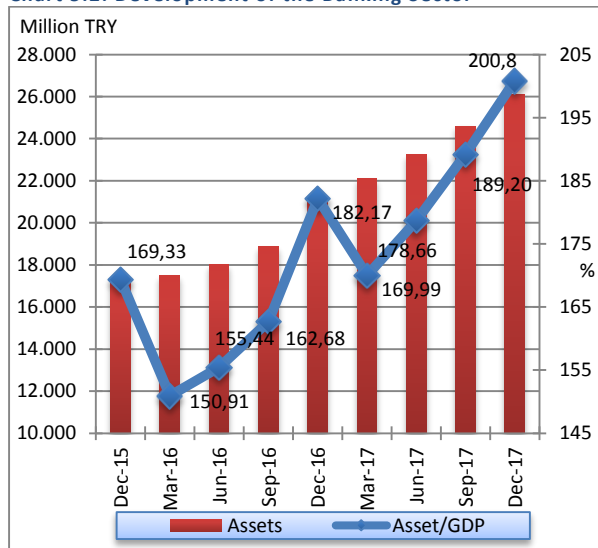
Note: (1) Foreign Sources / Total Shareholders' Equity

Source: Central Bank of TRNC

### 5.1.3 DEVELOPMENT OF THE BANKING SECTOR

By the end of December 2017, the ratio of the banking sector balance sheet size to GDP rose to 200.83 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

Analyzing the concentration in the banking sector, the share of the largest five banks in the sector in terms of asset size in the fourth quarter of 2017 is 55.15 percent, and the share of the top ten banks in total assets is 78.47 percent.

In terms of the size of gross loans in the same period, the share of the first five banks in the sector is 57.01 percent and the share of the top ten banks is 81.11 percent.

In terms of deposit size, the share of the five largest banks in total deposits is 56.80 percent and the share of the top ten banks is 80.07 percent.

In terms of the size of shareholders' equity in the period, the share of the first five banks in total shareholders' equity is 50.38 percent, while the share of the top ten banks is 78.36 percent.

The share of the first five banks in the sector is 58.42 percent and the share of the top ten banks is 90.64 percent in terms of the size of the debts to the banks item.

Table 5.2: Concentration in the Banking Sector (%)

Shares of the First Five Banks in the Sector	2016					2017
	December	March	June	September	December	
Assets	55.58	55.23	54.64	54.72	55.15	
Gross Loans	57.83	58.34	56.73	56.34	57.01	
Deposits	57.46	57.51	56.81	56.94	56.80	
Debts to Banks	62.83	62.90	58.03	55.47	58.42	
Shareholders' Equity	50.86	51.01	50.66	50.37	50.38	
Shares of the First Ten Banks in the Sector	2016					2017
Assets	78.00	77.64	77.47	77.78	78.47	
Gross Loans	80.56	81.80	81.09	80.83	81.11	
Deposits	80.08	80.09	79.92	79.91	80.07	
Debts to Banks	90.83	89.08	88.45	87.22	90.64	
Shareholders' Equity	76.84	76.70	76.80	77.22	78.36	

Source: Central Bank of TRNC

### 5.1.5 NUMBER OF BANKS, BRANCHES AND PERSONNEL

The number of banks operating in the banking sector has decreased to 21 at the end of December 2017. This decrease is due to the decision of the Board of the Central Bank of the TRNC, dated November 2, 2017 and numbered 966, regarding the cancellation of the

banking operations of HSBC Bank Co. and its branches, and their transfer to Albank Ltd. of the 21 banks in the sector, 2 are public banks, 14 are private banks and 5 are branch banks.

**Table 5.3: Development of the Number of Banks**

	Dec.15	Mar.16	Jun.16	Sept.16	Dec.16	Mar.17	Jun.17	Sept.17	Dec.17
<b>Public Banks</b>	2	2	2	2	2	2	2	2	2
<b>Private Banks</b>	13	13	13	14	14	14	14	14	14
<b>Branch Banks</b>	7	7	7	6	6	6	6	6	5
<b>Total</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>22</b>	<b>21</b>

Source: Central Bank of TRNC

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

seen that 69.1 of the total number of branches belongs to private banks, 16.74 to branch banks and 14.16 to public banks.

**Table 5.4: Development of the Number of Branch and Personnel**

Development of the Number of Branches									
	Dec.15	Mar.16	Jun.16	Sept.16	Dec.16	Mar.17	Jun.17	Sept.17	Dec.17
<b>Public Banks</b>	36	36	36	36	36	36	36	34	33
<b>Private Banks</b>	145	145	145	152	151	152	153	156	161
<b>Branch Banks</b>	46	46	46	45	45	44	45	43	39
<b>Total</b>	<b>227</b>	<b>227</b>	<b>227</b>	<b>233</b>	<b>232</b>	<b>232</b>	<b>234</b>	<b>233</b>	<b>233</b>
Development of the Number of Personnel									
	Dec.15	Mar.16	Jun.16	Sept.16	Dec.16	Mar.17	Jun.17	Sept.17	Dec.17
<b>Public Banks</b>	518	516	504	554	548	564	559	565	558
<b>Private Banks</b>	1.827	1.814	1.807	1.875	1.934	1.924	1.927	1.965	2.024
<b>Branch Banks</b>	555	551	567	560	562	564	564	570	524
<b>Total</b>	<b>2,900</b>	<b>2,881</b>	<b>2,878</b>	<b>2,989</b>	<b>3,044</b>	<b>3,052</b>	<b>3,050</b>	<b>3,100</b>	<b>3,106</b>

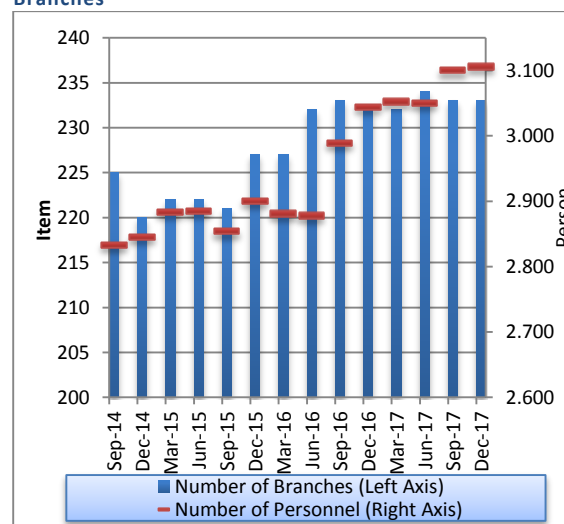
Source: Central Bank of TRNC

The number of personnel employed in the sector increased by 6 persons and increased from 3,100 to 3,106 during September 2017 - December 2017 period. 558 of these personnel are working in public banks, 2,024 in private banks and 524 in branch banks. In this period, due to the transfer of a branch bank to another private bank, the number of personnel in private banks rose from 1,965 to 2,024, while the number of personnel in branch banks decreased from 570 to 524. The number of personnel in public banks decreased from 565 to 558.

During December 2016 - December 2017 period, the number of personnel working in the banking sector increased by 62 persons to reach 3,106 from 3,044. In the mentioned period, when the change in the number of personnel is analyzed based on bank groups, there was an increase of 90 persons in private banks, 10 persons in public banks and there was a decrease of 38 in branch banks.

In December 2017, it is observed that 17.97 percent of the personnel working in the sector belongs to the public banks, 65.16 percent belongs to the private banks and 16.87 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 24,602.7 million TRY at the end of September 2017, increased by 6.15 percent in the fourth quarter of 2017 and reached 26,115.3 million TRY. In the aforementioned period, liquid assets increased by 4.70 percent, gross loans by 9.11 percent, securities portfolio by 4.41 percent and other assets decreased by 7.57 percent. In December 2016 - December 2017 period, total assets of the sector increased by 23.57 percent, liquid assets by 35.75 percent, gross loans by

19.93 percent and securities portfolio by 7.36 percent. In the same period, deposits increased by 26.83 percent and shareholders' equity increased by 15.03 percent.

The deposits, which is the most important funding source of the sector increased by 7.24 percent and the shareholders' equity increased by 1.82 percent in September 2017 - December 2017 period.

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

	2016		2017			Percentage Change	
	December	March	June	September	December	09/2017 - 12/2017	12/2016 - 12/2017
<b>Liquid Assets</b>	5.275,8	5.589,2	6.103,5	6.840,0	7.161,8	4.70	35.75
<b>Securities Portfolio</b>	1.587,8	1.596,6	1.601,3	1.632,6	1.704,6	4.41	7.36
<b>Total Gross Loans</b>	12.763,1	13.231,5	13.666,3	14.028,2	15.306,2	9.11	19.93
<b>Other Assets</b>	1.507,5	1.687,7	1.861,0	2.101,9	1.942,7	-7.57	28.87
<b>Total Assets-Liabilities</b>	<b>21,134.2</b>	<b>22,105.0</b>	<b>23,232.1</b>	<b>24,602.7</b>	<b>26,115.3</b>	<b>6.15</b>	<b>23.57</b>
<b>Deposits</b>	16,635.2	17,652.4	18,494.1	19,672.9	21,098.1	7.24	26.83
<b>Debts to Banks</b>	1,597.9	1,460.1	1,551.4	1,600.6	1,637.5	2.30	2.48
<b>Other Liabilities</b>	834,9	833,3	960,8	994,9	1,002.9	0.80	20.12
<b>Shareholders' Equity</b>	2,066.2	2,159.2	2,225.8	2,334.3	2,376.8	1.82	15.03

Source: Central Bank of TRNC



### 5.2.1 DEVELOPMENTS IN THE STRUCTURE OF ASSETS AND LIABILITIES

In the fourth quarter of 2017, the largest share in the sector's total assets is gross loans with 58.61 percent. Gross loans are followed by liquid assets with a share of 27.42 percent, securities portfolio with 6.53 percent and other assets with a share of 7.44 percent.

When the banking sector is evaluated in terms of the share of the items constituting the asset structure of December 2016 - December 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, 80.79 percent of the total liabilities is deposits, 9.10 percent is shareholders' equity, 6.27 percent is debts to banks and 3.84 percent is other liabilities.

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

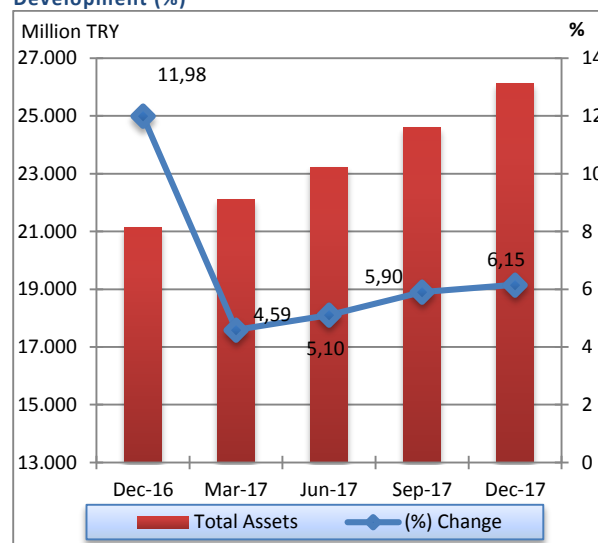
**Table 5.6: Structural Percentage Distribution of Banking Sector Assets / Liabilities (%)**

Assets	2016			2017	
	December	March	June	September	December
<b>Liquid Assets</b>	24.96	25.28	26.27	27.80	27.42
<b>Securities Portfolio</b>	7.51	7.22	6.89	6.64	6.53
<b>Total Gross Loans</b>	60.39	59.86	58.83	57.02	58.61
<b>Other Assets</b>	7.14	7.64	8.01	8.54	7.44
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>
<b>Liabilities</b>					
<b>Total Deposits</b>	78.71	79.86	79.61	79.96	80.79
<b>Debts to Banks</b>	7.56	6.61	6.68	6.51	6.27
<b>Other Liabilities</b>	3.95	3.76	4.13	4.04	3.84
<b>Shareholders' Equity</b>	9.78	9.77	9.58	9.49	9.10
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

Source: Central Bank of TRNC

The banking sector's total assets, which grew during all periods from December 2016 to December 2017, increased by 11.98 percent in the fourth quarter of 2016. 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 6.15 percent in the fourth quarter.

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

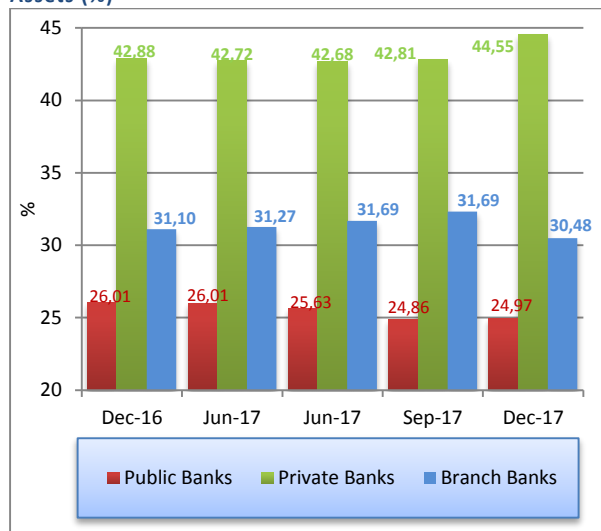


Source: Central Bank of TRNC

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 decreased 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 December 2016 - December 2017 period, there was a downsizing in the group of public banks and growth in private banks and branch banks.

In the fourth quarter of 2017, compared to the previous quarter, public banks’ total assets increased by 6.66 percent, private banks’ total assets increased by 10.45 percent and branch banks’ total assets increased by 0.6 per mille. Compared to the same period of the previous year, total assets increased by 18.65 percent in public banks, 28.36 percent in private banks and 21.07 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		December	Percentage Change	
	December	March	June	September		09/2017-12/2017	12/2016-12/2017
<b>Public Banks</b>	5,498.0	5,749.3	5,955.1	6,116.1	6,523.2	6.66	18.65
<b>Private Banks</b>	9,062.8	9,444.1	9,914.3	10,532.4	11,633.4	10.45	28.36
<b>Branch Banks</b>	6,573.4	6,911.6	7,362.7	7,954.2	7,958.7	0.06	21.07
<b>Total</b>	<b>21,134.2</b>	<b>22,105</b>	<b>23,232.1</b>	<b>24,602.7</b>	<b>26,115.3</b>	<b>6.15</b>	<b>23.57</b>

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 4.70 percent in the fourth quarter of 2017 and reached 7,161.8 million TRY from 6,840 million TRY.

In this period, a decrease of 11.5 million TRY in the cash values item, a decrease of 42.6 million TRY in the receivables from the banks item, an increase of 128.3 million TRY in the Central Bank item and an increase of

247.6 million TRY in the receivables from the IMM (Interbank Money Market) transactions item was recorded.

Liquid assets amounting to 5,275.8 million TRY at the end of December 2016 increased to 7,161.8 million TRY at the end of December 2017. In the period, cash assets increased by 42.7 million TRY, receivables from Central Bank item increased by 549.7 million TRY, receivables from the IMM transactions increased by 682 million TRY and receivables from banks item increased by 611.6 million TRY.

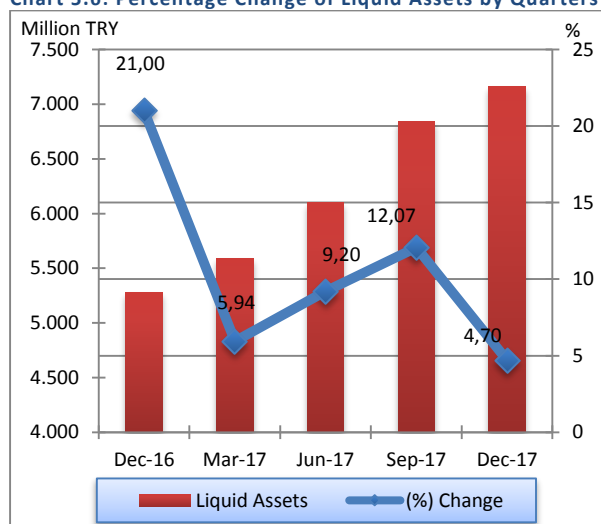
**Table 5.8: Development of Liquid Assets (Million TRY)**

	2016		2017		Percentage Change	
	December	March	June	September	December	09/2017 - 12/2017
<b>Cash Assets</b>	173,7	189,8	208,7	227,9	216,4	-5.05
<b>Receivables from the Central Bank</b>	2,012.4	2,028.9	2,209.9	2,433.8	2,562.1	5.27
<b>Receivables from the Interbank Money Market Transactions</b>	817,1	1,020.8	1,012.1	1,251.5	1,499.1	19.78
<b>Receivables from Banks</b>	2,272.6	2,349.7	2,672.8	2,926.8	2,884.2	-1.46
<b>Total</b>	<b>5,275.8</b>	<b>5,589.2</b>	<b>6,103.5</b>	<b>6,840.0</b>	<b>7,161.8</b>	<b>4.70</b>

Source: Central Bank of TRNC

Liquid assets increased by 21 percent in the last quarter of 2016 compared to the previous quarter. In the last quarter of 2017, this increase was 4.7 percent.

