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I: FOREWORD

The moderate recovery in the global economy, which began in 2017, continued to increase in the first quarter of 2018. Upward revision of the developed countries growth forecasts, especially for 2018 and 2019, indicates that the growth rate in global economic activity will also increase. In the Global Monthly report published in March 2018 by the World Bank, it is noted that strong global growth will continue in 2018. Unemployment rates in developed economies have declined to the pre-global crisis levels and these low levels were maintained. In the "World Economic Outlook" report published by the IMF in April 2018, it was underlined that the global economic growth will continue both in advanced economies as well as in emerging economies.

In the first quarter of 2018, tax incentives on steel and aluminium imports imposed by the US in the context of commercial protectionism and depriving China of concessions granted to its trading partners led to a potential trade war between the two countries. Concerns arising from trade wars have had a significant impact on the risk perception existing in global markets.

In the first quarter of 2018, the rapid depreciation of the TRY against other currencies continued. By the end of March 2018, TRY depreciated by 4.7 percent against the US dollar, by 9.1 percent against the sterling pound, and by 7.8 percent against the euro.

The annual inflation rate calculated by the TRNC Prime Ministry State Planning Organization has reached 13.1 percent as of April. It is inevitable that consumer prices will increase, due to the depreciation of the Turkish lira against the exchange rate, 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 April 2018, the highest price increases were experienced 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 11.92 percent and 16.84 percent, respectively.

The TRNC budget had a surplus of 70.8 million TRY in the first quarter of 2018. Budget expenditures increased by 4.3 percent in the first three months of 2018, while budget revenues decreased by 3.2 percent, compared to the same period of the previous year. Within this quarter, total tax revenues increased by 24 percent compared to the same period of the previous year and non-tax revenues item decreased by 17 percent. In the first quarter of 2018, no income has been obtained from donations, grants and loans item, which was 148 million TRY in the first quarter of 2017. In the budget expenditures, current transfers and personnel expenditures items increased by 7.6 percent and 17.6 percent, respectively, compared to the same period of the previous year.

As of the first quarter of 2018, banking service is provided with 21 banks, 232 branches and 3,111 personnel operating in the sector. By the end of March 2018, total assets of the banking sector increased by 25 percent compared to the same period of the previous year and reached 27,699 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 22 percent. Due to the fact that the increase rate of loans has fallen below the increase rate of total deposits, loan to deposit ratio declined to 72.5 percent by the end of March 2018. In the last two years, loan to deposit rate decreased by 7 points. Non-performing loans increased by 12.8 percent in one year period to 926 million TRY. By the end of March 2018, the ratio of non-performing loans in the sector was 5.72 percent. By the first quarter of 2018, the capital adequacy standard ratio of the sector was 17.4 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 are included and the overview of the TRNC banking sector is reflected in detail, as of the first quarter of 2018.

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II: ABBREVIATIONS

EU	European Union
USA	United States of America
ECB	European Central Bank
IMM	Interbank Money Market
BoE	Bank of England
Brexit	Departure of the United Kingdom from the European Union
SPO	State Planning Organisation
WTO	World Trade Organisation
EA 19	Euro Zone
ESA	European System of Accounts
FED	Central Banking System of the USA
FOMC	The Federal Open Market Committee
LON	Late Liquidity Window
GNP	Gross National Product
GDP	Gross Domestic Product
IMF	International Monetary Fund
CGF	Credit Guarantee Fund
Bank	Central Bank of the Turkish Republic of Northern Cyprus
SME	Small and Medium Enterprises
CB	Central Bank
SP	Securities Portfolio
RR	Reserve Requirements
OECD	Organisation for Economic Co-operation and Development
ONS	Office for National Statistics
OPEC	Organisation of Petroleum Exporting Countries
MTP	Medium-Term Program
PMI	Purchasing Managers Index
MPC	Monetary Policy Committee
RWA	Risk-Weighted Assets
OG	Official Gazette
CASR	Capital Adequacy Standard Ratio
TRNC	Turkish Republic of Northern Cyprus
TR	Republic of Turkey
CBRT	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 growth rate is 3 percent in the fourth quarter of 2017, which is higher than the average rate calculated as 2.3 percent, although it has declined compared to the previous quarter. In the Global Monthly Report published in March 2018, the World Bank notes that the strong global growth will continue. Unemployment rates in many economies, such as the Euro Zone, the US and Japan, remain low. On the other hand, it is commented that advanced economies' inflation rates will maintain high levels, even though the shrinkage in employment markets continues. The US imposed 25 percent and 10 percent taxes on steel and aluminium imports, respectively, as of March 23. These products constitute 2 percent of the total imports of the US, and the fact that the US deprived China from the privileges granted to the major trade partners may cause trade wars between the two countries. The report also includes the expectation that the United States will apply tax on other goods imported from China in the future.

The investment cycle in emerging markets and economies has risen in 2017 following a long-term slowdown that began in 2011 and is expected to continue to gain momentum in 2018-19. Despite this positive recovery, the investment rate seems moderate compared to the long-term average, but higher investment deficits are observed. It is shown that, in the following years, many factors will limit the speed of investment and reduce potential growth in emerging economies.

As mentioned earlier in the World Bank's Global Monthly report, data indicates that strong economic activity will continue in 2018 as well. The Global Composite PMI Index rose to 54.8 in February 2018 and reached its highest level from the mid-2014 until today. This shows that there is a steady growth in all countries included in the calculation. On the other hand, despite strong global growth rates, the global average inflation remained at 2.1 percent in January. From 2017 onwards, average inflation rates have a horizontal trend in both emerged and emerging economies.

Looking at global commodity trade, it has showed an increase of 4.5 percent in 2017, and it continues to increase despite the increasing uncertainty in the first quarter of 2018. Increasing uncertainties are caused by conservative approaches such as recent customs duties on imports imposed by the US, as pointed out earlier. This uncertainty is triggered by the fact that negative discrimination in customs duties, especially in China, is raising the possibility of international trade wars.

The recovery in global investment rates has also been expressed as a factor supporting industrial production and international trade. When the figures for February 2018 are analysed, the Global Manufacturing Export Orders PMI index declined slightly to 53.3, after reaching its highest level in seven years in January 2018.

In the World Economic Outlook report published by the IMF in April 2018, it is emphasized that the rise in the global economic conjuncture is expanding and becoming stronger day by day, as mentioned in the World Bank Report. The IMF stated in its report that the economic growth that started in the middle of 2016 will continue to be above the potential growth rate in developed economies in 2018 and 2019 and that the pace of growth in emerging markets and economies will continue to increase.

As mentioned in previous reports, it is emphasized that policy makers must assess the positive conjuncture times and it is highlighted that it is necessary to strengthen the growth further, make it more permanent, and to ensure that governments are ready for the next downward conjuncture.

IMF indicated in its report that global growth is at 3.8, the highest level since 2017 in 2011. For 2018 and 2019, IMF's forecast is 3.9 percent.