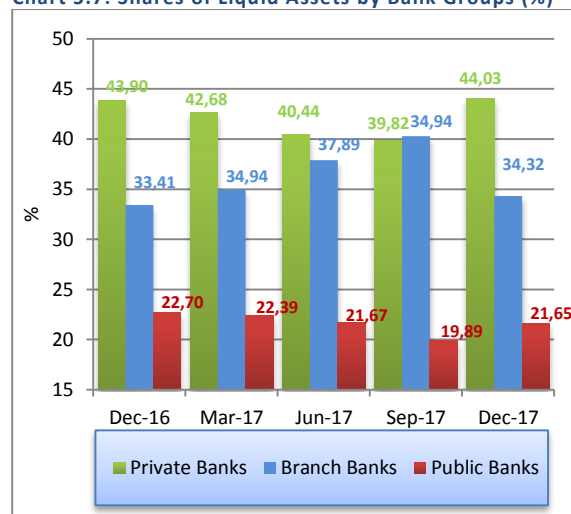
**Chart 5.6: Percentage Change of Liquid Assets by Quarters**



Source: Central Bank of TRNC

In the fourth quarter of 2017, the liquid assets of private banks and public banks increased while the liquid assets of branch banks decreased compared to the previous quarter. In December 2016 - December 2017 period, there is an increase in branch and private banks, while there is a decrease in the number of public 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 8,406.5 million TRY as of December 2017, are in the first place as in the previous periods. They are followed by consumer loans with 4,159.2 million TRY.

From December 2016 to December 2017, business loans increased by 21.64 percent from 6,910.7 million TRY to 8,406.5 million TRY, while consumer loans increased by 21.72 to 4,152.9 million TRY from 3,411.8 million TRY.

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

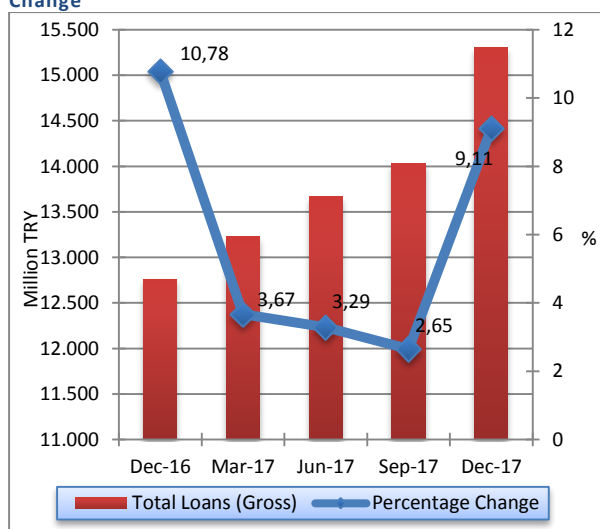
	2016			2017	
	December	March	June	September	December
<b>Business Loans</b>	6,910.7	7,206.5	7,475.2	7,598.6	8,406.5
<b>Consumer Loans</b>	3,411.8	3,514.2	3,642.2	3,815.2	4,152.9
<b>Credit Cards</b>	324,8	358,9	379,2	391,6	394,7
<b>Discount Loans</b>	165,8	179,4	180,0	178,0	195,0
<b>Other Investment Loans</b>	102,4	112,6	91,3	111,2	112,0
<b>Import Loans</b>	3,7	3,8	3,2	3,5	3,7
<b>Loans of Funds Originated</b>	14,9	14,4	14,2	15,9	17,1
<b>Directed Loans</b>	16,5	22,8	20,3	16,7	21,2
<b>Export Loans</b>	3,8	5,6	6,1	6,9	6,1
<b>Loans Extended by the Central Bank of TRNC</b>	4,9	0,0	5,3	5,4	5,7
<b>Loans Extended Through the Central Bank of TRNC</b>	0,0	0,0	0,0	0,0	0,0
<b>Loans to Purchase Security for Customer</b>	0,1	0,1	0,1	0,1	0,1
<b>Export Guaranteed Investment Loans</b>	0,0	0,0	0,0	0,0	0,0
<b>Other Loans</b>	961,2	992,5	1,019,0	1,034,9	1,116,3
<b>Total Loans</b>	<b>11,920.6</b>	<b>12,410.8</b>	<b>12,836.1</b>	<b>13,178.0</b>	<b>14,431.3</b>

Note: Non-performing loans are not included.

Source: Central Bank of TRNC

Gross loans of the sector increased by 10.78 percent at the end of December 2016 compared to the previous quarter and by 9.11 percent at the end of December 2017.

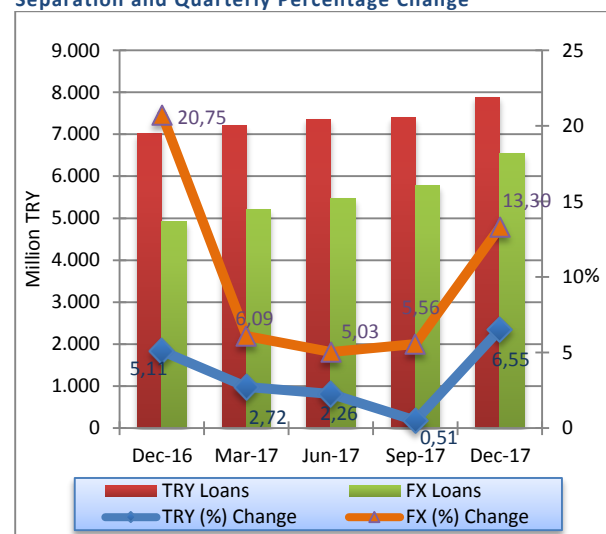
Chart 5.8: Development of the Gross Loans and Percentage Change



Source: Central Bank of TRNC

In the fourth quarter of 2017, 7,886.4 million TRY of the loans are in Turkish Lira currency and 6,544.9 million TRY are in foreign currency. In the period, there was an increase of 6.55 percent in TRY loans and 13.30 percent in FX (Foreign Exchange) 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 fourth quarter of 2017, public banks' gross loans increased by 11,13 percent in TRY currency and increased by 12.72 percent in FX currency compared to the previous quarter. Gross loans of private banks

increased by 3.26 percent in TRY currency and by 13.95 percent in FX currency. The gross loans of branch banks increased by 4.48 percent in TRY and 10.84 percent in FX currency in the mentioned period.

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

	September 2017			December 2017			Percentage Change 09/2017 - 12/2017		
	TRY	FX	Total	TRY	FX	Total	TRY	FX	Total
<b>Public Banks</b>	2,649.8	1,021.1	3,670.9	2,944.8	1,151.0	4,095.8	11.13	12.72	11.57
<b>Private Banks</b>	2,867.4	3,532.8	6,400.2	2,960.9	4,025.6	6,986.5	3.26	13.95	9.16
<b>Branch Banks</b>	2,548.7	1,408.4	3,957.1	2,662.8	1,561.1	4,223.9	4.48	10.84	6.74
<b>Total Loans (Gross)</b>	<b>8,065.9</b>	<b>5,962.3</b>	<b>14,028.2</b>	<b>8,568.5</b>	<b>6,737.7</b>	<b>15,306.2</b>	<b>6.23</b>	<b>13.01</b>	<b>9.11</b>

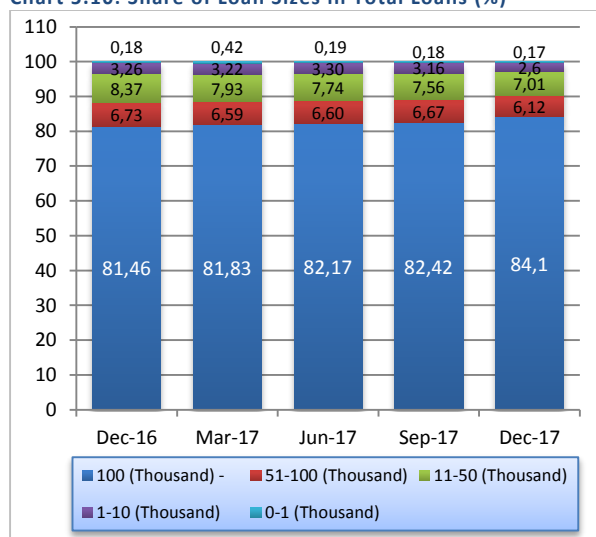
Source: Central Bank of TRNC

At the end of the fourth quarter of 2017, the share of loans over 100 thousand TRY in total loans was 84.1 percent.

In this period, 11-50 thousand TRY loans take the second place in loan sizes with a share of 7.01 percent. The loans amounting to 51-100 thousand TRY and 1-10 thousand TRY constitute 6.12 and 2.60 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 1.7 per mille.

In the period December 2016 - December 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.

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

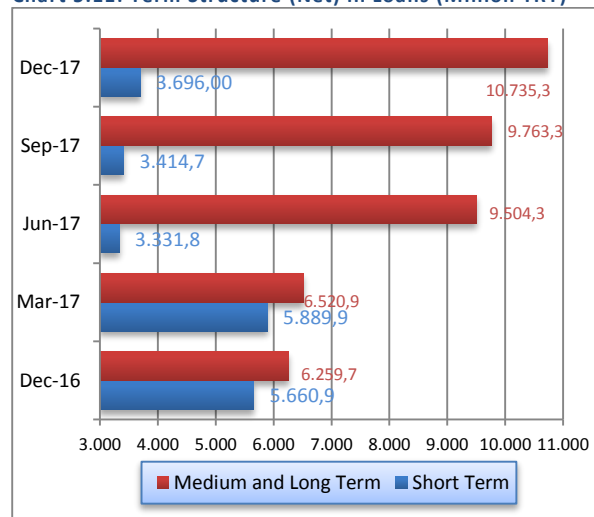


Note: Non-performing loans are not included.

Source: Central Bank of TRNC

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 fourth quarter of 2017, short-term loans increased to 3,696 million TRY from 3,414.7 million TRY, and medium and long-term loans increased to 10,735.3 million TRY from 9,763.3 million TRY. In the period of December 2016 - December 2017, short-term loans decreased by 34.71 percent and medium and long-term loans increased by 71.5 percent.

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

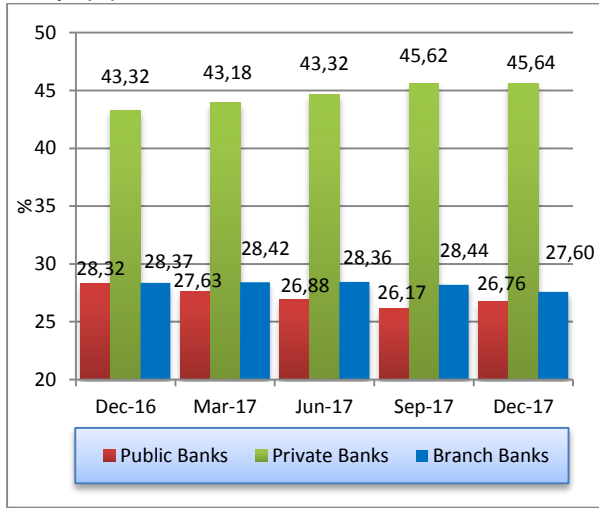


Note: Loans with up to 1-year term are classified as short-term loans.

Source: Central Bank of TRNC

When the change in gross loans is examined, the share of private banks in the fourth quarter of 2017 has increased from 45.62 percent to 45.64 percent compared to the previous quarter. The share of the loans extended by branch banks group in the total loans decreased to 27.6 percent from 28.21 percent. During December 2016 - December 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 (%)**

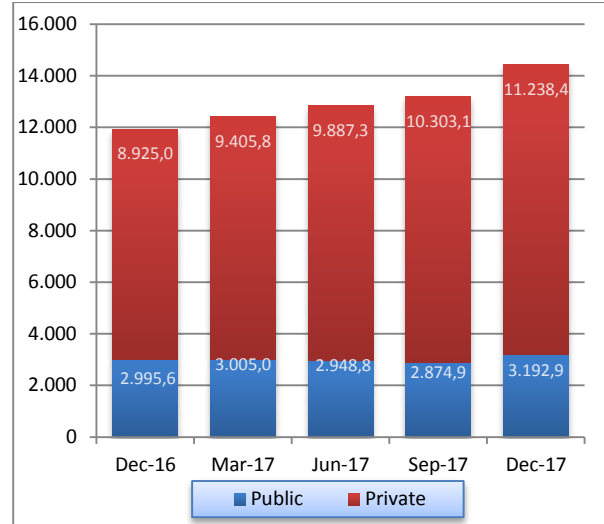


Source: Central Bank of TRNC

As of the end of December 2017, 77.88 percent of the banking sector total loans were extended to the private sector and 22.12 percent to the public sector. Compared to the previous quarter, the loans used by the public sector increased from 2,874.9 million TRY to 3,192.9 million TRY and private sector loans increased from 10,303.1 million TRY to 11,238.4 million TRY.

In December 2016 - December 2017 period, the increase rate of the loans used by the public was 6.59 percent and the increase rate of the loans used by the private sector was 25.92 percent.

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

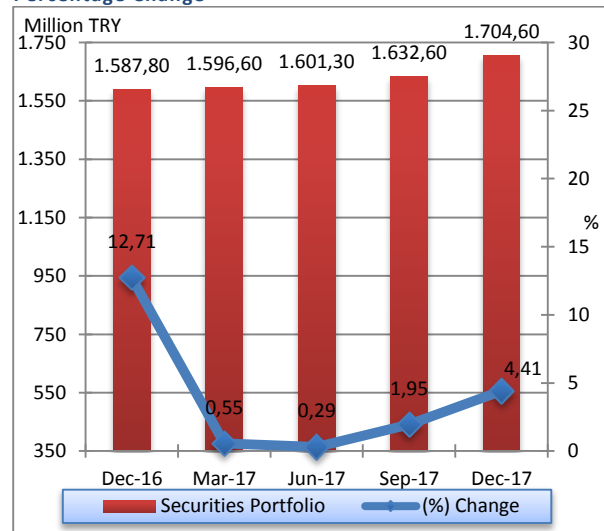


Source: Central Bank of TRNC

### 5.2.4 SECURITIES PORTFOLIO

Total SP (Securities Portfolio) of the banking sector increased by 12.71 percent in December 2016. As of March, June, September and December 2017, it increased by 0.55 per mille, 0.29 per mille, 1.95 percent and 4.41 percent respectively.

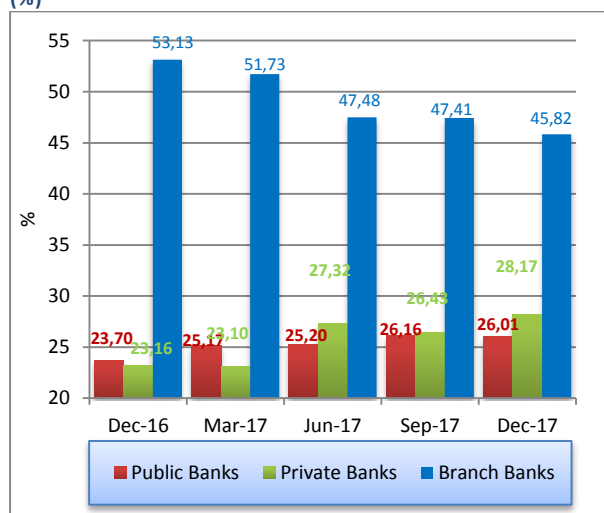
**Chart 5.14: Securities Portfolio Totals and Quarterly Percentage Change**



Source: Central Bank of TRNC

In the fourth quarter of 2017, the share of public banks in total SP decreased from 26.16 percent to 26.01 percent and the share of branch banks decreased from 47.41 percent to 45.82 percent and the share of private banks increased from 26.43 percent to 28.17 percent compared to the previous quarter. In December 2016 - December 2017 period, there is a decrease in branch banks group, while there is an increase in the public banks and private banks groups.

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 7.24 percent, compared to the previous quarter. Deposits increased by 26.83 percent in one-year period and amounted to 21,098.1 million TRY at the end of December 2017.

As of the end of December 2017, it is observed that the largest share belongs to savings deposits with 15,380.3 million TRY as it was in the previous periods. This is followed by commercial deposits with 3,942.5 million TRY and official deposits with 1,499 million TRY. In December 2016 - December 2017 period, savings deposits increased by 25.17 percent, commercial deposits by 29.67 percent and official deposits by 51.15 percent.

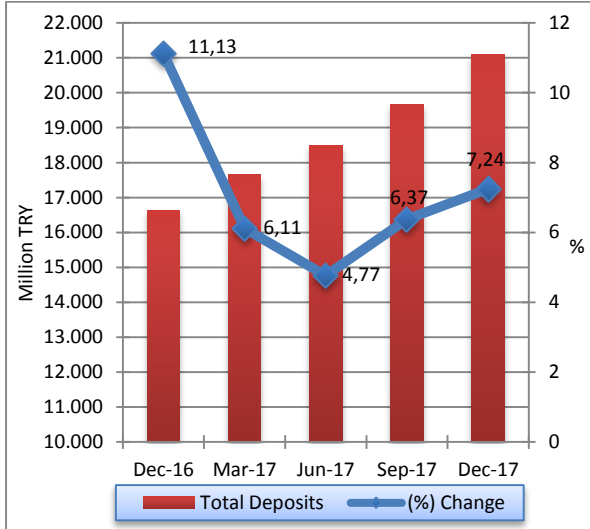
Table 5.11: Development of the Deposits by Type (Million TRY)

	2016		2017		
	December	March	June	September	December
<b>Savings</b>	12,287.2	12,895.4	13,373.9	14,146.6	15,380.3
<b>Trading</b>	3,040.5	3,310.7	3,512.2	3,914.2	3,942.5
<b>Official</b>	991,7	1,107.3	1,294.5	1,344.5	1,499.0
<b>Other</b>	315,8	339,0	313,5	267,5	276,3
<b>Total Deposits</b>	<b>16,635.2</b>	<b>17,652.4</b>	<b>18,494.1</b>	<b>19,672.9</b>	<b>21,098.1</b>
<b>Debts to Banks</b>	1,597.8	1,460.0	1,551.4	1,600.6	1,637.5
<b>Total Deposits Including Debts to Banks</b>	<b>18,233.0</b>	<b>19,112.4</b>	<b>20,045.5</b>	<b>21,273.5</b>	<b>22,735.6</b>

Source: Central Bank of TRNC

In the fourth quarter of 2016, total deposits item increased by 11.13 percent compared to the previous quarter and by 7.24 percent in the same period of 2017.

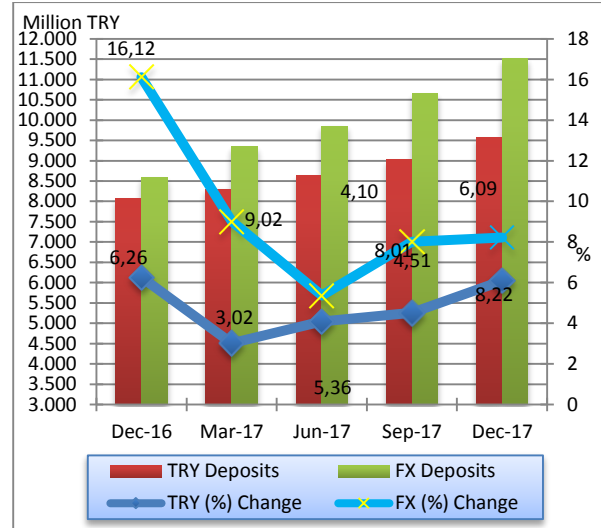
**Chart 5.16: Development of the Deposits and Percentage Change**



Source: Central Bank of TRNC

In the fourth quarter of 2017, it is observed that deposits consist of 9,582.3 million TRY in Turkish Lira currency and 11,515.8 million TRY in foreign currency. In the period, TRY deposits increased by 6.09 percent and FX deposits increased by 8.22 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 December 2017, compared to the previous quarter, TRY deposits of public banks increased by 4.06 percent and their FX deposits increased by 11.29 percent, while private banks' TRY deposits increased by 10.43 percent and FX deposits by 11.77 percent. In the same period, branch banks' TRY deposits increased by 3.4 percent and FX deposits decreased by 5.5 percent.

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

	September 2017			December 2017			Percentage Change 09/2017-12/2017		
	TRY	FX	Total	TRY	FX	Total	TRY	FX	Total
<b>Public Banks</b>	3,088.8	2,159.9	5,248.7	3,214.1	2,403.7	5,617.8	4.06	11.29	7.03
<b>Private Banks</b>	3,167.9	5,499.3	8,667.2	3,498.4	6,146.8	9,645.2	10.43	11.77	11.28
<b>Branch Banks</b>	2,775.4	2,981.6	5,757.0	2,869.8	2,965.3	5,835.1	3.40	-0.55	1.36
<b>Total Deposits</b>	<b>9,032.1</b>	<b>10,640.8</b>	<b>19,672.9</b>	<b>9,582.3</b>	<b>11,515.8</b>	<b>21,098.1</b>	<b>6.09</b>	<b>8.22</b>	<b>7.24</b>

Source: Central Bank of TRNC



As in previous periods, maturity concentration of the sector deposits belongs to one-month deposits with a ratio of 51.23 percent. One-month deposits are followed by, three-month deposits with a share of 20.19 percent, demand deposits with a share of 14.78 percent, one-year deposits with a share of 9.44 percent and six month deposits with a share of 4.36 percent.

When the maturity distribution of deposits is compared to the previous quarter, there is a decrease of 0.05 and

0.35 points in demand deposits and 3-month and 6-month deposits, and 1-month and 1-year deposits increased by 0.05 and 0.38 points respectively.

In December 2016 - December 2017 period, 1-month and 3-month deposits decreased by 0.61 and 0.01 points respectively, demand deposits, 6-month deposits and 1-year deposits increased by 0.39, 0.22 and 0.01 points, respectively.

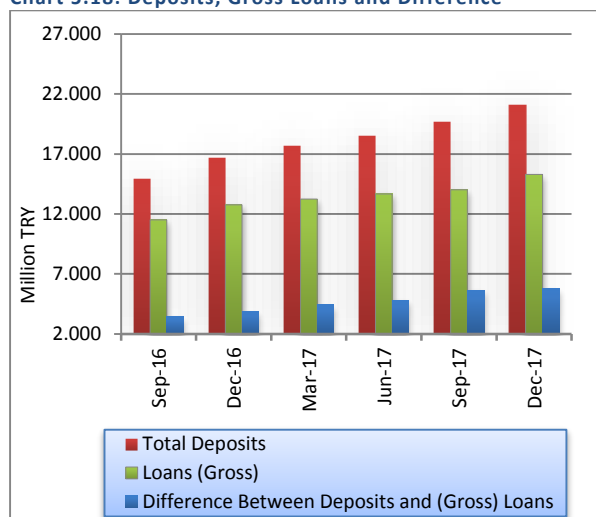
Table 5.13: Maturity Distribution of Deposits (%)

	2016		2017			Change (Points)	
	December	March	June	September	December	09/2017-12/2017	12/2016-12/2017
<b>Demand</b>	14.39	14.05	14.98	14.83	14.78	-0.05	0.39
<b>1-Month</b>	51.84	54.80	53.64	51.18	51.23	0.05	-0.61
<b>3-Month</b>	20.20	17.91	18.42	20.54	20.19	-0.35	-0.01
<b>6-Month</b>	4.14	4.10	3.98	4.39	4.36	-0.03	0.22
<b>1-Year</b>	9.43	9.14	8.97	9.06	9.44	0.38	0.01
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>		

Source: Central Bank of TRNC

The difference between total deposits and gross loans, which was 5,645 million TRY at the end of September 2017, increased by 147 million TRY and rose to 5,792 million TRY in December 2017.

Chart 5.18: Deposits, Gross Loans and Difference



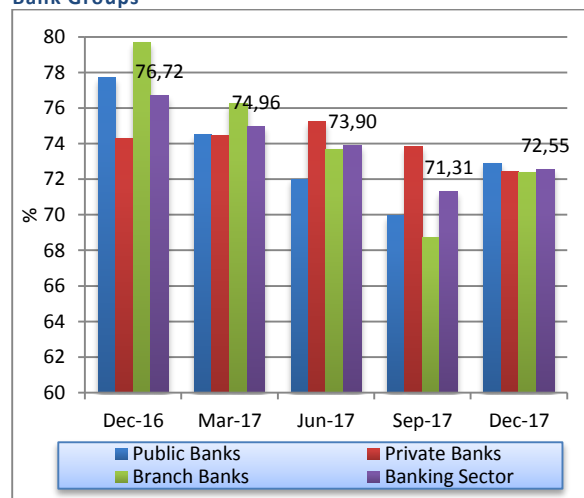
Source: Central Bank of TRNC

The loans to total deposits ratio, which is one of the indicators of the banking sector's depth and intermediary function, was 71.31 percent at the end of September 2017 and increased to 72.55 percent at the

end of December 2017. The loans to total deposits ratio decreased by 4.17 points in one-year period.

When the deposits to loans ratio at the end of December 2017 is examined on the basis of bank groups, public banks are in the first place with 72.91 percent. Public banks are followed by private banks with a rate of 72.44 percent. Branch banks have a rate of 72.39 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 1.82 percent in the previous quarter and reached to 2,376.8 million TRY at the end of the fourth quarter of 2017.

Shareholders' equity increased by 15.03 percent in December 2016 - December 2017 period. In the one-year period, the paid-in capital of the sector increased by 122.9 million TRY and the reserve requirements decreased by 16.8 million TRY.

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

	2016			2017	
	Dec.	Mar.	Jun.	Sept.	Dec.
<b>Paid-in Capital</b>	976,7	992,4	1,011.7	1,021.4	1,099.6
<b>Reserve Requirements</b>	426,4	520,1	558,0	558,0	409,6
<b>Fixed Asset Revaluation Fund</b>	0,3	0,3	0,9	0,9	0,9
<b>Securities Value Increment Fund</b>	82,1	85,9	88,8	92,6	101,1
<b>Profit (Loss) of the Period</b>	306,8	104,7	185,4	297,4	407,5
<b>Accumulated Profit (Loss)</b>	273,9	455,8	380,9	364,0	358,1
<b>Total</b>	<b>2,066.2</b>	<b>2,159.2</b>	<b>2,225.8</b>	<b>2,334.3</b>	<b>2,376.8</b>

Source: Central Bank of TRNC

## 5.2.7 MONEY SUPPLY

The most narrow defined money supply M1 increased by 6.71 percent at the end of December 2017 compared to September of 2017 and rose to 4,403.3 million TRY from 4,126.2 million TRY. The M1 money supply has increased by 24.24 percent in one-year period.

At the end of September 2017, the M2 defined money supply amounted to 19,847.4 million TRY, increased by 6.72 percent in the last quarter of 2017 and reached

21,181.5 million TRY. The M2 money supply has increased by 24.99 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 7.29 percent in the fourth quarter of 2017 compared to the previous quarter and increased from 21,240.3 million TRY to 22,789.8 million TRY. The increase rate in M3 compared to the same period of the previous year is 26.63 percent.

Table 5.15: Money Supply (Million TRY)

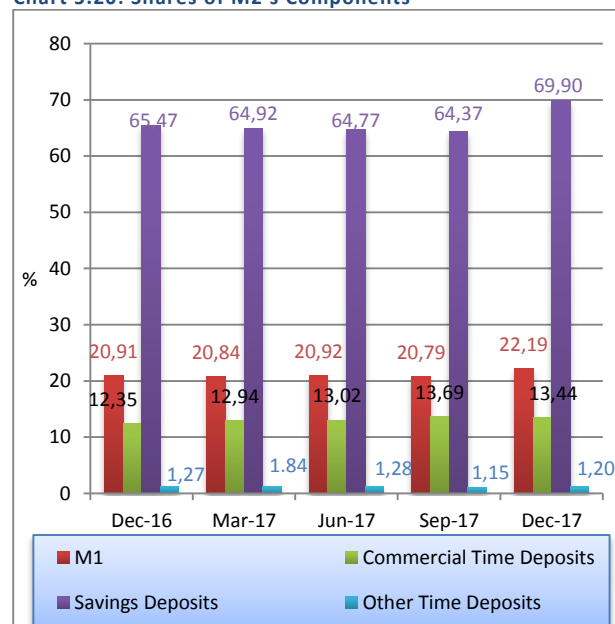
Years	Period	M1	Percentage Change	M2	Percentage Change	M3	Percentage Change
2015	I	2,338.5	5.77	12,470.8	4.97	13,249.2	4.65
	II	2,532.7	8.30	13,211.3	5.94	14,056.5	6.09
	III	2,829.9	11.73	14,279.2	8.08	15,106.4	7.47
	IV	2,841.2	0.40	14,215.8	-0.45	15,109.8	0.02
2016	I	2,797.9	-1.53	14,340.3	0.88	15,181.6	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
	IV	4,403.3	6.71	21,181.5	6.72	22,789.8	7.29

Source: Central Bank of TRNC

As in previous periods, the largest share in M2 is 65.49 percent with the savings deposits as of December 2017. This is followed by M1 with a share of 20.79 percent, commercial time deposits with 12.60 percent and other time deposits with a ratio of 1.12 percent.

The savings deposits, which constitutes the largest share of the structure of M2, increased by 0.02 points to 65.49 percent in December 2016 - December 2017 period. In the period, commercial deposits from other sub-components of M2 increased from 12.35 percent to 12.6 percent, M1 decreased from 20.91 percent to 20.79 percent and other time deposits decreased from 1.27 percent to 1.12 percent.

Chart 5.20: Shares of M2's Components



Source: Central Bank of TRNC

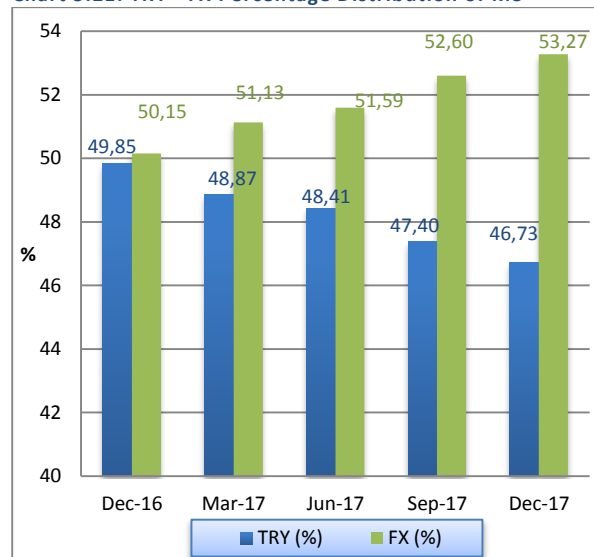
When the TRY-FX percentage distribution of M3 defined money supply is analyzed as of December 2017, it is seen that the share of TRY deposits in M3 is 46.73 percent and the share of FX deposits is 53.27 percent. These shares were 49.85 percent in TRY and 50.15 percent in FX at the end of December 2016.