Grown above the expectations over the last year, the Euro Zone, Japan, China and the United States has contributed to this rise. Brazil, Mexico, and emerging European countries are examples of emerging countries that have grown above expectations and contributed to global economic acceleration. In the report, it has been stated that Libya, Venezuela and Yemen are the countries that are slowing down the

developing countries group with their downwardly revised growth rates.

While global growth is expected to slow down after 2019, it is also emphasized that most developed economies are expected to return to their potential growth rates below the pre-crisis (2009) average, affected by the aging population and low productivity.

An important development for Turkey's economy has been experienced in the first quarter of 2018 and credit rating agency Moody's brought Turkey's credit rating one grade down as Ba2, and determined its rating outlook as stable. With this rating, Turkey has dropped two grades below Baa3, the lowest investment grade level. Moody's has indicated that the rating cut is due to a decrease in institutional resistance, an increase in political risks, and a high current account deficit and high debt levels increasing the vulnerability of the country to external shocks.

Another international credit rating agency lowering Turkey's rating was Standard & Poors. In its statement on May 2, 2018 it reduced Turkey's credit rating three steps below the investable level and revised as BB-.

Table 1.1: GDP Forecasts and Results

Global GDP Growth Forecasts					
	2016	2017	2018 ¹	2018 ²	2019 ¹
IMF	3.2	3.8	3.8	3.9	3.9
World Bank	2.4	3.0 ^(F)	2.9	3.1	3.0
OECD	3.0	3.6	3.1	3.7	3.6

Source: OECD, World Bank, IMF

¹ The initial forecasts of the organizations of that year.

² The latest forecasts of the organizations of that year.

1.2 ECONOMIC AND FINANCIAL OUTLOOK IN SELECTED COUNTRIES

1.2.1 GROWTH

US economy grew by 2.5 percent in the fourth quarter of 2017.

The data show that tax cuts in the country's economy increase disposable personal income and bring savings rates from 2.5 percent to 3.2 percent.

While the preparations for March 2018 meeting of the FED The Federal Open Market Committee (FOMC) are being made, the predictions about US economic activity are stronger than those at the meeting in January. When these forecasts are examined, it is observed that the average value of the forecast for GDP growth of the US economy is 2.7 percent for 2018 and 2.4 percent for 2019. It is also predicted that real GDP will grow above the potential rate until 2020.

Related FOMC minutes mention that the changes in fiscal policy, such as tax legislation and labour market legislation, may have expansionary effects on economic activity over the next few years.

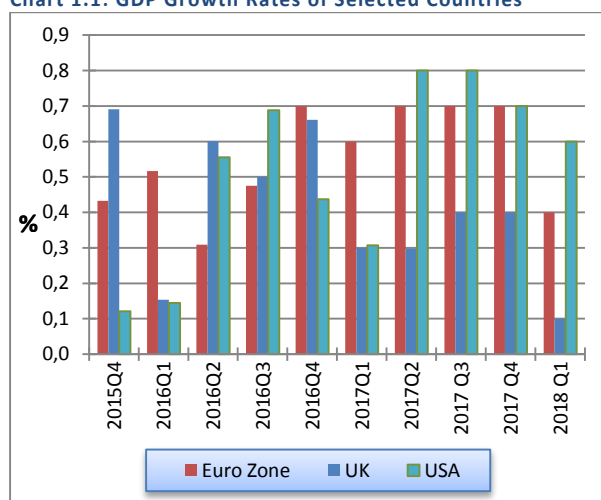
According to data from the Office for National Statistics (ONS), the UK grew by 1.2 percent in the first quarter of 2018 compared to the same quarter of the previous year, but grew by 0.1 percent compared to the last quarter of 2017. The growth rate of 2017 was the slowest growth in the last five years with 1.8 percent.

On the other hand, Mark Carney, Governor of the Bank of England, stated in February 2018 that the global economy is stronger, and predicted that this will cause demand growth in the UK to exceed supply growth. The Bank of England (BoE) has raised the growth forecasts for 2018 and emphasized that interest rates may have to be increased more quickly than previously determined.

In the first quarter of 2018, the Euro Zone has grown by 0.4 percent compared to the last quarter of 2017 and has shown its weakest growth in the last six quarters. The growth rate of the Euro Zone in the first quarter of 2018 is 2.5 percent compared to the same period last year. Both data were found to be consistent with market expectations. In the published reports, the slowdown in growth was attributed to the bad weather in the region and the weakening of exports due to the strengthening euro.

Data from the first quarter of 2018 related to Turkey's economic growth is not yet published; the most current data, which is from the last quarter of 2017 show that Turkey's economy, grew by 7.3 percent at chained volume index, compared to the same period of the previous year. The 11.1 percent growth in the third quarter of 2017 was revised as 11.3 percent and the growth in the first quarter was revised from 5.3 percent to 5.4 percent and the annual growth rate was 7.4 percent. It is observed that the recovery in domestic consumption and investments due to certain measures has contributed to the increase in economic growth.

Chart 1.1: GDP Growth Rates of Selected Countries



Source: OECD

1.2.2 INFLATION

In the latest FOMC minutes of March 2018, the FED announced that the Consumer Price Index (CPI) in the US increased by 2.25 percent in the 12-month period until February, while the core CPI increased by 1.75 percent.

The Committee stressed that there has not been much change as a result of long-term inflation expectation measurements based on survey. However it is expected that the inflation rate will reach the target rate of 2 percent in 2019.

According to EUROSTAT's data for March 2018, annual CPI rate of the Euro Zone increased by 1.3 percent compared to the same month of last year and increased by 1.0 percent compared to February 2018. In his statement after the Monetary Policy meeting

held in March, ECB President Mario Draghi stated that the upward momentum in inflation has not yet been caught, and he also predicted that the inflation will be around 1.5 percent in the rest of the year.

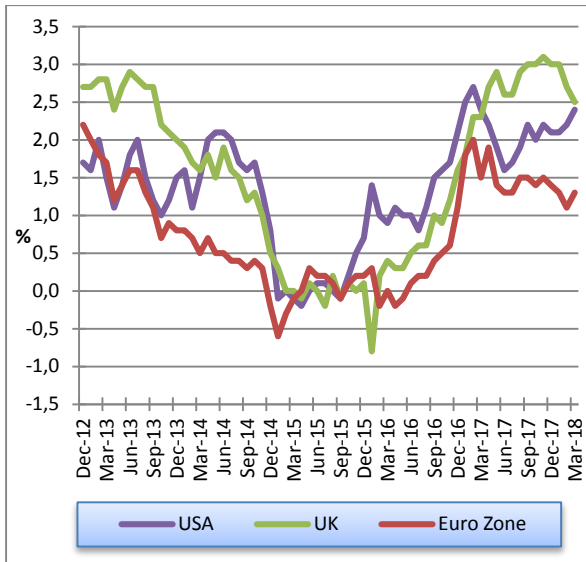
According to data released in April 2018, the UK's Office for National Statistics (ONS) has revised its CPI inflation to 2.6 percent, down four basis points from 3.0 percent in December 2017. The inflation rate for the first quarter of 2018 was 2.5 percent.