### 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 fourth quarter of 2017, there were 708 transactions in TRY, 197 transactions in USD, 251 transactions in EUR and 574 transactions in GBP. In this period, transactions of 15,422 million TRY in Turkish Lira currency and, 314 million USD, 7,012 million EUR and 5,731 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 Amount

	TRY		\$		€		£	
	Amount	Volume	Amount	Volume	Amount	Volume	Amount	Volume
<b>2016</b>								
<b>February - March</b>	101	948,500	48	543,000	60	139,150	136	1,296.050
<b>Q2</b>	468	4,486.250	224	2,732.400	245	532,200	551	5,281.550
<b>Q3</b>	465	5,473.600	116	2,125.500	174	787,300	424	3,917.600
<b>Q4</b>	909	9,985.350	194	2,799.200	214	1,197.550	559	4,854.300
<b>2017</b>								
<b>Q1</b>	765	17,094.850	245	1,637.875	207	1,321.300	702	6,972.375
<b>Q2</b>	618	11,700.500	149	876,650	202	3,317.600	679	5,874.875
<b>Q3</b>	633	9,554.550	167	177,450	220	5,263.225	716	5,715.425
<b>Q4</b>	708	15,421.800	197	314,050	251	7,011.600	574	5,731.125

Source: Central Bank of TRNC

When we look at the volume distributions of overnight transactions made in the fourth quarter of 2017, it is observed that the rate was 97.18 percent in TRY, 87.23 percent in USD, 99.97 in EUR and 100 percent in GBP. It is seen that 1-week transactions are made in TRY currency with a rate of 2.62 percent. 1-month

transactions were preferred as 1.4 percent in TRY, 12.45 percent in US dollars and 0.3 per mille in euro. 3-month transactions had a rate of 0.3 per mille in TRY, 3.2 per mille in USD and 6-month transactions had a rate of 0.3 in TRY.

Table 5.17: Transaction Volume (x 1.000)

	TRY		\$		€		£	
	Volume	Share (%)	Volume	Share (%)	Volume	Share (%)	Volume	Share (%)
<b>2017 Q1</b>	<b>17.094.850</b>		<b>1.637.875</b>		<b>1.321.300</b>		<b>6.972.375</b>	
O/N	17.027.850	99.61	1.599.025	97.63	1.320.300	99.92	6.972.375	100.00
1W	42.000	0.24						
2W	1.000	0.01						
1M	24.000	0.14	38.350	2.34	1.000	0.08		
3M			500	0.03				
<b>2017 Q2</b>	<b>11.700.500</b>		<b>876.650</b>		<b>3.317.600</b>		<b>5.874.875</b>	
O/N	11.565.750	98.85	837.900	95.58	3.316.850	99.98	5.874.875	100.00
1W	108.250	0.93						
1M	26.500	0.22	38.750	4.42	750	0.02		
<b>2017 Q3</b>	<b>9.554.550</b>		<b>177.450</b>		<b>5.263.225</b>		<b>5.715.425</b>	
O/N	9.131.550	95.57	136.800	77.09	5.262.625	99.99	5.715.425	100.00
1W	322.000	3.37						
1M	101.000	1.06	40.650	22.91	600	0.01		
<b>2017 Q4</b>	<b>15.421.800</b>		<b>314.050</b>		<b>7.011.600</b>		<b>5.731.125</b>	
O/N	14.986.600	97.18	273.950	87.23	7.009.200	99.97	5.731.125	100.00
1W	404.700	2.62						
1M	22.500	0.14	39.100	12.45	2.400	0.03		
3M	4.000	0.03	1.000	0.32				
6M	4.000	0.03						

Source: Central Bank of TRNC

Average interest rates for overnight transactions in the fourth quarter of 2017 were 7.75 percent in TRY, 0.5 percent in USD and EUR, and 0.76 percent in GBP. The average interest rates for 1-month transactions are 10.02 percent in TRY, 1.61 percent in USD and 1.38 percent in EUR. In this period, there was no 1-month transactions in GBP.

The average interest rates for 3-month transactions are 10.06 percent in TRY, 2 percent in USD. The average interest rate for 6-month transactions is 10.63 percent in TRY.

**Table 5.18: Average Interest Rates (%)**

	TRY						\$				€		£
	O/N	1W	2W	1M	3M	6M	O/N	1W	1M	3M	O/N	1M	O/N
<b>2016 February-March</b>	7.25			9.83			0.50		1.50		0.50	1.75	0.75
<b>Q2</b>	7.25	10.00		10.00			0.50		1.60		0.50		0.75
<b>Q3</b>	7.25			9.88			0.50		1.25		0.50	1.75	0.75
<b>Q4</b>	7.25			9.77			0.50	1.00	1.29		0.50	1.25	0.75
<b>2017 Q1</b>	7.25	9.58	10.00	9.75			0.50		1.34	1.75	0.50	1.25	0.75
<b>Q2</b>	7.66	9.73		10.03			0.50		1.50		0.50	1.50	0.76
<b>Q3</b>	7.65	9.75		10.05			0.50		1.50		0.50	1.50	0.75
<b>Q4</b>	7.75	9.75		10.02	10.06	10.63	0.50		1.61	2.00	0.50	1.38	0.76

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
02/01/2018 (OG 1)	2.06	2.56	1.17	1.67

Source: Central Bank of TRNC





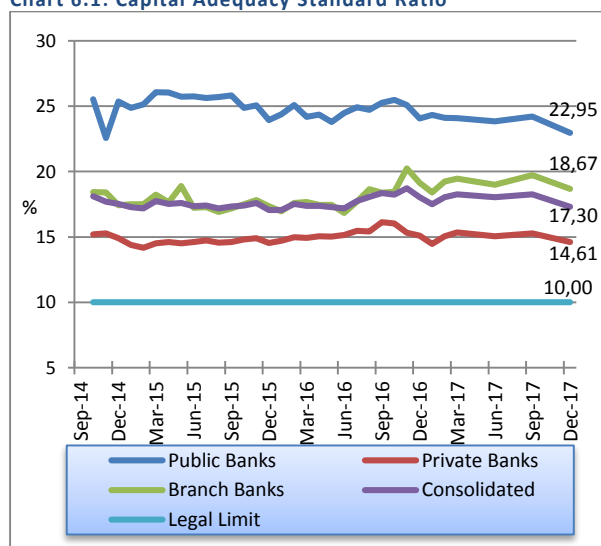
## 6 FINANCIAL STABILITY ANALYSIS

### 6.1 CAPITAL ADEQUACY

In the fourth quarter of 2017, the sector's capital adequacy standard ratio decreased by 0.97 points compared to the previous quarter and it reached 17.3 percent, well above the legal limit of 10 percent.

As of December 2017, CASR based on bank groups was 22.95 percent in public banks, 14.61 percent in private banks and 18.67 percent in branch banks. As of September 2017, these ratios were 24.20, 15.26 and 19.72 percent, respectively. Compared to the same period of the previous year, CASR decreased by 0.48 points in private and branch banks and 1.11 points in public 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 December 2017, the assets with 0 percent risk weight increased by 4.19 percent, the assets with 20 percent risk weight increased by 10.92 percent, those with 50 percent risk weight increased by 9.9 percent, and assets with 100 percent risk weight increased by 4.22 percent. In the period concerned, the total of market risk and operational risk decreased by 248.4 million TRY and reached to 2,628 million TRY compared to the previous period. The total of market risk and operational risk of the sector increased by 310.1 million TRY in one-year period (December 2016 - December 2017).

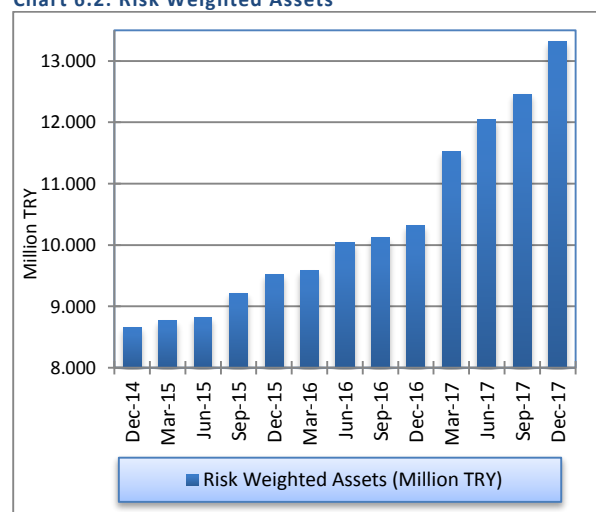
Table 6.1: Risk Weighted Assets

	Dec. 2016	Mar. 2016	Jun. 2017	Sept. 2017	Dec. 2017	Percentage Change (09/17-12/17)
% 0	9,810.4	10,170.6	10,467.2	11,122.9	11,589.1	4.19
% 20	1,709.6	1,840.3	2,008.9	2,294.2	2,544.7	10.92
% 50	4,027.2	4,346.5	4,712.6	5,067.4	5,569.0	9.90
% 100	6,439.4	6,667.9	6,970.5	7,091.1	7,390.3	4.22
Market Risk + Operational Risk	2,317.9	2,320.4	2,319.9	2,379.6	2,628.0	10.44

Source: Central Bank of TRNC

In the fourth 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 12,463.2 million TRY as of September 2017, increased by 848.6 million TRY at the end of December 2017 and reached 13,311.8 million TRY. Risk weighted assets of the sector increased by 29.08 percent in December 2016 - December 2017 period.

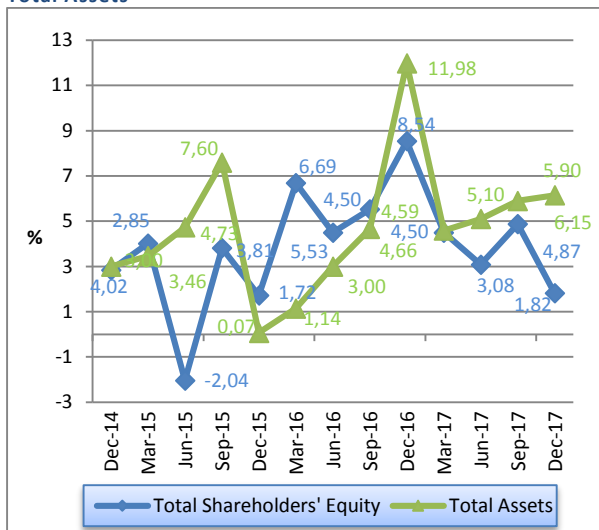
Chart 6.2: Risk Weighted Assets



Source: Central Bank of TRNC

As of the end of December 2017, total assets increased by 6.15 percent and total shareholders' equity increased by 1.82 percent. Total assets and shareholders' equity increased by 23.57 percent and 15.03 percent, respectively, compared to the same period of the previous year.

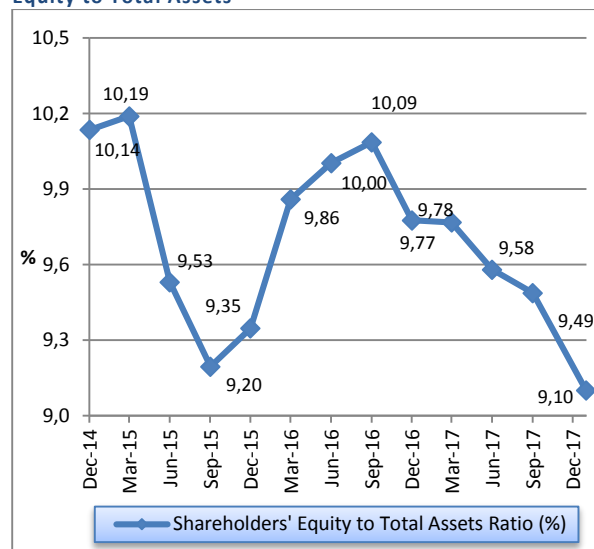
**Chart 6.3: Increase Rates in Total Shareholders' Equity and Total Assets**



Source: Central Bank of TRNC

The ratio of total shareholders' equity in the banking sector to total assets is 9.78 percent in the last quarter of 2016. This rate was 9.77 percent in the first quarter of 2017, it decreased to 9.58 percent in the second quarter, then fell to 9.49 percent in the third quarter and again it decreased to 9.10 percent in the last quarter of 2017.

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

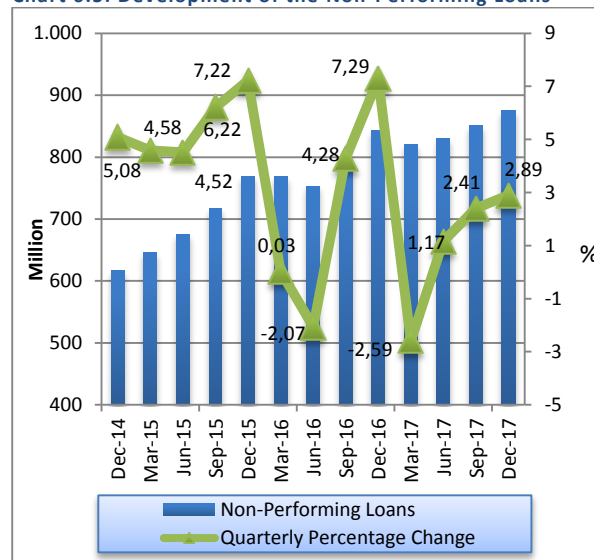


Source: Central Bank of TRNC

## 6.2 NON-PERFORMING LOANS

The sector's non-performing loans totaled 850.2 million TRY as of the end of September 2017, increased by 2.89 percent, and reached 874.9 million TRY as of the end of December 2017. Generally, non-performing loans increased by 3.84 percent compared to the same period of the previous year.

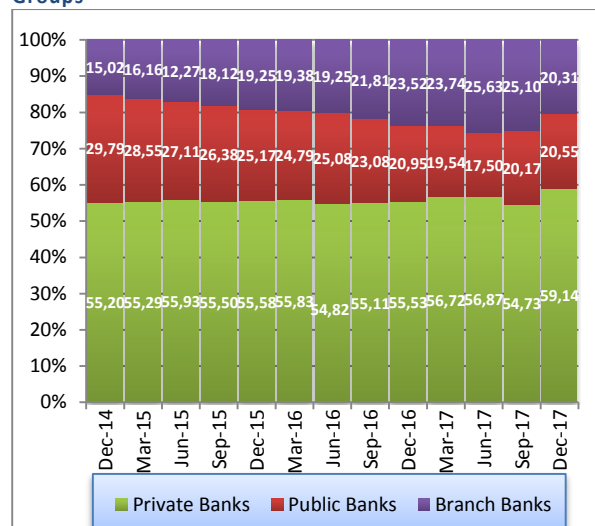
**Chart 6.5: Development of the Non-Performing Loans**



Source: Central Bank of TRNC

As of the fourth quarter of 2017, it is seen that the share of private banks and public banks in total NPL increased and the share of branch banks decreased compared to the previous quarter. Accordingly, while the share of private banks in total NPL increased from 54.73 percent to 59.14 percent and the share of public banks increased from 20.17 percent to 20.55 percent in September 2017 - December 2017 period, the share of branch banks in the total NPL declined to 20.31 percent from 25.10 percent. From December 2016 to December 2017, the share of private banks in total NPL increased from 55.53 percent to 59.14 percent, while the share of branch banks decreased from 23.52 percent to 20.31 percent and the share of public banks decreased from 20.95 to 20.55.

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



Source: Central Bank of TRNC

In the fourth quarter of 2017, total assets amounted to 26,115.3 million TRY, total gross loans amounted to 15,306.2 million TRY, non-performing loans amounted to 874.9 million TRY and provisions for non-performing loans amounted to 526 million TRY. When analyzed by bank groups, as of December 2017, total assets in public banks are 6,523.2 million TRY, total gross loans are 4,095.8 million TRY, non-performing loans are 179.8 million TRY and provisions for non-performing loans are 104.9 million TRY. In the private banks, total assets amounted to 11,633.4 million TRY, total gross loans

amounted to 6,986.5 million TRY, non-performing loans amounted to 517.4 million TRY and provisions for non-performing loans amounted to 278.1 million TRY. Branch banks have total assets of 7,958.7 million TRY, total gross loans of 4,223.9 million TRY, non-performing loans of 177.7 million TRY and provisions for non-performing loans of 143 million TRY.

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

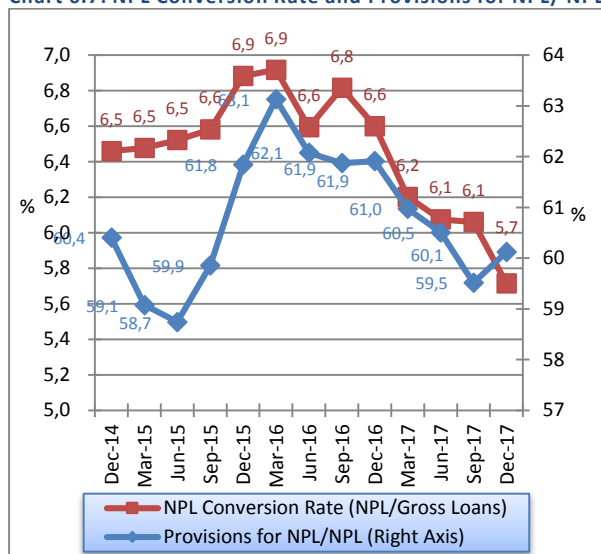
	Total Assets			Total Gross Loans			NPL			Provisions For Non-Performing Loans		
	Jun.17	Sep.17	Dec.17	Jun.17	Sep.17	Dec.17	Jun.17	Sep.17	Dec.17	Jun.17	Sep.17	Dec.17
<b>Public Banks</b>	5,955.1	6,116.1	6,523.2	3,674.1	3,670.9	4,095.8	145,3	171,5	179,8	95,0	97.1	104,9
<b>Private Banks</b>	9,914.3	10,532.4	11,633.4	6,105.8	6,400.2	6,986.5	472,2	465,3	517,4	233,5	234,6	278,1
<b>Branch Banks</b>	7,362.7	7,954.2	7,958.7	3,886.4	3,957.1	4,223.9	212,8	213,4	177,7	173,9	174,3	143,0
<b>Total</b>	<b>23,232.1</b>	<b>24,602.7</b>	<b>26,115.3</b>	<b>13,666.3</b>	<b>14,028.2</b>	<b>15,306.2</b>	<b>830,3</b>	<b>850,2</b>	<b>874,9</b>	<b>502,4</b>	<b>506,0</b>	<b>526,0</b>

Source: Central Bank of TRNC

The NPL conversion rate, which was at 6.82 percent as of March 2016, has fallen to 5.72 percent by the end of 2017. The NPL conversion rate decreased by 0.88 points during the one-year period (December 2016 - December 2017).

While the ratio of provisions for NPL to total NPL was 59.52 percent by the end of September 2017, it increased by 0.60 points to 60.12 percent in December 2017. During December 2016 - December 2017, the ratio of provisions for NPL to total NPL decreased by 1.79 points.

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



Source: Central Bank of TRNC

The sector's asset profitability, which was 1.69 percent at the end of September 2017, increased to 1.72 percent in the fourth quarter of 2017, the return on equity, which was 17.39 percent, increased to 18.1 percent and the net interest margin remained the same as 3.16. In the period December 2016 - December 2017, the sector's asset profitability increased from 1.65 percent to 1.72 percent, its return on equity rose from 16.56 percent to 18.1 percent, while the net interest margin decreased from 3.25 percent to 3.16 percent.

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

Description	2016			2017	
	Dec.	Mar.	Jun.	Sept.	Dec.
Return on Assets <sup>1</sup>	1.65	1.80	1.70	1.69	1.72
Return on Equity <sup>2</sup>	16.56	18.18	17.26	17.39	18.10
Net Interest Margin <sup>3</sup>	3.25	3.18	3.00	3.16	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

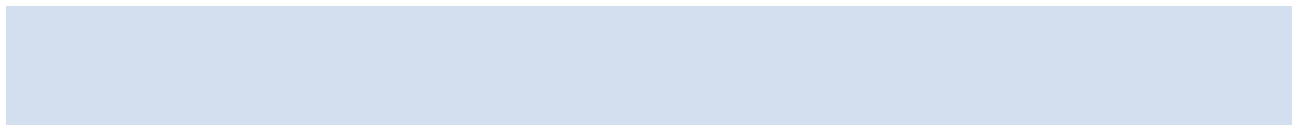


Table A.2: Economic Decisions - Assembly of the Republic of TRNC

Subject	Law/Draft Law		Official Gazette	
	Date	Number	Date	Number
<b>Law</b>				
Banking Law Of The Turkish Republic Of Northern Cyprus		62/2017	17.11.2017	R.G. 193
<b>Law Drafts</b>				
<b>Laws to be Approved by the Presidency</b>				
<b>Regulations</b>				

## 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 Sept. 2013	3.052.496.431	139.133.835	1.799.949	<b>3.193.430.215</b>	218.683.984	1.724.387.219	828.836.908	421.522.104	<b>3.193.430.215</b>
31 Dec. 2013	3.213.649.639	78.854.104	63.070.913	<b>3.355.574.656</b>	291.100.579	1.818.251.291	870.763.371	436.559.672	<b>3.355.574.656</b>
31 Mar. 2014	3.079.515.185	147.484.184	1.728.249	<b>3.228.727.618</b>	245.971.070	1.675.102.982	876.948.620	430.704.946	<b>3.228.727.618</b>
30 June 2014	3.270.433.195	121.218.064	1.804.149	<b>3.393.455.408</b>	247.254.958	1.792.772.785	890.156.351	463.271.314	<b>3.393.455.408</b>
30 Sept. 2014	3.511.228.059	119.312.114	1.752.480	<b>3.632.292.653</b>	248.132.449	1.917.060.863	938.524.944	528.574.397	<b>3.632.292.653</b>
31 Dec. 2014	3.645.697.257	171.220.524	25.331.106	<b>3.842.248.887</b>	258.929.182	1.493.119.701	954.982.558	1.135.217.446	<b>3.842.248.887</b>
31 Mar. 2015	3.739.517.315	115.254.133	2.248.301	<b>3.857.019.749</b>	276.152.356	1.408.442.288	1.006.554.132	1.165.870.973	<b>3.857.019.749</b>
30 June 2015	4.297.312.709	132.031.767	18.942.188	<b>4.448.286.664</b>	276.996.548	1.482.713.730	1.062.691.010	1.625.885.376	<b>4.448.286.664</b>
30 Sep. 2015	4.883.071.770	133.138.667	2.280.396	<b>5.018.490.833</b>	278.408.386	1.554.299.105	1.159.694.120	2.026.089.222	<b>5.018.490.833</b>
31 Dec. 2015	4.820.323.929	184.465.057	20.635.529	<b>5.025.424.515</b>	400.156.276	1.597.089.925	1.143.470.037	1.884.708.277	<b>5.025.424.515</b>
31 Mar. 2016	4.759.331.238	177.928.840	2.511.781	<b>4.939.771.859</b>	317.637.476	1.368.093.189	1.158.875.053	2.095.166.141	<b>4.939.771.859</b>
30 June 2016	4.743.182.458	213.175.830	2.640.121	<b>4.958.998.409</b>	318.658.983	1.476.230.465	1.172.163.993	1.991.944.968	<b>4.958.998.409</b>
30 Sept. 2016	5.466.386.701	186.416.180	2.729.886	<b>5.655.532.767</b>	319.829.286	1.706.384.976	1.233.282.326	2.396.036.179	<b>5.655.532.767</b>
31 Dec. 2016	6.362.944.796	67.051.670	22.187.719	<b>6.452.184.185</b>	465.169.093	2.083.019.935	1.359.700.420	2.544.294.737	<b>6.452.184.185</b>
31 Mar. 2017	6.764.573.400	101,158,224	3.401.183	<b>6.869.132.807</b>	365.686.916	2.121.997.651	1.448.684.018	2.932.764.222	<b>6.869.132.807</b>
30 June 2017	6.981.906.564	134.992.949	2.841.955	<b>7.119.741.468</b>	367.060.935	2.317.720.970	1.512.813.049	2.922.146.514	<b>7.119.741.468</b>
30 Sept. 2017	7.630.043.970	191.469.924	2.907.269	<b>7.824.421.163</b>	368.577.947	2.505.097.829	1.615.196.100	3.335.549.287	<b>7.824.421.163</b>
31 Dec. 2017	8.081.160.634	180.259.439	108.618.959	<b>8.370.039.032</b>	384.891.701	2.681.914.710	1.729.000.716	3.574.231.905	<b>8.370.039.032</b>

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)**

<b>Date</b>	<b>Cash Assets</b>	<b>Gold Deposit</b>	<b>Bank Deposits (TRY)</b>	<b>Bank Deposits (FX)</b>	<b>Foreign Banks</b>	<b>Securities Portfolio</b>	<b>Total</b>
<b>30 Sept. 2013</b>	88.890.514	2.506.876	1.359.032.554	1.456.467.434	26.347.485	119.251.568	<b>3.052.496.431</b>
<b>31 Dec. 2013</b>	62.270.427	2.146.362	1.403.280.967	1.522.482.954	78.923.761	144.545.168	<b>3.213.649.639</b>
<b>31 Mar. 2014</b>	57.681.769	2.146.362	1.068.596.270	1.717.402.462	35.043.690	198.644.632	<b>3.079.515.185</b>
<b>30 June 2014</b>	37.813.934	2.146.362	1.173.711.609	1.837.164.805	51.540.117	168.056.368	<b>3.270.433.195</b>
<b>30 Sept. 2014</b>	63.855.297	2.146.362	1.167.075.364	1.915.670.506	63.391.520	299.089.010	<b>3.511.228.059</b>
<b>31 Dec. 2014</b>	59.575.201	2.341.331	1.307.875.937	1.925.886.634	60.933.484	289.084.670	<b>3.645.697.257</b>
<b>31 Mar. 2015</b>	93.270.862	2.341.331	1.456.217.149	1.979.335.666	48.438.307	159.914.000	<b>3.739.517.315</b>
<b>30 June 2015</b>	82.385.984	2.341.331	1.467.167.127	2.411.582.643	113.843.324	219.992.300	<b>4.297.312.709</b>
<b>30 Sep. 2015</b>	140.974.336	2.341.331	1.467.337.337	2.899.368.703	114.480.913	258.569.150	<b>4.883.071.770</b>
<b>31 Dec. 2015</b>	87.625.194	2.611.239	1.402.006.529	2.945.775.755	55.692.162	326.613.050	<b>4.820.323.929</b>
<b>31 Mar. 2016</b>	117.668.364	2.611.239	1.499.576.679	2.952.607.384	77.638.972	109,228,600	<b>4.759.331.238</b>
<b>30 June 2016</b>	90.757.864	2.611.239	1.614.592.023	2.855.674.301	33.822.031	145.725.000	<b>4.743.182.458</b>
<b>30 Sept. 2016</b>	238.570.625	2.611.239	2.029.877.829	3.097.871.008	-	97.456.000	<b>5.466.386.701</b>
<b>31 Dec. 2016</b>	216.724.660	3.440.019	2.260.530.677	3.687.779.940	-	194.469.500	<b>6.362.944.796</b>
<b>31 Mar. 2017</b>	165.588.687	3.440.019	2.101.326.259	4.030.683.635	-	463.534.800	<b>6.764.573.400</b>
<b>30 June 2017</b>	171.906.834	3.440.019	1.823.606.608	4.299.854.053	-	683.099.050	<b>6.981.906.564</b>
<b>30 Sept. 2017</b>	275.459.595	3.440.019	1.842.387.496	4.739.760.510	-	768.996.350	<b>7.630.043.970</b>
<b>31 Dec. 2017</b>	257.360.230	3.997.999	1.728.967.292	5.187.178.813	-	903.656.300	<b>8.081.160.634</b>

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 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
31 Dec. 2017							5.807.899	5.807.899

*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 FX
			A-Deposits		B-Reserve Requirements				
	TRY	FX	TRY	FX	TRY	FX	TRY	FX	
<b>30 Sept. 2013</b>	86.265.299	18.449.179	620.407.179	975.835.456	482.994.224	345.842.684	426.258	23.003.848	<b>2.553.224.127</b>
<b>31 Dec. 2013</b>	18.846.398	20.578.975	735.826.294	1.013.142.338	487.900.228	382.863.143	609.831	29.247.455	<b>2.689.014.662</b>
<b>31 Mar. 2014</b>	38.950.361	43.565.188	472.182.955	1.094.180.494	491.575.544	385.373.076	438.945	25.785.039	<b>2.552.051.602</b>
<b>30 June 2014</b>	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	<b>2.682.929.136</b>
<b>30 Sept. 2014</b>	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	<b>2.855.585.807</b>
<b>31 Dec. 2014</b>	17.094.271	9.256.228	567.445.436	868.076.651	532.525.648	422.456.910	629.724	30.617.391	<b>2.448.102.259</b>
<b>31 Mar. 2015</b>	10.753.910	21.354.653	497.415.629	849.731.141	555.437.616	451.116.516	441.602	28.745.353	<b>2.414.996.420</b>
<b>30 June 2015</b>	18.278.584	34.669.328	421.856.540	988.595.032	565.747.200	496.943.810	428.189	18.886.057	<b>2.545.404.740</b>
<b>30 Sep. 2015</b>	14.819.534	30.301.580	346.773.076	1.141.287.770	578.364.670	581.329.450	396.168	20.720.977	<b>2.713.993.225</b>
<b>31 Dec. 2015</b>	57.528.409	19.608.857	377.112.293	1.111.941.851	583.627.835	559.842.202	751.281	30.147.234	<b>2.740.559.962</b>
<b>31 Mar. 2016</b>	6.022.339	9.748.736	300.772.726	1.024.849.739	596.821.843	562.053.210	529.628	26.170.021	<b>2.526.968.242</b>
<b>30 June 2016</b>	78.931.631	12.662.410	294.047.768	975.886.690	606.507.229	565.656.764	479.769	114.222.197	<b>2.648.394.458</b>
<b>30 Sept. 2016</b>	51.544.433	68.733.216	389.781.881	1.098.732.181	622.344.234	610.938.092	527.417	97.065.848	<b>2.939.667.302</b>
<b>31 Dec. 2016</b>	29.069.115	35.483.804	459.264.539	1.442.174.000	652.163.031	707.537.389	794.582	116.233.895	<b>3.442.720.355</b>
<b>31 Mar. 2017</b>	58.041.406	24.242.055	461.185.477	1.467.785.063	691.268.617	757.415.401	624.885	110.118.765	<b>3.570.681.669</b>
<b>30 June 2017</b>	78.704.320	22.436.407	374.581.174	1.734.713.467	710.390.248	802.422.801	573.332	106,712,270	<b>3.830.534.019</b>
<b>30 Sept. 2017</b>	15.915.165	32.448.413	425.277.954	1.918.976.979	734.899.763	880.296.337	760.406	111.718.912	<b>4.120.293.929</b>
<b>31 Dec. 2017</b>	42.219.684	73.593.138	490.652.950	1.955.533.333	781.455.275	947.545.441	1.072.860	118.842.745	<b>4.410.915.426</b>

Source: Central Bank of TRNC

Table B.5: Central Bank of TRNC Exchange Rates

Years	Months	USD		EURO		GBP	
		Buying	Selling	Buying	Selling	Buying	Selling
<b>2011</b>		1.8889	1.8980	2.4438	2.4556	2.9170	2.9322
<b>2012</b>		1.7826	1.7912	2.3517	2.3630	2.8708	2.8858
<b>2013</b>		2.1343	2.1381	2.9365	2.9418	3.5114	3.5297
<b>2014</b>		2.3189	2.3230	2.8207	2.8258	3.5961	3.6149
<b>2015</b>		2.9076	2.9128	3.1776	3.1833	4.3007	4.3231
<b>2016</b>		3.5192	3.5255	3.7099	3.7166	4.3189	4.3414
<b>2017</b>	<b>1</b>	3.8324	3.8393	4.0983	4.1057	4.7957	4.8207
	<b>2</b>	3.5882	3.5946	3.7963	3.8032	4.4479	4.4711
	<b>3</b>	3.6386	3.6452	3.9083	3.9153	4.5169	4.5404
	<b>4</b>	3.5504	3.5568	3.8744	3.8814	4.5835	4.6074
	<b>5</b>	3.5642	3.5707	3.9744	3.9816	4.57330	4.5971
	<b>6</b>	3.5071	3.5135	4.0030	4.0102	4.5413	4.5650
	<b>7</b>	3.5292	3.5356	4.1316	4.1390	4.6096	4.6336
	<b>8</b>	3.4410	3.4472	4.1430	4.1504	4.4520	4.4752
	<b>9</b>	3.5521	3.5585	4.1924	4.2000	4.7478	4.7726
	<b>10</b>	3.8174	3.8243	4.4378	4.4458	4.9906	5.0167
	<b>11</b>	3.9505	3.9576	4.6853	4.6938	5.2862	5.3137
	<b>12</b>	3.7719	3.7787	4.5155	4.5237	5.0803	5.1068

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	1.3404	1.1860
	12	1.3492	1.1972