In Turkey, the monthly increase in consumer prices in March 2018 was 0.99 percent, in line with market expectations. Domestic Producer Price Index increased by 1.54 percent in monthly basis in March, while it increased 0.57 points in annual basis and reached 14.28 percent.

Along with these limited increases, the downward trend observed in annual inflation since the beginning of 2018 in Turkey's economy has continued in March. The annual CPI inflation has been at a level of 10.23 percent with the high base effect and has fallen to its lowest level in the last 8 months. According to the results of the CBRT's Survey of Expectations conducted in March, participants predict that the CPI will decrease to a single-digit figure around 9.49 percent.

After the meeting of the CBRT Monetary Policy Committee held on 7 March, the published text included statements on the solid indicators about the main trend of inflation and high core inflation. It is also underlined that a tight monetary policy will continue until a significant improvement in the inflation outlook and a conformance with the target is achieved, independently of base effect and transient factors.

Chart 1.2: Inflation Rates of Selected Countries



Source: OECD

1.2.3 POLICY INTERESTS

At the March meeting of FED, which was held for the first time under the chairmanship of Powell, the policy interest rate was raised by 25 basis points to 1.75 percent, in line with expectations. With this increase, the policy interest rate was changed as 1.50-1.75 percent. FED authorities continued to maintain their forecasts about three interest raises in 2018, including the increase in March.

In November 2017, BoE raised interest rates by 25 base points to 0.5 percent for the first time in nearly 10 years. In the first quarter of 2018, BoE continued to keep the policy interest rate unchanged at 0.5 percent, by unanimous vote. This has been a step in parallel with market expectations. The asset purchase program remained at 435 billion pounds as expected. BoE noted that monetary policy might need to be tightened earlier than previously announced. After this announcement, there was an expectation that the interest rate increase pricing in the markets could start in May.

Looking at the latest developments in the Brexit process, it is anticipated that negotiations will be concluded within the period from March 2019 until the end of 2020.

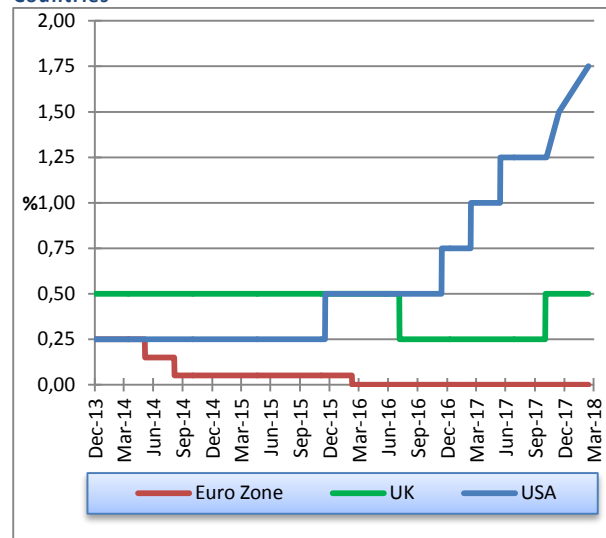
As planned in 2017, the ECB reduced its monthly asset purchase program from 60 billion euros to 30

billion euros in January 2018. Asset purchases and sales are planned to be continued until September 2018 or for a longer period if necessary, but recent economic activity and inflation indicators point to the weak possibility of a rapid normalization of monetary policy in the near future.

At its meeting held in March 2018, ECB did not change the policy interest rate and asset-purchasing program, in parallel with market expectations.

Monetary Policy Committee (MPC) of the Central Bank of the Republic of Turkey did not make any changes in interest rates at the meeting held on March 7, 2018. MPC kept the marginal funding rate at 9.25 percent, the Central Bank borrowing interest rate at 7.25 percent and one-week repo auction, in other words, policy interest at 8 percent.

Chart 1.3: CB Interest Rates of Selected Developed Countries

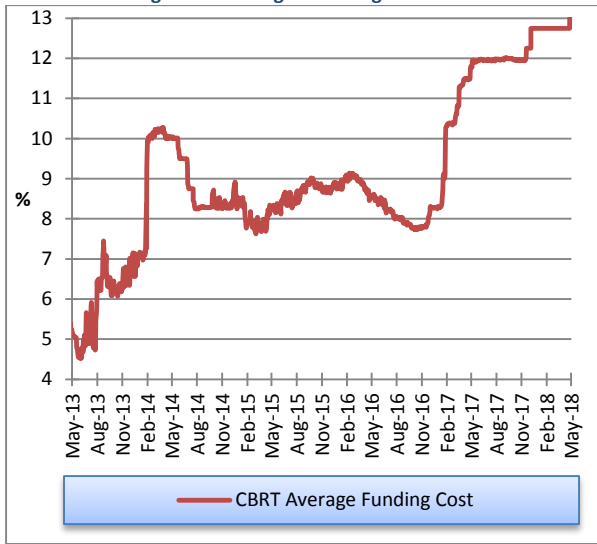


Source: FED, ECB, BoE

Within the framework of the Late Liquidity Window application, the overnight borrowing rate of the Central Bank between 16.00-17.00 in the Interbank Money Market is kept constant at 0 percent level, while the lending interest rate has been raised to 13.50 percent from 12.75 percent as of April 26.

In the last period, the average funding cost of CBRT continues to be equal to the interest rate of LLW.

Chart 1.4: Weighted Average Funding Cost of CBRT

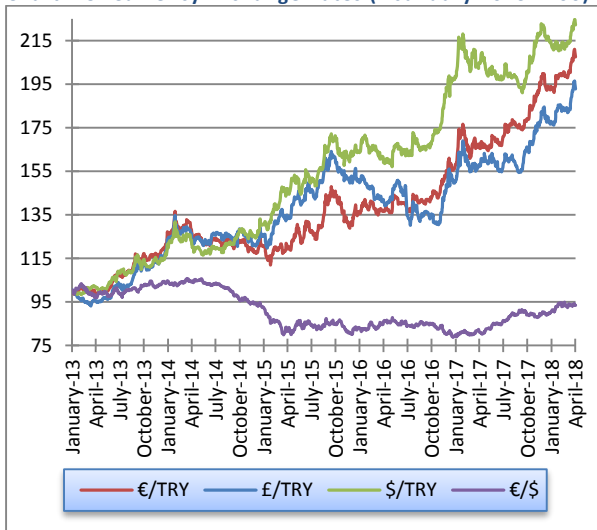


Source: CBRT

1.2.4 EXCHANGE RATES

As in the last quarter of 2017, the Turkish lira continued to experience a significant depreciation against other currencies in the first quarter of 2018, compared to the same period of the previous year. In the first quarter of 2017, TRY had the rates of 4.56151, 3.93113, 3.69125 against sterling, euro and US dollars, while it was 5.29654, 4.68645, and 3.81354 in the same period of 2018. When we compare two periods, TRY depreciated by 3.31 percent against the US dollar, by 16.11 percent against the sterling pound, and by 19.21 percent against the euro.

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



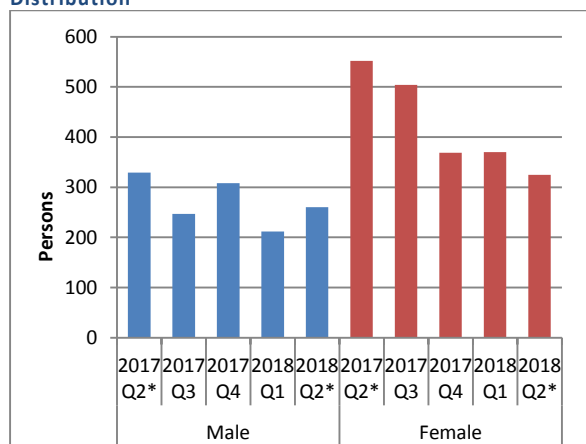
Source: Central Bank of the TRNC

2 EMPLOYMENT AND PRICES

2.1 EMPLOYMENT

According to the unemployment data prepared by the TRNC Labour Office, by the end of the fourth quarter of 2017, the number of registered unemployed people, which was 1,923, decreased to 1,232 as of the end of February 2018. When the unemployment rate for February of this year is analysed by gender composition, it is seen that about 44% of the active registered unemployed people are composed of men and 56% of them are women.

Chart 2.1: Registered Active Unemployment - Periodic Distribution



Source: Labour Office

While the number of jobseekers in the fourth quarter of 2017 was 1,159, the number of new job seeking applicants at the end of January and February 2018 was 532. By the end of January and February 2018, when 624 people who were unregistered and employed were taken into consideration, the number of jobseekers was 647 at the end of February.

Table 2.1: Registered Active Unemployment - Overview (persons)

	2017 Q1	2017 Q2	2017 Q3	2017 Q4	2018 Q1*
Jobseekers by the end of the previous period	700	712	878	748	677
Applicants applying for employment during the period	1,158	1,509	1,224	1,159	532
Persons employed during the period	474	727	546	606	227
Persons unregistered during the period	672	616	808	627	397
Jobseekers by the end of the period	712	878	748	677	647

Source: Labour Office

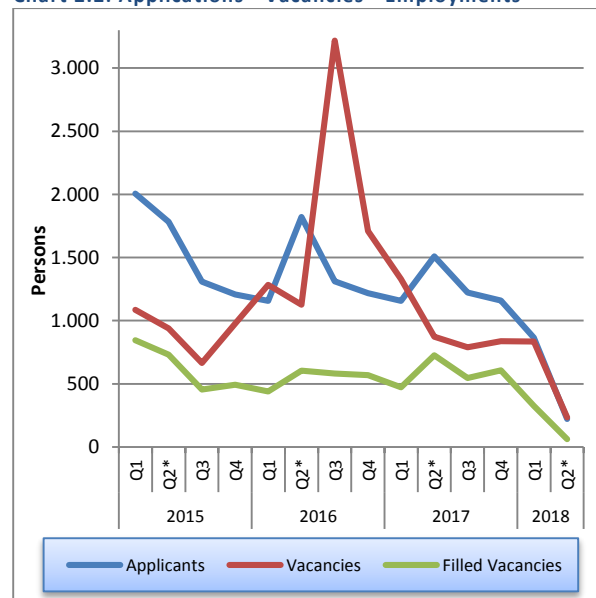
When the active vacancy listings are examined, it is seen that 901 vacancies were transferred to the first quarter of 2018 and 465 new vacancies were opened in January and February. As of the end of February 2018, 746 vacancies were transferred to the next period as a result of 227 filled and 393 cancelled vacancies.

Table 2.2: Overview of Active Vacancy Listings (persons)

	2017 Q1	2017 Q2	2017 Q3	2017 Q4	2018 Q1*
Vacancies transferred from the previous period	109	693	807	1,018	901
Vacancies received during the period	1,329	874	790	839	465
Vacancies filled during the period	474	727	546	606	227
Vacancies cancelled during the period	271	33	33	253	393
Vacancies transferred to the next period	693	807	1,018	901	746

Source: Labour Office

Chart 2.2: Applications - Vacancies - Employments



Source: Labour Office

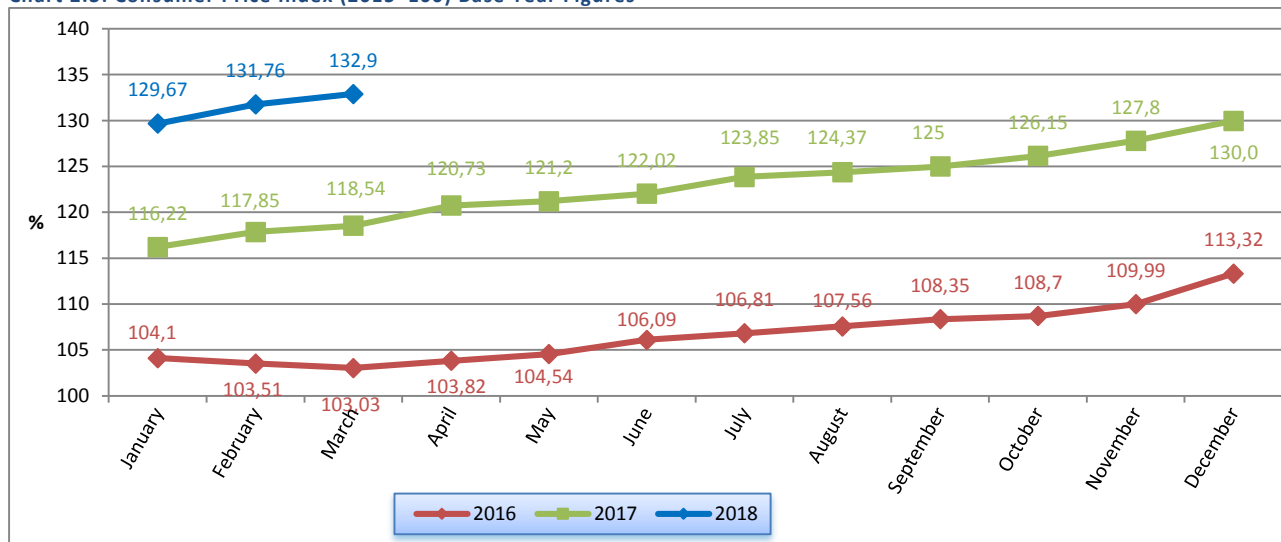
Note: Since the figures for March are not published by the TRNC Labour Office, the data for the first quarter of 2018 are based on January and February.