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	
	TRY	\$	€	£	Date	Number	Date	Number
	Demand	Demand	Demand	Demand				
05.02.2008	15.00	3.00	2.25	4.25	05.02.2008	635	19.02.2008	32
29.02.2008	14.75	2.10	2.25	4.00	29.02.2008	640	13.03.2008	50
25.03.2008	14.75	1.50	2.25	4.00	25.03.2008	646	03.04.2008	59
22.05.2008	15.25	1.25	2.25	3.75	22.05.2008	652	16.06.2008	113
26.06.2008	15.75	1.25	2.25	3.75	26.06.2008	662	02.07.2008	124
30.07.2008	16.25	1.25	2.25	3.75	30.07.2008	666	15.08.2008	153
17.10.2008	16.25	0.75	2.00	3.25	16.10.2008	673	22.10.2008	187
14.11.2008	16.25	0.25	1.75	2.25	13.11.2008	676	26.11.2008	207
28.11.2008	15.75	0.25	1.75	2.25	27.11.2008	679	16.12.2008	217
22.12.2008	14.50	0.05	1.25	1.00	19.12.2008	682	25.12.2008	223
19.01.2009	12.60	0.05	1.25	0.75	16.01.2009	691	23.01.2009	18
20.02.2009	11.25	0.05	1.25	0.50	20.02.2009	698	04.03.2009	47
20.03.2009	10.25	0.05	1.25	0.50	20.03.2009	708	27.03.2009	58
17.04.2009	9.50	0.05	1.00	0.50	17.04.2009	712	27.04.2009	78
08.05.2009	9.50	0.05	0.75	0.50	08.05.2009	718	18.05.2009	85
15.05.2009	9.00	0.05	0.75	0.50	15.05.2009	720	28.05.2009	92
17.06.2009	8.50	0.05	0.75	0.50	17.06.2009	725	22.06.2009	107
17.07.2009	8.00	0.05	0.75	0.50	17.07.2009	729	03.08.2009	133
19.08.2009	7.50	0.05	0.75	0.50	19.08.2009	734	03.09.2009	152
18.09.2009	7.00	0.05	0.75	0.50	18.09.2009	738	06.10.2009	170
16.10.2009	6.50	0.05	0.75	0.50	16.10.2009	741	22.10.2009	182
07.12.2009	6.25	0.05	0.75	0.50	04.12.2009	749	15.12.2009	211
17.09.2010	6.00	0.05	0.75	0.50	17.09.2010	786	29.09.2010	167
15.10.2010	5.50	0.05	0.75	0.50	15.10.2010	788	25.10.2010	183
27.12.2010	5.00	0.05	0.75	0.50	24.12.2010	796	31.12.2010	220
01.01.2013	4.00	0.05	0.75	0.50	20.12.2012	835	21.12.2012	212
01.06.2013	3.50	0.05	0.75	0.50	09.05.2013	847	16.05.2013	85
01.09.2013	4.00	0.05	0.75	0.50	22.08.2013	853	29.08.2013	138
03.02.2014	5.00	0.25	0.75	0.50	30.01.2014	869	04.02.2014	26
01.04.2014	7.00	0.25	0.75	0.50	20.03.2014	876	27.03.2014	70
01.03.2015	6.50	0.25	0.25	0.50	10.02.2015	900	17.02.2015	25
03.04.2017	7.00	0.40	0.25	0.50	23.03.2017	947	03.04.2017	61

*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	
	TRY	\$	€	£	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
<b>2011</b>			<b>3.244</b>
<b>2012</b>			<b>3.842</b>
<b>2013</b>			<b>2.910</b>
<b>2014</b>			<b>3,366</b>
<b>2015</b>			<b>3.699</b>
<b>2016</b>	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	<b>2.977</b>
<b>2017</b>	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	Liquid Assets	Securities Portfolio	Reserve Requirements	Gross Loans	Provisions	Other	Total Assets	Deposits	Other	Shreholders' Equity	Total Liabilities
<b>30 Sep. 2014</b>	3.537,4	411,9	935,7	9.063,1	-357,0	813,2	<b>14.404,3</b>	11.510,8	1.431,4	1.462,1	<b>14.404,3</b>
<b>31 Dec. 2014</b>	3.310,5	890,9	958,4	9.557,8	-373,0	491,5	<b>14.836,1</b>	11.773,8	1.558,7	1.503,6	<b>14.836,1</b>
<b>31 Mar. 2015</b>	3.380,1	768,2	1.002,9	9.969,9	-381,5	610,2	<b>15.349,8</b>	12.258,1	1.527,7	1.564,0	<b>15.349,8</b>
<b>30 June 2015</b>	3.364,5	1.039,2	1.059,3	10.349,0	-396,4	1.335,3	<b>16.075,9</b>	13.000,0	1.543,7	1.532,2	<b>16.075,9</b>
<b>30 Sep. 2015</b>	3.879,7	1.033,9	1.151,8	10.891,5	-429,1	770,1	<b>17.297,9</b>	14.007,8	1.699,5	1.590,6	<b>17.297,9</b>
<b>31 Dec. 2015</b>	3.953,2	1.031,3	1.141,5	11.168,1	-475,4	490,9	<b>17.309,6</b>	13.950,5	1.741,1	1.618,0	<b>17.309,6</b>
<b>31 Mar. 2016</b>	3.872,0	1.223,0	1.152,5	11.115,4	-485,4	630,1	<b>17.507,6</b>	14.024,1	1.757,3	1.726,2	<b>17.507,6</b>
<b>30 June 2016</b>	3.871,0	1.314,7	1.166,8	11.420,4	-467,5	727,1	<b>18.032,5</b>	14.300,5	1.928,1	1.803,9	<b>18.032,5</b>
<b>30 Sep. 2016</b>	4.360,1	1.408,8	1.229,1	11.521,2	-485,9	839,7	<b>18.873,0</b>	14.969,8	1.999,6	1.903,6	<b>18.873,0</b>
<b>31 Dec. 2016</b>	5.275,8	1.587,8	1.358,4	12.763,1	-521,6	670,7	<b>21.134,2</b>	16.635,2	2.432,8	2.066,2	<b>21.134,2</b>
<b>31 Mar. 2017</b>	5.589,2	1.596,6	1.445,4	13.231,5	-500,4	742,7	<b>22.105,0</b>	17.652,4	2.293,4	2.159,2	<b>22.105,0</b>
<b>30 June 2017</b>	6.103,5	1.601,3	1.511,6	13.666,3	-502,4	851,8	<b>23.232,1</b>	18.494,1	2.512,2	2.225,8	<b>23.232,1</b>
<b>30 Sep. 2017</b>	6.840,0	1.632,6	1.606,9	14.028,2	-506,1	1.001,1	<b>24.602,7</b>	19.672,9	2.595,6	2.334,3	<b>26.602,7</b>
<b>31 Dec. 2017</b>	7.161,7	1.704,7	1.729,3	15.306,2	-526,0	739,3	<b>26.115,3</b>	21.098,1	2.640,4	2.376,8	<b>26.115,3</b>

Kaynak: KKTCCMB

**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
<b>30 Sept. 2014</b>	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	<b>8.475,4</b>
<b>31 Dec. 2014</b>	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	<b>8.940,4</b>
<b>31 Mar. 2015</b>	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	<b>9.324,1</b>
<b>30 June 2015</b>	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	<b>9.674,0</b>
<b>30 Sep. 2015</b>	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	<b>10.174,6</b>
<b>31 Dec. 2015</b>	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	<b>10.399,4</b>
<b>31 Mar. 2016</b>	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	<b>10.346,4</b>
<b>30 June 2016</b>	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	<b>10.667,4</b>
<b>30 Sept. 2016</b>	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	<b>10.735,9</b>
<b>31 Dec. 2016</b>	165,8	3.8	3.7	0.0	102,4	6.910,7	16.5	14.9	3.411,8	324,8	0.1	4.9	0.0	961,2	<b>11.920,6</b>
<b>31 Mar. 2017</b>	179,5	5.6	3.8	0.0	112,6	7.206,5	22.8	14.4	3.514,1	358,9	0.1	0.0	0.0	992,5	<b>12.410,8</b>
<b>30 June 2017</b>	180,0	6.0	3.2	0.0	91,3	7.475,2	20.3	14.2	3,642,2	379,2	0.1	5.3	0.0	1.019,0	<b>12.836,0</b>
<b>30 Sept. 2017</b>	178,0	6.9	3.5	0	111,2	7.598,6	16.7	15.9	3.815,2	391,6	0.1	5.4	0	1.034,9	<b>13.178,0</b>
<b>31 Dec. 2017</b>	195,0	6,1	3,7	0,0	112,0	8.406,5	21,2	17,1	4.152,9	394,7	0,1	5,7	0,0	1.116,3	<b>14.431,3</b>

Source: Central Bank of TRNC

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

Date	Discount Loans	Export Loans	Import Loans	Export Guaranteed Investment Loans	Other Investment Loans	Business Loans	Directed Loans	Loans of Funds Originated	Consumer Loans	Credit Cards	Loans to Purchase Security for Customer	Loans Extended by the Central Bank of TRNC	Loans Extended Through the Central Bank of TRNC	Other Loans	Total
<b>30 Sept. 2014</b>	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	<b>5.578,2</b>
<b>31 Dec. 2014</b>	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	<b>5.891,5</b>
<b>31 Mar. 2015</b>	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	<b>5.950,3</b>
<b>30 June 2015</b>	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	<b>6.030,6</b>
<b>30 Sep. 2015</b>	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	<b>6.108,7</b>
<b>31 Dec. 2015</b>	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	<b>6.454,4</b>
<b>31 Mar. 2016</b>	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	<b>6.547,2</b>
<b>30 June 2016</b>	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	<b>6.684,4</b>
<b>30 Sept. 2016</b>	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	<b>6.669,2</b>
<b>31 Dec. 2016</b>	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	<b>7.010,1</b>
<b>31 Mar. 2017</b>	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	<b>7.201,1</b>
<b>30 June 2017</b>	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	<b>7.364,0</b>
<b>30 Sept. 2017</b>	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	<b>7.401,6</b>
<b>31 Dec. 2017</b>	140,4	6,1	0,1	0	75,9	3.918,0	21,2	5,9	2.627,5	392,6	0,1	0	0	698,4	<b>7.886,2</b>

Source: Central Bank of TRNC

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

Date	Discount Loans	Export Loans	Import Loans	Export Guaranteed Investment Loans	Other Investment Loans	Business Loans	Directed Loans	Loans of Funds Originated	Consumer Loans	Credit Cards	Loans to Purchase Security for Customer	Loans Extended by the Central Bank of TRNC	Loans Extended Through the Central Bank of TRNC	Other Loans	Total
<b>30 Sept. 2014</b>	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	<b>2.897,2</b>
<b>31 Dec. 2014</b>	29.6	9.3	3.1	0	16.0	1.904,6	0	7.8	830,6	1.0	0	0	0	246,9	<b>3.048,9</b>
<b>31 Mar. 2015</b>	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	<b>3.373,8</b>
<b>30 June 2015</b>	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	<b>3.643,4</b>
<b>30 Sep. 2015</b>	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	<b>4.065,9</b>
<b>31 Dec. 2015</b>	31.2	11.0	3.2	0	31.5	2.579,1	0	9.4	934,4	1.0	0	0	0	344,2	<b>3.945,0</b>
<b>31 Mar. 2016</b>	31.8	7.0	3.3	0	28.6	2.492,6	0	9.1	918,5	1.0	0	0	0	307,3	<b>3.799,2</b>
<b>30 June 2016</b>	35,6	0	2.9	0	39,0	2.676,3	0	9.3	917,7	1.0	0	4.1	0	297,1	<b>3.983,0</b>
<b>30 Sept. 2016</b>	38	0	2.7	0	40,6	2.725,8	0	9.5	978,5	1.5	0	4.2	0	265,9	<b>4.066,7</b>
<b>31 Dec. 2016</b>	48,2	0	3.3	0	49,1	3.334,8	0	11.1	1.141	1.7	0	5.0	0	316,3	<b>4.910,5</b>
<b>31 Mar. 2017</b>	52,3	0	3.3	0	51.0	3.569,4	0	11.0	1.203,5	1.9	0	0	0	317,3	<b>5.209,7</b>
<b>30 June 2017</b>	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	<b>5.472,0</b>
<b>30 Sept. 2017</b>	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	<b>5.776,4</b>
<b>31 Dec. 2017</b>	54,5	0	3,6	0	36,0	4.488,4	0	11,1	1.525,4	2,1	0	5,7	0	417,8	<b>6.544,6</b>

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 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
31 Dec. 2017	3.696,0	8,24	10.735,3	9,95	14.431,3	9,51

Source: Central Bank of TRNC

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

<b>Date</b>	<b>Public Loans</b>	<b>Percentage Change</b>	<b>Private Loans</b>	<b>Percentage Change</b>	<b>Total</b>	<b>Percentage Change</b>
<b>30 Sept. 2014</b>	2.174,9	-0,13	6.300,5	4,47	<b>8.475,4</b>	3,25
<b>31 Dec. 2014</b>	2.416,9	11,13	6.523,5	3,54	<b>8.940,4</b>	5,49
<b>31 Mar. 2015</b>	2.442,9	1,07	6.881,2	5,48	<b>9.324,1</b>	4,29
<b>30 June 2015</b>	2.411,2	-1,29	7.262,8	5,55	<b>9.674,0</b>	3,75
<b>30 Sep. 2015</b>	2.484,0	3,02	7.690,6	5,89	<b>10.174,6</b>	5,17
<b>31 Dec. 2015</b>	2.692,1	8,38	7.707,3	0,22	<b>10.399,4</b>	2,21
<b>31 Mar. 2016</b>	2.679,4	-0,47	7.667,0	-0,52	<b>10.346,4</b>	-0,51
<b>30 June 2016</b>	2.662,4	-0,63	8.005,0	4,41	<b>10.667,4</b>	3,10
<b>30 Sept. 2016</b>	2.656,7	-0,21	8.079,2	0,93	<b>10.735,9</b>	0,64
<b>31 Dec. 2016</b>	2.995,6	12,76	8.925,0	10,47	<b>11.920,6</b>	11,03
<b>31 Mar. 2017</b>	3.005,0	0,31	9.405,8	5,39	<b>12.410,8</b>	4,11
<b>30 June 2017</b>	2.948,7	-1,87	9.887,3	5,12	<b>12.836,0</b>	3,43
<b>30 Sept. 2017</b>	2.874,9	-2,50	10.303,1	4,21	<b>13.178,0</b>	2,66
<b>31 Dec. 2017</b>	3.192,9	11,06	11.238,4	9,08	<b>14.431,3</b>	9,51

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 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
31 Dec. 2017	12.136,8	882,5	1.011,7	375,0	25,2	14.431,3

Source: Central Bank of TRNC

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

<b>Date</b>	<b>Paid-in Capital</b>	<b>Reserve Requirements</b>	<b>Fixed Asset Rev. Fund</b>	<b>Securities Value Increment Fund</b>	<b>Profit (Loss) of the Period</b>	<b>Accumulated Profit (Loss)</b>	<b>Total</b>
<b>30 Sept. 2014</b>	796,6	260,4	1.4	13.5	177,4	212,8	<b>1.462,1</b>
<b>31 Dec. 2014</b>	800,8	261,6	1.4	13.5	214,7	211,6	<b>1.503,6</b>
<b>31 Mar. 2015</b>	802,4	307,6	1.6	13.5	79,9	359,1	<b>1.564,1</b>
<b>30 June 2015</b>	771,9	353,8	1.4	14.7	128,4	262,0	<b>1.532,2</b>
<b>30 Sep. 2015</b>	778,9	355,0	1.4	12.6	185,4	257,3	<b>1.590,6</b>
<b>31 Dec. 2015</b>	791,4	367,3	0.2	12.6	201,8	244,7	<b>1.618,0</b>
<b>31 Mar. 2016</b>	791,8	426,1	0.2	78,7	56,2	373,2	<b>1.726,2</b>
<b>30 June 2016</b>	848,5	425,3	0.3	72,3	156,3	301,2	<b>1.803,9</b>
<b>30 Sept. 2016</b>	878,5	423,7	0.2	72,7	227,5	301,0	<b>1.903,6</b>
<b>31 Dec. 2016</b>	976,7	426,4	0.3	82,1	306,8	273,9	<b>2.066,2</b>
<b>31 Mar. 2017</b>	992,4	520,0	0.3	86,0	104,7	455,8	<b>2.159,2</b>
<b>30 June 2017</b>	1.011,7	558,0	0.9	88,8	185,4	381,0	<b>2.225,8</b>
<b>30 Sept. 2017</b>	1.021,4	558,0	0.9	92,6	297,4	364,0	<b>2.334,3</b>
<b>31 Dec. 2017</b>	1.099,6	409,6	0,9	101,1	407,5	358,1	<b>2.376,8</b>