2.2 INFLATION

The figures in Chart 2.3, which include the CPI changes occurred since January 2018, 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

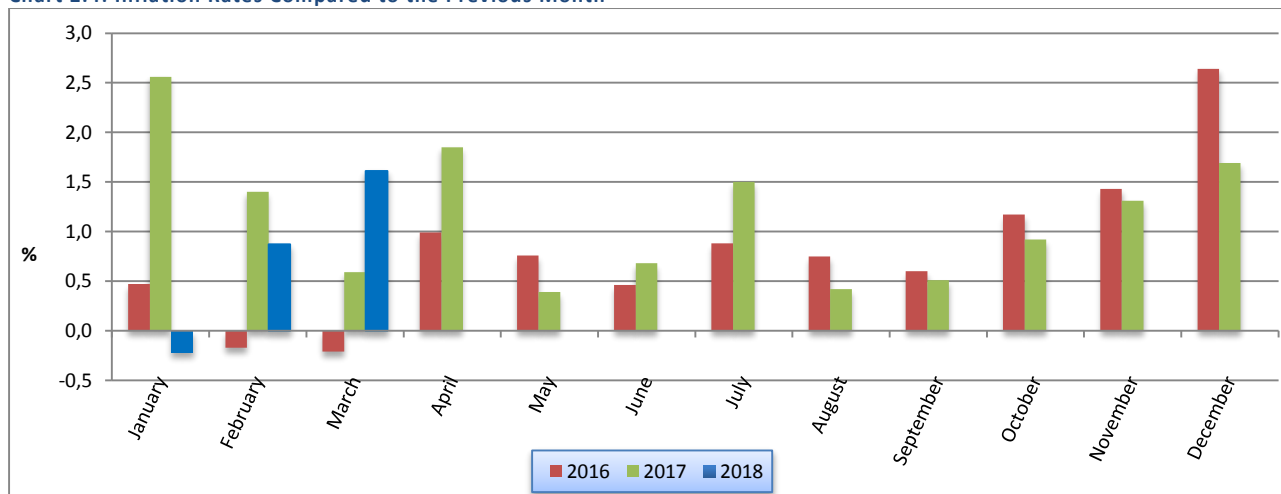


Source: SPO

When the inflation rates in the first quarter of 2018 with respect to the previous month are compared to the same periods of 2017, the rates of 2.56 percent, 1.40 percent and 0.60 percent in January, February

and March of 2017 reached -0.22 percent, 1.61 percent and 0.87 percent in the same months of 2018, respectively.

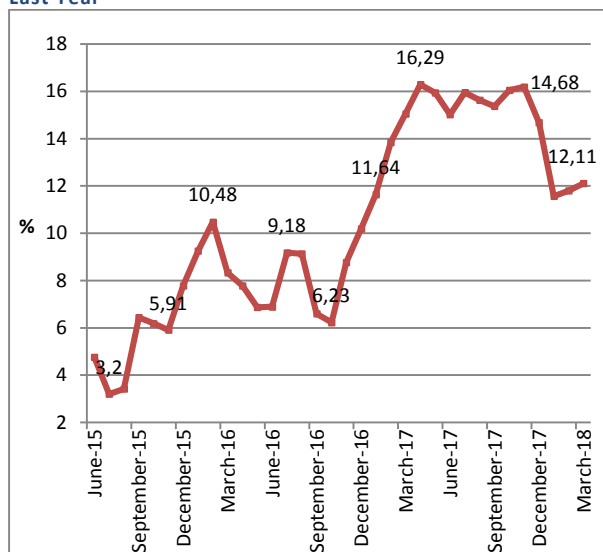
Chart 2.4: Inflation Rates Compared to the Previous Month



Source: SPO

The annual inflation rate, which was 11.64 percent in January, 13.85 percent in February, 15.05 percent in March 2017, reached 11.57 percent in January, 11.80 percent in February and 12.11 percent in March 2018.

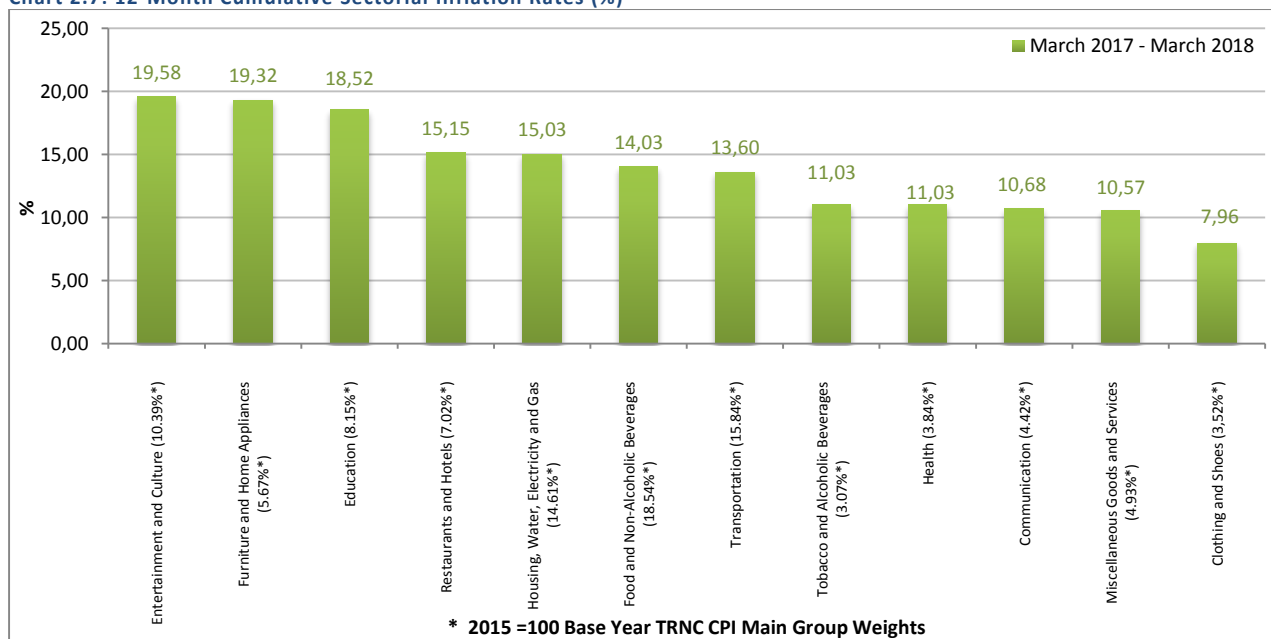
Chart 2.5: Inflation Rates Compared to the Same Month of Last Year



Source: SPO

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

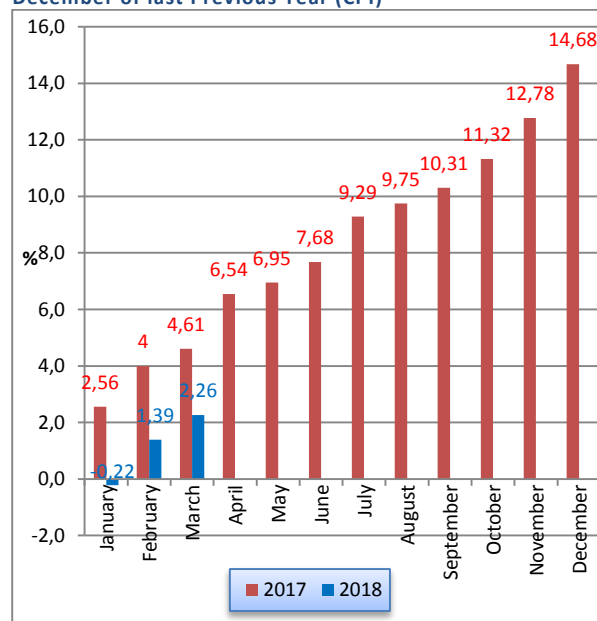
Chart 2.7: 12-Month Cumulative Sectorial Inflation Rates (%)



Source: SPO

in December, reaching 14.68 percent. In the first quarter of 2018, the rate of change was -0.22 percent in January, 1.39 percent in February and 2.26 percent in March, compared to December of last year.

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



Source: SPO

The sectors with the highest price increase at the end of March 2018 are entertainment with 19.31 percent, furniture and home appliances with 18.17 percent and, restaurant and hotels items with 15.26 percent. By the end of March 2018, the lowest price increase is tobacco and alcoholic beverages item with 3.28 percent.

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

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

	Months	Monthly	Compared to the End of Last Year	Compared to the Same Period of Last Year
2016	January	0.47	0.47	9.25
	February	-0.17	0.31	10.48
	March	-0.21	0.09	8.33
	April	0.99	1.09	7.78
	May	0.76	1.86	6.87
	June	0.46	2.33	6.89
	July	0.88	3.23	9.18
	August	0.75	4.00	9.13
	September	0.60	4.63	6.60
	October	1.17	5.85	6.23
	November	1.43	7.36	8.77
	December	2.64	10.19	10.19
2017	January	2.56	2.56	11.64
	February	1.40	4.00	13.85
	March	0.59	4.61	15.05
	April	1.85	6.54	16.29
	May	0.39	6.95	15.94
	June	0.68	7.68	15.02
	July	1.50	9.29	15.95
	August	0.42	9.75	15.63
	September	0.51	10.31	15.37
	October	0.92	11.32	16.05
	November	1.31	12.78	16.19
	December	1.69	14.68	14.68
2018	January	-0.22	-0.22	11.57
	February	1.61	1.39	11.80
	March	0.87	2.26	12.11

Source: SPO

3 FOREIGN TRADE AND TOURISM

(The exports data of March and imports data of February - March 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 January and February 2018 are 24.8 million USD and the total imports in January 2018 is 144.8

million USD. Compared to the same period of the previous year, exports in January and February 2018 increased by 31 percent and imports in January increased by 31.6 percent.

Table 3.1: Exports and Imports

	Exports (US Dollar)			Imports (US Dollar)		
	2017	2018	Percentage Change	2017	2018	Percentage Change
January	7,567,748	10,005,512	32.2	110,035,238	144,783,867	31.6
February	11,353,943	14,786,580	30.2			
Quarter I	18,930,691	24,792,092	31.0	110,035,238	144,783,867	31.6

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

2) Hydrocarbon imports are not included.

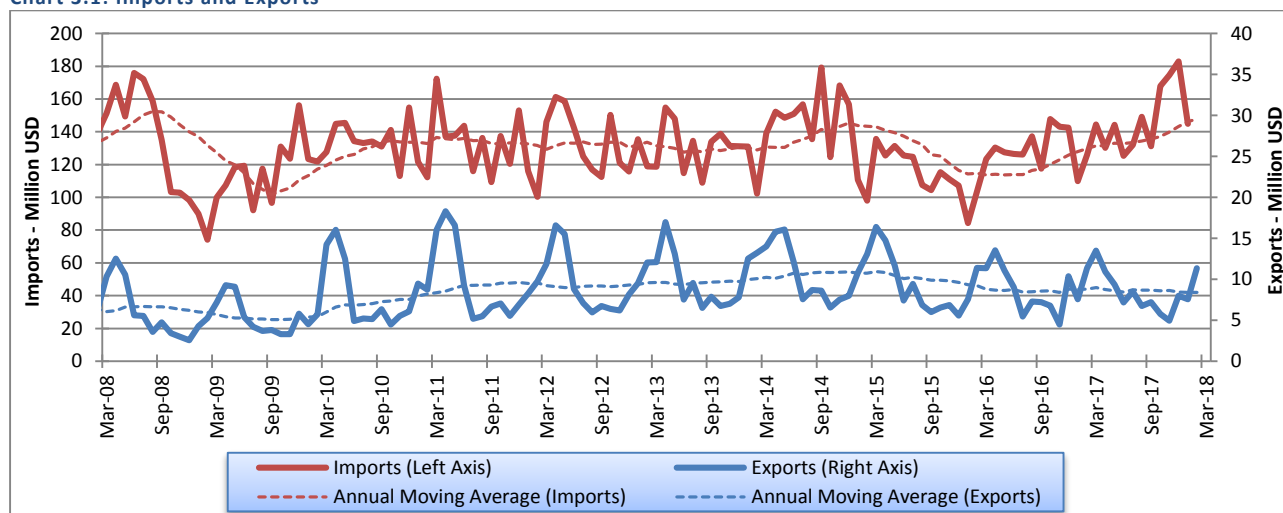
3) Import and export figures for 2018 are temporary figures.

Source: Department of Trade

When exports and imports of the TRNC for 10 years between the period January 2008 and January 2018 are analysed, it is observed that the exports volume increased in the first half of each year and dropped in the second half of each year. On the other hand, the annual moving average of exports displayed a steady upward trend in the period between 2010 and 2014, and it has decreased in the period after May 2015. Moreover, the difference between the peak and