Source: Central Bank of TRNC

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

Date	Public Banks	Private Banks	Branch Banks	Banking Sector	Legal Limit
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
31 Dec. 2017	22,95	14,61	18,67	17,29	10,00

Source: Central Bank of TRNC

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

Date	Interest Revenues	Interest Expenditures	Non-Tax Revenues	Non-Tax Expenditures	Period Net Profit / Loss
<b>30 Sept. 2014</b>	914,7	315,9	184,8	320,0	<b>177,4</b>
<b>31 Dec. 2014</b>	1.230,1	409,3	246,6	438,5	<b>214,7</b>
<b>31 Mar. 2015</b>	330,9	109,3	68,5	110,6	<b>79,9</b>
<b>30 June 2015</b>	672,2	215,3	132,6	228,3	<b>128,4</b>
<b>30 Sep. 2015</b>	1.028,1	308,5	191,3	354,2	<b>185,4</b>
<b>31 Dec. 2015</b>	1.391,1	378,4	272,9	485,6	<b>201,8</b>
<b>31 Mar. 2016</b>	375,6	118,3	77,8	125,5	<b>56,1</b>
<b>30 June 2016</b>	758,1	252,3	173,5	251,6	<b>156,3</b>
<b>30 Sept. 2016</b>	1.150,1	373,9	242,0	373,9	<b>227,5</b>
<b>31 Dec. 2016</b>	1.558,7	465,1	334,8	519,3	<b>306,7</b>
<b>31 Mar. 2017</b>	433,5	156,3	92,1	141,5	<b>104,7</b>
<b>30 June 2017</b>	885,7	308,4	195,5	295,1	<b>185,4</b>
<b>30 Sept. 2017</b>	1.383,6	802,7	298,9	456,9	<b>297,4</b>
<b>31 Dec. 2017</b>	1.891,8	1.101,7	396,9	630,9	<b>407,5</b>

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 Sept. 2014	1.440,2	6.573,9	1.847,5	463,2	1.186,0	<b>11.510,8</b>
31 Dec. 2014	1.469,5	6.744,4	1.910,0	493,0	1.156,9	<b>11.773,8</b>
31 Mar. 2015	1.480,3	7.034,4	2.043,0	466,5	1.233,8	<b>12.258,0</b>
30 June 2015	1.651,8	7.323,3	2.202,8	526,6	1.295,5	<b>13.000,0</b>
30 Sep. 2015	1.864,3	7.773,2	2.394,4	598,2	1.377,7	<b>14.007,8</b>
31 Dec. 2015	1.859,2	7.689,2	2.516,1	566,5	1.319,5	<b>13.950,5</b>
31 Mar. 2016	1.750,4	7.918,7	2.488,7	591,5	1.274,8	<b>14.024,1</b>
30 June 2016	1.912,7	7.930,3	2.584,2	603,7	1.269,6	<b>14.300,5</b>
30 Sept. 2016	2.064,9	8.206,5	2.751,7	608,2	1.338,5	<b>14.969,8</b>
31 Dec. 2016	2.394,0	8.623,1	3.360,7	689,5	1.567,9	<b>16.635,2</b>
31 Mar. 2017	2.480,3	9.674,2	3.161,1	723,8	1.613,0	<b>17.652,4</b>
30 June 2017	2.771,0	9.919,8	3.407,0	736,9	1.659,4	<b>18.494,1</b>
30 Sept. 2017	2.916,9	10.069,4	4.041,3	862,7	1.782,6	<b>19.672,9</b>
31 Dec. 2017	3.118,5	10.808,9	4.257,6	920,4	1.992,7	<b>21.098,1</b>

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 Sept. 2014	749,1	4.052,1	1.005,7	221,2	311,0	<b>6.339,1</b>
31 Dec. 2014	798,0	4.122,7	1.013,8	234,3	299,1	<b>6.467,9</b>
31 Mar. 2015	769,5	4.328,5	1.068,6	213,9	285,6	<b>6.666,1</b>
30 June 2015	821,1	4.403,3	1.137,2	207,8	285,3	<b>6.854,7</b>
30 Sep. 2015	837,2	4.427,9	1.171,5	202,1	266,5	<b>6.905,2</b>
31 Dec. 2015	865,0	4.452,8	1.259,1	201,5	283,0	<b>7.061,4</b>
31 Mar. 2016	797,1	4.557,7	1.280,1	225,0	261,6	<b>7.121,5</b>
30 June 2016	898,2	4.618,9	1.341,7	221,6	263,3	<b>7.343,7</b>
30 Sept. 2016	968,4	4.690,1	1.463,3	203,2	258,9	<b>7.583,9</b>
31 Dec. 2016	1.122,6	4.796,3	1.611,5	231,0	297,1	<b>8.058,5</b>
31 Mar. 2017	1.083,7	5.157,3	1.503,4	283,7	274,1	<b>8.302,2</b>
30 June 2017	1.276,2	5.173,5	1.636,5	273,9	282,2	<b>8.642,3</b>
30 Sept. 2017	1.318,5	5.221,5	1.831,2	358,1	302,8	<b>9.032,1</b>
31 Dec. 2017	1.412,7	5.481,0	1.993,8	381,3	313,4	<b>9.582,3</b>

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 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 Sep. 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
31 Dec. 2017	1.705,8	5.327,8	2.263,8	539,1	1.679,3	11.515,8

Source: Central Bank of TRNC

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

Date	Official	Trading	Savings	Other	Banks	Total
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 Sep. 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
31 Dec. 2017	1.499,0	3.942,5	15.380,3	276,3	1.637,5	22.735,6

Source: Central Bank of TRNC

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

Date	Official	Trading	Savings	Other	Banks	Total
<b>30 Sept. 2014</b>	594,3	868,7	4.737,8	138,3	357,8	<b>6.696,9</b>
<b>31 Dec. 2014</b>	577,2	879,8	4.875,8	135,1	399,0	<b>6.866,9</b>
<b>31 Mar. 2015</b>	552,5	965,0	5.006,1	142,5	331,0	<b>6.997,1</b>
<b>30 June 2015</b>	588,9	1.015,5	5.120,9	129,4	276,2	<b>7.130,9</b>
<b>30 Sep. 2015</b>	571,4	1.076,5	5.130,1	127,3	237,6	<b>7.142,9</b>
<b>31 Dec. 2015</b>	614,6	1.110,6	5.193,0	143,2	254,6	<b>7.316,0</b>
<b>31 Mar. 2016</b>	615,7	1.101,8	5.286,0	118,1	285,5	<b>7.407,1</b>
<b>30 June 2016</b>	669,7	1.107,3	5.441,0	125,7	208,8	<b>7.552,5</b>
<b>30 Sept. 2016</b>	708,4	1.216,8	5.492,2	166,5	227,8	<b>7.811,7</b>
<b>31 Dec. 2016</b>	756,3	1.319,0	5.823,8	159,4	331,8	<b>8.390,3</b>
<b>31 Mar. 2017</b>	809,7	1.352,5	5.963,4	176,8	351,3	<b>8.653,7</b>
<b>30 June 2017</b>	1.022,5	1.368,4	6.116,2	135,1	313,2	<b>8.955,4</b>
<b>30 Sept. 2017</b>	1.029,4	1.516,0	6.387,8	98,9	319,0	<b>9.351,2</b>
<b>31 Dec. 2017</b>	1.150,6	1.522,5	6.802,0	107,2	279,1	<b>9.861,4</b>

Source: Central Bank of TRNC

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

<b>Date</b>	<b>Official</b>	<b>Trading</b>	<b>Savings</b>	<b>Other</b>	<b>Banks</b>	<b>Total</b>
<b>30 Sept. 2014</b>	172,6	741,5	4.112,3	145,3	347,4	<b>5.519,1</b>
<b>31 Dec. 2014</b>	183,2	816,3	4.140,3	166,1	400,4	<b>5.706,3</b>
<b>31 Mar. 2015</b>	193,8	889,5	4.360,2	148,5	419,8	<b>6.011,8</b>
<b>30 June 2015</b>	203,3	1.048,0	4.737,1	156,9	528,8	<b>6.674,1</b>
<b>30 Sep. 2015</b>	215,8	1.331,5	5.446,3	108,9	629,8	<b>7.732,3</b>
<b>31 Dec. 2015</b>	208,1	1.239,8	5.345,0	96,3	706,6	<b>7.595,8</b>
<b>31 Mar. 2016</b>	209,7	1.279,0	5.295,1	118,8	738,6	<b>7.641,2</b>
<b>30 June 2016</b>	211,6	1.335,2	5.304,3	105,6	817,0	<b>7.773,7</b>
<b>30 Sept. 2016</b>	205,1	1.527,4	5.530,0	123,4	920,6	<b>8.306,5</b>
<b>31 Dec. 2016</b>	235,4	1.721,5	6.463,4	156,4	1.266,0	<b>9.842,7</b>
<b>31 Mar. 2017</b>	297,7	1.958,2	6.932,1	162,2	1.108,7	<b>10.458,9</b>
<b>30 June 2017</b>	272,0	2.143,8	7.257,6	178,4	1.238,2	<b>11.090,0</b>
<b>30 Sept. 2017</b>	315,1	2.398,3	7.758,8	168,6	1.281,6	<b>11.922,3</b>
<b>31 Dec. 2017</b>	348,5	2.420,0	8.578,2	169,1	1.358,3	<b>12.874,1</b>

Source: Central Bank of TRNC



Table B.28: Money Supply (Million TRY)

Year	Term	M1	Percentage Change	M2	Percentage Change	M3	Percentage Change
2014	I	2.049,8	4,40	10.794,4	2.20	11.601,9	2.26
	II	2.152,4	5,01	11.130,9	3.12	11.957,3	3.06
	III	2.163,0	0.49	11.578,9	4,02	12.433,8	3.99
	IV	2.211,0	2.21	11.880,2	2.60	12.660,2	1.82
2015	I	2.338,5	5,77	12.470,8	4,97	13.249,2	4,65
	II	2.532,7	8,30	13.211,3	5,94	14.056,5	6,09
	III	2.829,9	11,74	14.279,5	8,09	15.106,7	7,47
	IV	2.841,2	0.40	14.215,9	-0,45	15.109,8	0.02
2016	I	2.797,9	-1,53	14.340,3	0.88	15.181,6	0.48
	II	2.976,9	6,40	14.620,3	1.95	15.593,1	2.71
	III	3.158,0	6,08	15.285,2	4,55	16.319,0	4,66
	IV	3.544,1	12,23	16.946,4	10,87	17.996,6	10,28
2017	I	3.754,8	5,95	18.019,6	6,33	19.209,2	6,74
	II	3.906,7	4,05	18.670,5	3.61	20.066,2	4,46
	III	4.126,2	5,62	19.847,4	6,30	21.240,3	5.85
	IV	4.403,3	6,71	21.181,5	6,72	22.789,8	7,29

Source: Central Bank of TRNC

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

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

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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
<b>GNP (Current Prices, Million TRY)</b>	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	11.601,2	12.989,1 <sup>(F)</sup>
<b>GNP (Million USD)</b>	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
<b>GNP per capita (Current Prices, TRY)</b>	17.063	19.165	20.739	21.538	22.147	25.850	27.077	29.217	33.128	35.225	n.a	n.a
<b>GNP per capita (USA)</b>	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
<b>Inflation Rate (%)</b>	19,2	9,4	14,5	5,7	3,3	14,7	3,6	10,2	6,5	7,8	10,2	14,68
<b>Deposits (Million USD) (2)</b>	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
<b>Foreign Exchange Reserve (Million USD)</b>	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
<b>Exports (Million USD) (3)</b>	64,9	83,7	83,6	71,1	96,4	119,9	116,3	120,7	134,0	118,1	105,5	102,9 <sup>(F)</sup>
<b>Imports - (Million USD) (4)</b>	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 <sup>(F)</sup>
<b>Foreign Trade Balance (Million USD)</b>	-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 <sup>(F)</sup>
<b>Exports / Imports (%)</b>	4,7	5,1	4,4	5,4	6,0	9,0	7,2	7,1	7,5	7,9	6,9	6,4 <sup>(F)</sup>
<b>Number of Arriving Tourists</b>	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	n.a	n.a
<b>a) Turkey</b>	572.633	634.580	650.405	638.700	741.925	801.326	904.505	923.308	1.020.577	1.110.795	n.a	n.a
<b>b) Other</b>	143.116	156.456	158.277	161.676	160.465	220.763	261.681	309.445	345.430	372.449	n.a	n.a
<b>Net Tourism Income (Million USD)</b>	303,2	381,0	383,7	390,7	405,8	459,4	571,9	613,4	691,6	746,7	714,4 <sup>(F)</sup>	725,8 <sup>(F)</sup>
<b>Employment</b>	91.815	89.787	91.223	91.550	93.498	93.470	96.539	97.867	103.149	112.811	118.387 <sup>(F)</sup>	121.889 <sup>(F)</sup>
<b>Number of Unemployed</b>	9.552	9.361	9.881	12.941	12.619	9.864	9.174	8.929	9.320	9.043	n.a	n.a
<b>Unemployment Rate (%)</b>	9,4	9,4	9,8	12,4	11,9	9,5	8,7	8,4	8,3	7,4	6,4 <sup>(F)</sup>	5,6 <sup>(F)</sup>
<b>Population (5)</b>	257.513	268.011	274.436	283.736	277.680	283.281	292.129	301.988	313.626	326.158	n.a	n.a
<b>Annual Population Growth (%)</b>	15,6	4,0	2,4	3,3	1,1	-1,3	3,1	3,3	3,8	3,9	n.a	n.a
<b>Population Density</b>	79,4	82,7	84,7	87,5	85,7	87,4	90,1	93,1	96,7	100,6	n.a	n.a
<b>Health Expenditures / GNP (%)</b>	3,4	3,9	3,5	3,5	3,4	3,1	3,1	3,2	3,1	2,5	n.a	n.a
<b>Health Expenditures / Budget (%)</b>	7,2	8,6	7,6	7,4	7,3	7,2	7,3	7,4	7,6	6,6	n.a	n.a
<b>Annual Average 1 USD = TRY</b>	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 <sup>(F)</sup>
<b>1. Agriculture</b>	249,4	288,2	259,2	300,6	330,3	366,4	386,5	405,0	489,3	609,7	647,6	738,8
<b>2. Industry</b>	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
<b>3. Construction</b>	314,8	364,4	362,2	346,4	312,1	408,5	335,8	370,7	370,2	480,5	511,6	618,9
<b>4. Trade - Tourism</b>	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
<b>5. Transportation - Communication</b>	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
<b>6. Financial Institutions</b>	259,3	309,4	357,8	388,4	404,4	472,6	506,0	579,7	637,4	719,4	887,6	913,1
<b>7. Housing Income</b>	117,7	144,2	175,9	202,5	220,6	274,4	305,8	358,2	398,9	456,2	535,3	589,2
<b>8. Self-Employment and Services</b>	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
<b>9. Public Services</b>	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
<b>10. Import Taxes</b>	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
<b>11. GDP</b>	<b>3.988,1</b>	<b>4.604,3</b>	<b>5.079,9</b>	<b>5.376,3</b>	<b>5.614,1</b>	<b>6.509,0</b>	<b>6.955,1</b>	<b>7.606,9</b>	<b>8.858,6</b>	<b>10.222,5</b>	<b>11.601,2</b>	<b>13.003,4</b>
<b>12. Net Factor Income From Abroad</b>	113,3	66,9	48,4	38,9	35,4	50,2	-39,3	-27,5	-18,2	-11,7	4,2	-14,2
<b>GNP</b>	<b>4.101,4</b>	<b>4.671,2</b>	<b>5.128,3</b>	<b>5.415,3</b>	<b>5.649,5</b>	<b>6.559,2</b>	<b>6.915,8</b>	<b>7.579,4</b>	<b>8.840,4</b>	<b>10.210,7</b>	<b>11.605,5</b>	<b>12.989,1</b>