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

Chart 3.1: Imports and Exports



Source: Department of Trade

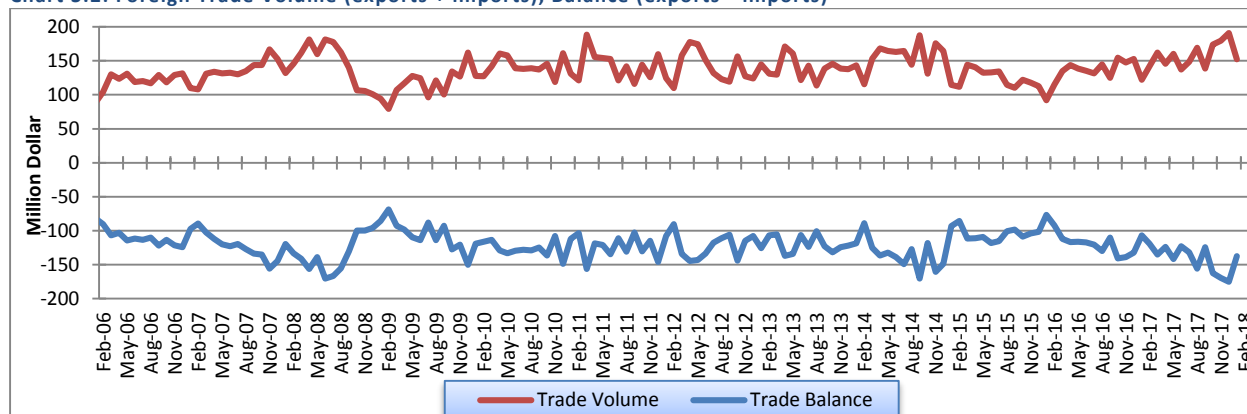
Due to the low imports to exports ratio, the increase in the foreign trade of the TRNC implies an increase in the foreign trade deficit and indicates the external dependency of the country's economy. Trade volume

in the period between January 2017 and January 2018 increased from 122.1 million USD to 152.3 million USD while foreign trade deficit was 107 million USD and 137.2 million USD, respectively.

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

rate was 7.1 percent and in January 2018, it was 5.2 percent.

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



Source: Department of Trade

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

2018, exports to Turkey, Middle East and Arab Countries and Other Countries increased, while exports to EU countries and Other European Countries decreased, compared to the same period of 2017.

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

Years	Turkey	EU	Other EU Countries	Middle East and Arab Countries	Other Countries
2006	47.6	15.0	15.1	17.8	4.5
2007	58.4	15.8	8.8	11.6	5.4
2008	49.9	20.5	5.9	17.0	6.7
2009	54.2	18.5	1.7	19.5	6.1
2010	46.4	12.2	3.6	32.3	5.5
2011	53.3	8.3	1.3	32.0	5.1
2012	51.0	7.7	1.0	35.7	4.6
2013	52.2	7.6	2.3	31.9	6.0
2014	60.1	3.7	0.6	31.1	4.5
2015	56.1	5.2	3.2	30.2	5.3
2016	62.5	10.2	0.9	22.7	3.7
2017	60.4	7.9	1.6	21.1	9.0
2018 (January-February)	66.3	2.0	5.6	17.5	8.5

Source: Department of Trade

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

other European countries and the Middle East and Arab countries. Looking at January 2018, it is observed that the share of imports from all country groups increased when compared to the same month of 2017.

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

Years	Turkey	EU	Far Eastern Countries	Other EU Countries	Middle East and Arab Countries	Other Countries
2006	68.8	18.0	6.0	1.2	4.8	1.2
2007	67.9	16.1	7.3	2.6	4.3	1.8
2008	69.8	14.0	6.5	4.7	3.4	1.6
2009	69.6	15.5	6.6	2.3	4.0	2.0
2010	70.9	15.6	5.7	1.9	4.3	1.6
2011	68.6	16.8	4.9	2.5	5.2	2.0
2012	72.4	14.5	4.8	1.7	4.8	1.8
2013	66.7	15.8	6.6	3.8	5.4	1.7
2014	64.7	15.5	8.1	4.6	4.9	2.2
2015	64.5	18.1	7.7	3.0	4.7	2.0
2016	60.4	20.9	8.7	3.3	4.5	2.2
2017	58.9	21.3	8.0	3.5	5.0	3.3
2018 (January)	64.2	14.0	8.8	4.5	4.6	3.9

Source: Department of Trade

3.2 TOURISM

In the first quarter of 2018, the total number of arriving passengers, which was 405,747, increased by 6.7 percent compared to the same period of 2017.

In the first quarter, the number of arriving Turkish Citizen Passengers increased by 9.1 percent, compared

to the same period of the previous year and the number of passengers from third countries decreased by 9 per mille.

Table 3.4: Number of Passengers Arriving in the TRNC

Period	Turkish Citizen			Third Country Citizen			Total		
	2017	2018	Percentage Change	2017	2018	Percentage Change	2017	2018	Percentage Change
January	85,102	97,305	14.3	20,242	21,783	7.6	105,344	119,088	13.0
February	101,113	108,195	7.0	31,737	33,105	4.3	132,850	141,300	6.4
March	101,949	108,825	6.7	40,252	36,534	-9.2	142,201	145,359	2.2
Quarter I	288,164	314,325	9.1	92,231	91,422	-0.9	380,395	405,747	6.7

Source: Tourism Planning Department

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

When the occupancy rates of the touristic facilities in our country in the years 2017 and 2018 are examined, it is observed that the occupancy rate of January and February 2018 is higher than the same period of the previous year and the occupancy rate of March 2018 is lower than the same month of last year.

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

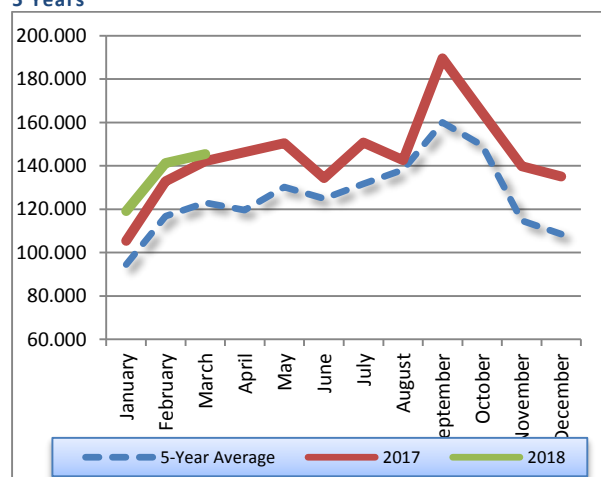
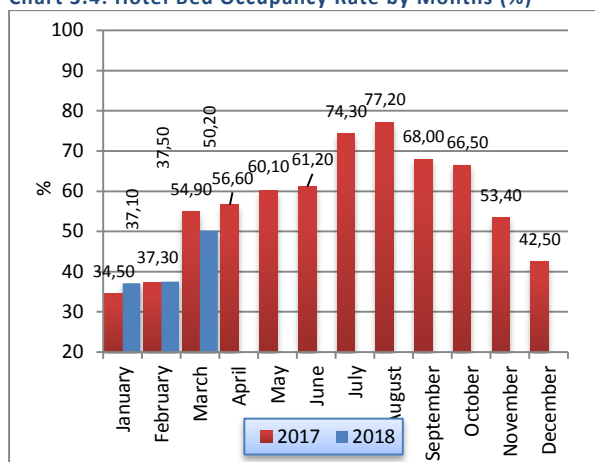