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

Source: SPO

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 <sup>(F)</sup>	2017 <sup>(F)</sup>
<b>1. Total Resources</b>	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
<b>2. Total Investments</b>	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
<b>3. Total Consumption</b>	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
<b>4. Public Disposable Income</b>	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
<b>5. Private Disposable Income</b>	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
<b>6. Private Savings Ratio (%)</b>	28.6	29.0	20.1	33.9	26.0	28.0	20.8	25.0	23.3	29.8	29.4	28.1
<b>7. Total Domestic Savings</b>	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 <sup>(F)</sup>	2017 <sup>(F)</sup>
<b>1. Agriculture</b>	-3.2	0.4	-18,2	8.2	10.0	10.8	3.7	-1.6	4.8	14.5	-8,0	8.5
<b>2. Industry</b>	20.0	-0.9	-10,3	-9,1	-0.2	3.4	-0.7	1.7	8.5	19.5	2.5	4.7
<b>3. Construction</b>	68,1	4.2	-8,0	-18,5	3.8	3.3	-16,0	-0.3	-4,5	6.5	3.0	3.0
<b>4. Trade-Tourism</b>	9.5	-2.7	-2.1	-8,7	18.3	6.0	6.1	1.4	8.5	-0.8	1.7	2.7
<b>5. Transportation-Communication</b>	-0.7	-3.6	2.2	-2.8	-20,0	-4,3	5.7	2.0	3.2	5.7	1.8	3.0
<b>6. Financial Institutions</b>	8.9	6.3	9.6	1.7	0.3	1.4	8.1	7.5	0.8	1.6	2.0	2.5
<b>7. Housing Ownership</b>	20.1	4.6	2.7	3.8	4.0	3.9	3.7	3.2	2.6	3.0	2.8	3.5
<b>8. Self-Employment and Services</b>	12.5	6.6	4.3	3.4	-5,3	4.3	1.5	2.3	8.8	9.5	4.5	5.5
<b>9. Public Services</b>	2.4	8.2	1.2	-5,0	0.4	2.8	1.9	1.4	-0.1	0.1	-0.3	0.5
<b>10. Import Taxes</b>	-0.6	12.3	-0.8	-7,1	18.6	3.9	8.9	-2.1	7.9	-9,6	9.5	-5,0
<b>11. GDP</b>	<b>12.7</b>	<b>2.8</b>	<b>-2.9</b>	<b>-5,5</b>	<b>3.7</b>	<b>3.9</b>	<b>1.8</b>	<b>1.1</b>	<b>4.8</b>	<b>4.0</b>	<b>2.0</b>	<b>2.7</b>
<b>12. Net Factor Income From Abroad</b>	34.1	-47,3	-36,4	-28,2	-9,8	27.1	-174,5	35.3	40,5	41,9	0.0	0.0
<b>GNP</b>	<b>13.2</b>	<b>1.5</b>	<b>-3.4</b>	<b>-5,7</b>	<b>3.6</b>	<b>4.0</b>	<b>0.5</b>	<b>1.3</b>	<b>4.9</b>	<b>4.1</b>	<b>2.1</b>	<b>2.7</b>

(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 <sup>(F)</sup>	2017 <sup>(F)</sup>
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
<b>Total</b>	<b>892,1</b>	<b>1.064.3</b>	<b>1.062.6</b>	<b>930.3</b>	<b>1.016.3</b>	<b>1.209.9</b>	<b>1.094.4</b>	<b>1.147.6</b>	<b>1.165.8</b>	<b>1.544,4</b>	<b>1.709,4</b>	<b>2.019,6</b>

(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. Domestic 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 <sup>(*)</sup>	2017 <sup>(*)</sup> (F)
<b>1. Private Disposable Income</b>	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
<b>2. Private Consumption</b>	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
<b>3. Private Savings</b>	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
<b>4. Private Investment</b>	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
<b>5. Private Savings-Investment Difference</b>	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 <sup>(*)</sup>	2015 <sup>(*)</sup>
<b>I. Budget Revenues</b>	<b>1.509.540.794,2</b>	<b>1.912.021.359,7</b>	<b>1.928.800.834,9</b>	<b>1.850.579.976,4</b>	<b>2.094.884.139,9</b>	<b>2.342.746.054,0</b>	<b>2.733.508.126,6</b>	<b>2.717.380.643,9</b>	<b>3.207,9</b>	<b>3.465,0</b>
<b>1. Domestic Income</b>	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
<b>2. Foreign Aids</b>	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
<b>II. Budget Expenditures</b>	<b>1.923.710.074,6</b>	<b>2.125.063.562,9</b>	<b>2.364.729.328,4</b>	<b>2.575.108.349,3</b>	<b>2.660.956.990,0</b>	<b>2.844.717.192,2</b>	<b>2.964.278.216,8</b>	<b>3.261.442.097,7</b>	<b>3.635,4</b>	<b>3.841,9</b>
<b>1. Recurring Expenditures</b>	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
<b>2. Transfers</b>	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
<b>3. Defence</b>	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
<b>4. Investments</b>	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
<b>III. Budget Balance</b>	<b>-414.169.280,4</b>	<b>-287.087.316,2</b>	<b>-474.386.821,0</b>	<b>-759.185.805,2</b>	<b>-566.072.850,1</b>	<b>-501.971.138,2</b>	<b>-230.770.090,2</b>	<b>-544.061.453,9</b>	<b>-427,6</b>	<b>-376,9</b>

(\*) Million TRY  
Source: SPO



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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>I. Budget Revenues</b>	<b>36,8</b>	<b>40,9</b>	<b>37,6</b>	<b>34,2</b>	<b>37,1</b>	<b>35,7</b>	<b>39,5</b>	<b>35,9</b>	<b>36,3</b>	<b>33,9</b>
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
<b>II. Budget Expenditures</b>	<b>46,9</b>	<b>45,5</b>	<b>46,1</b>	<b>47,6</b>	<b>47,1</b>	<b>43,4</b>	<b>42,9</b>	<b>43,0</b>	<b>41,1</b>	<b>37,6</b>
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. Defense	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
<b>III. Budget Balance</b>	<b>-10,1</b>	<b>-4,6</b>	<b>-8,5</b>	<b>-13,4</b>	<b>-10,0</b>	<b>-7,7</b>	<b>-3,3</b>	<b>-7,2</b>	<b>-4,8</b>	<b>-3,7</b>

Source: SPO

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 <sup>(F)</sup>	2017 <sup>(F)</sup>
<b>1. Current Accounts Balance</b>	<b>-203,6</b>	<b>-250,4</b>	<b>-390,3</b>	<b>-65,4</b>	<b>-275,8</b>	<b>-173,1</b>	<b>-125,1</b>	<b>-44,7</b>	<b>-11,7</b>	<b>271,6</b>	<b>258,4</b>	<b>193,3</b>
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
<b>3. Reserve Movement (- Increase, + Decrease)</b>	<b>-433,3</b>	<b>-41,2</b>	<b>269,5</b>	<b>-172,1</b>	<b>-94,4</b>	<b>-47,3</b>	<b>-340,8</b>	<b>-219,9</b>	<b>-176,7</b>	<b>-75,8</b>	<b>-410,9</b>	<b>-358,2</b>
<b>4. Net Errors and Omissions</b>	<b>246,0</b>	<b>-43,4</b>	<b>-289,7</b>	<b>-257,5</b>	<b>-68,3</b>	<b>-106,1</b>	<b>119,7</b>	<b>4,9</b>	<b>1,5</b>	<b>-364,7</b>	<b>0,0</b>	<b>0,0</b>

(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	11,32
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	12,78
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	14,68

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	14,68	11,92
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	1,69	1,65	-0,78	3,17
2. Alcoholic Beverages and Tobacco	0,23	0,00	0,00	0,01	0,12	0,30	0,36	0,22	0,49	0,45	0,11	0,17
3. Clothing & Shoes	-0,40	-0,03	-0,03	0,39	1,03	1,37	-0,31	-10,41	6,42	9,77	2,44	0,73
4. Housing, Water, Electricity, Gas and Other Fuels	1,15	-0,06	-0,06	0,17	-0,05	-0,65	0,28	-0,02	1,27	1,28	1,23	1,50
5. Furniture, Home Appliances and Home Maintenance Services	0,32	0,03	0,03	0,02	0,81	1,10	1,65	0,19	0,48	0,95	1,79	3,05
6. Health	0,11	0,12	0,12	0,08	-0,03	0,45	0,29	0,15	0,39	0,53	0,58	0,52
7. Transportation	0,70	-0,07	-0,07	0,06	0,15	0,09	0,26	0,80	0,97	1,09	2,69	1,24
8. Communication	0,06	0,21	0,21	0,00	-0,10	1,22	-0,18	-0,01	1,87	-0,54	0,20	0,63
9. Entertainment and Culture	-0,12	-0,04	-0,04	0,29	4,27	8,83	1,55	0,95	-4,33	-1,79	2,48	3,35
10. Education	0,26	-0,09	-0,09	0,02	-0,14	0,15	1,47	1,18	4,11	2,01	2,97	0,66
11. Restaurants and Hotels	-0,44	0,21	0,21	0,47	3,09	1,13	7,79	0,41	-4,73	-1,78	0,98	0,43
12. Miscellaneous Goods and Services	0,17	0,03	0,03	0,03	0,14	0,40	0,06	0,70	1,06	0,84	1,19	0,36
<b>General</b>	<b>2,56</b>	<b>0,59</b>	<b>0,59</b>	<b>1,85</b>	<b>0,39</b>	<b>0,68</b>	<b>1,50</b>	<b>0,42</b>	<b>0,51</b>	<b>0,92</b>	<b>1,31</b>	<b>1,69</b>

Source: SPO

**Table B.44: Minimum Wage Developments**

<b>Years</b>	<b>Minimum Wage (TRY / YTL)</b>	<b>Exercise Date</b>
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
29.11.2017	3,67	3,87	3,63	-	3,40

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	%
<b>1. Agriculture, Forestry, Hunting and Fishing</b>	3.170	3,5	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
<b>2. Mining and Quarrying</b>	115	0,1	113	0,1	106	0,1	73	0,1	39	0,04	179	0,19	157	0,16	119	0,1	109	0,1
<b>3. Manufacturing Industry</b>	7.679	8,5	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
<b>4. Electricity, Gas, Water, Sewerage, Waste Water Treatment</b>	1.103	1,2	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
<b>5. Construction</b>	9.664	10,8	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
<b>6. Wholesale and Retail Trade</b>	17.340	19,3	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
<b>7. Restaurants and Hotels</b>	5.493	6,1	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
<b>8. Transportation, Storage, Communication, Publishing and Programming</b>	5.017	5,6	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
<b>9. Financial Intermediary Institutions</b>	3.142	3,5	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
<b>10. Real Estate, Rental, Technical and Administrative Service Activities</b>	4.120	4,6	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
<b>11. Public Administration</b>	14.344	16,0	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
<b>12. Educational Services</b>	9.479	10,6	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
<b>13. Human Health and Social Services Activities</b>	3.013	3,4	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
<b>14. Other Community Services</b>	6.108	6,8	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
<b>Total</b>	<b>89.787</b>	<b>100</b>	<b>91.223</b>	<b>100</b>	<b>91.550</b>	<b>100</b>	<b>93.498</b>	<b>100</b>	<b>93.470</b>	<b>100</b>	<b>96.539</b>	<b>100</b>	<b>97.868</b>	<b>100</b>	<b>103.149</b>	<b>100</b>	<b>112.815</b>	<b>100,00</b>

Source: SPO

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

<b>Years</b>	<b>Turkey</b>	<b>European Union Countries</b>	<b>Other EU Countries</b>	<b>Middle East Countries</b>	<b>Other Countries</b>	<b>Total Exports</b>
<b>2006</b>	30.875.362	9.708.799	9.805.754	11.543.938	2.933.694	<b>64.867.547</b>
<b>2007</b>	48.907.443	13.225.555	7.369.006	9.702.231	4.480.578	<b>83.684.813</b>
<b>2008</b>	41.770.636	17.147.124	4.953.414	14.220.270	5.572.694	<b>83.664.138</b>
<b>2009</b>	38.482.808	13.156.210	1.206.347	13.833.521	4.384.880	<b>71.063.766</b>
<b>2010</b>	44.741.216	11.816.654	3.475.821	31.104.188	5.282.030	<b>96.419.909</b>
<b>2011</b>	61.333.755	9.515.772	1.514.866	36.886.525	10.645.168	<b>119.896.086</b>
<b>2012</b>	58.878.076	8.678.585	1.014.857	39.821.898	9.873.712	<b>116.267.128</b>
<b>2013</b>	62.969.817	9.145.514	2.733.484	38.472.891	7.359.533	<b>120.681.239</b>
<b>2014</b>	78.446.382	8,304,840	835.323	40.583.800	5.814.745	<b>133.985.090</b>
<b>2015</b>	66.228.637	6.195.715	3.811.828	35.611.170	5.885.294	<b>117.732.644</b>
<b>2016</b>	65.926.161	10.723.521	919.095	23.983.472	3.747.388	<b>105,299,637</b>
<b>2017</b>	59.146.942	3.340.118	1.650.718	19.590.145	8.976.162	<b>93.042.238</b>

Source: Ministry of Economy and Energy

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

<b>Years</b>	<b>Turkey</b>	<b>European Union Countries</b>	<b>Far Eastern Countries</b>	<b>Other EU Countries</b>	<b>Middle East Countries</b>	<b>Other Countries</b>	<b>Total Imports</b>
<b>2006</b>	946.978.969	247.072.030	82.977.243	16.460.425	65.267.005	17.464.606	<b>1.376.220.278</b>
<b>2007</b>	1.044.965.855	248.220.981	111.304.222	40.423.905	66.253.726	28.022.604	<b>1.539.191.293</b>
<b>2008</b>	1.172.502.792	236.344.802	109,156,742	78.503.072	56.482.297	27.673.475	<b>1.680.657.180</b>
<b>2009</b>	923.438.219	205.604.209	87.720.997	30.311.431	52.507.371	26.582.965	<b>1.326.165.192</b>
<b>2010</b>	1.137.378.970	251.285.189	90.266.660	29.873.873	69.000.395	26.375.578	<b>1.604.180.665</b>
<b>2011</b>	1.165.712.306	286.204.302	82.493.886	42.982.735	87.880.256	34.654.478	<b>1.699.927.963</b>
<b>2012</b>	1.234.214.030	247.749.409	81.109.808	28.245.460	81.484.144	31.111.112	<b>1.703.913.963</b>
<b>2013</b>	1.155.334.547	257.018.820	113.400.316	59.110.065	86.239.017	28.323.666	<b>1.699.426.431</b>
<b>2014</b>	995.563.199	238.330.438	125.280.677	70.915.525	75.481.630	33.204.743	<b>1.538.776.212</b>
<b>2015</b>	967.563.226	271.360.515	115.042.857	45.084.868	70.781.057	30.744.861	<b>1.500.577.384</b>
<b>2016</b>	940.845.300	326.806.415	133.943.157	51.872.616	69.557.193	34.165.573	<b>1.557.190.254</b>
<b>2017</b>	714.941.860	229.189.454	106.209.785	43.556.493	56.601.660	35.493.854	<b>1.185.993.106</b>

Source: Ministry of Economy and Energy



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

<b>Years</b>	<b>Ercan</b>	<b>Kyrenia</b>	<b>Famagusta</b>	<b>Karpasia</b>	<b>Total</b>
<b>2014</b>	1.577.347	49.967	18.608	291	<b>1.646.213</b>
<b>2015</b>	1.693.694	60.733	19.196	342	<b>1.773.965</b>
<b>2016</b>	1.785.746	57.513	19.004	295	<b>1.862.558</b>
<b>2017</b>	1.794.483	71.619	21.668	283	<b>1.888.053</b>

*Source: Tourism Planning Department*

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

<b>Countries</b>	<b>Number of Persons</b>							
	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Foreign</b>	108.343	156.381	183.651	209.379	224.881	235.661	266.208	317.984
<b>TRNC</b>	52.653	45.243	45.175	40.125	49.598	52.335	53.224	42.491
<b>Turkey</b>	336.240	393.238	459.529	464.397	529.909	588.045	621.819	656.365
<b>Grand Total</b>	<b>497.236</b>	<b>594.862</b>	<b>688.355</b>	<b>713.901</b>	<b>804.387</b>	<b>876.041</b>	<b>941.251</b>	<b>1.016.840</b>

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