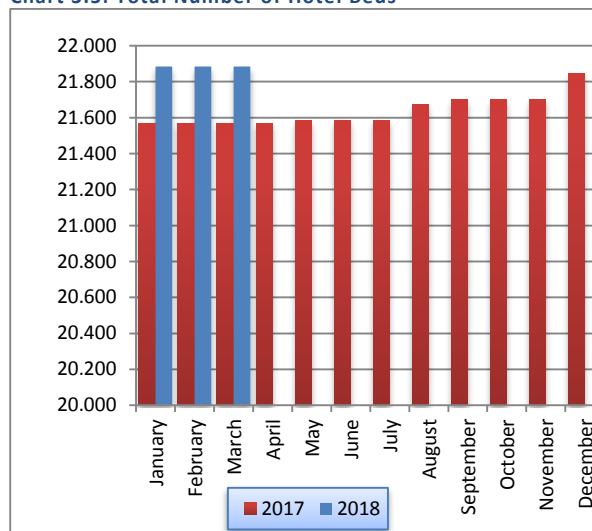
Chart 3.4: Hotel Bed Occupancy Rate by Months (%)



Source: Tourism Planning Department

When the development of the total hotel bed capacity of the sector in the years 2017 and 2018 is studied, it is observed that the bed capacity of 21,567 in the first quarter of 2017 reached 21,885 by the first quarter of 2018.

Chart 3.5: Total Number of Hotel Beds



Source: Tourism Planning Department

4 BUDGETARY DEVELOPMENTS

4.1 FIRST QUARTER 2018 RESULTS

In the first quarter of fiscal year 2018, TRNC total budget revenues decreased by 3.2 percent and total expenditures increased by 4.3 percent, compared to the same period of the previous year. Following these changes, budget revenues and budget expenditures were 1,012.1 and 941.3 million TRY in the first quarter of 2018. In the first quarter of 2017, public finance, which had a surplus of 143 million TRY, had a surplus of 70.8 million TRY in the same period of 2018.

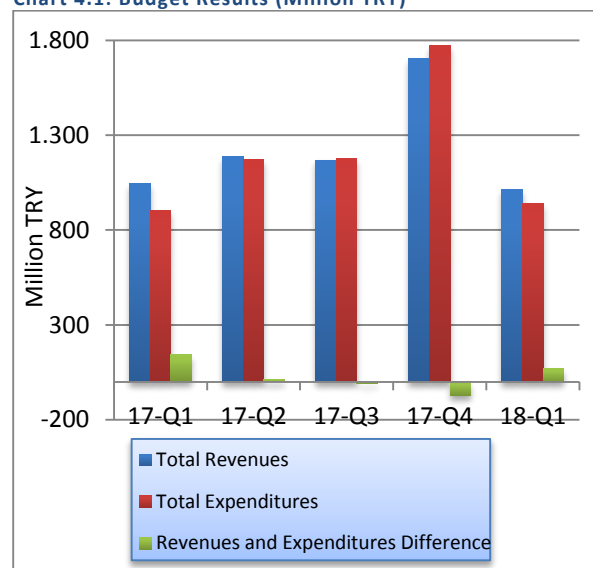
Table 4.1: Budget Balance (Million TRY)

	2017		2018		% Change
	Annual Results	January-March Results	Annual Forecast	January-March Results	
Budget Revenues	5,102.1	1,045.2	5,732.0	1,012.1	-3.2
Budget Expenditures	5,023.6	902,2	5,815.0	941,3	4.3
Budget Balance	78.5	143.0	-83.0	70.8	-50.5

Source: Ministry of Finance

20.5 percent of the total budget revenues of 5,182.1 million TRY obtained in 2017 were collected in the first quarter. In the same period of 2018, 17.7% of the foreseen total budget revenues were collected. In 2018, 16.2 percent of 5,815 million TRY, estimated to be used in the execution of services and activities was used within the first quarter. This rate was 18 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 first quarter of fiscal year 2018, budget revenues decreased by 33.1 million TRY compared to the same period of the previous year and amounted to 1,012.1 million TRY. Tax revenues item with the largest share in budget revenues totalled 731.7 million TRY in the first quarter of 2018. Total tax revenues were 589.1 million TRY in the same period of 2017. Donations, grants and loans item, which had the second highest share in budget revenues in the first quarter of 2017, decreased by 17.1 percent compared to the same period of the previous year and reached 254,3 million TRY in the first quarter of 2018. The reason for the increase in other incomes is that Ercan Airport privatization revenues will start to be collected by 2018.

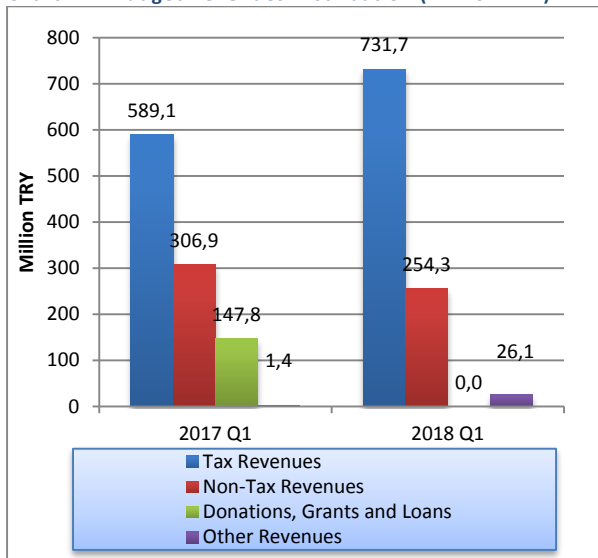
Table 4.2: Budget Revenues (Million TRY)

	2017 January-March	2018 January-March	% Change
Tax Revenues	589.1	731.7	24.2
Non-Tax Revenues	306.9	254.3	-17.1
Donations, Grants and Loans	147.8	0	-
Other Revenues	1.4	26.1	1,764.3
Total	1,045.2	1,012.1	-3.2%

Source: Ministry of Finance

While the share of donations, grants and loans in total budget revenues was 14.1 percent in the first quarter of 2017, it was 0 percent in the same period of 2018. In the same period, while the share of tax revenues item was 56.4 percent, it reached 72.3 percent, and the share of non-tax revenues was 56.4 percent, it reached 72.3 percent, and the share of non-tax revenues was 29.3 percent and it declined to 25.2 percent. The share of other revenues item increased from 0.1 percent to 2.5 percent.

Chart 4.2: Budget Revenues Distribution (Million TRY)



Source: Ministry of Finance

4.3 EXPENDITURES

As of the first quarter of 2018, total budget expenditures increased by 4.33 percent compared to the same period of the previous year and reached to 941,3 million TRY from 902,2 million TRY. In the mentioned periods, current transfers and personnel expenditures item increased by 7.6 and 17.6 percent, respectively.

Current transfers expenditure item of the TRNC budget reached 455.6 million TRY in the first quarter of 2018. In this period, personnel expenditures item which increased by 17.6 percent compared to the same period of previous year, reached to 421.9 million TRY. Capital expenditures and transfers item decreased by 76.5 percent during the same period and amounted to 8.4 million TRY in the first quarter of 2018.

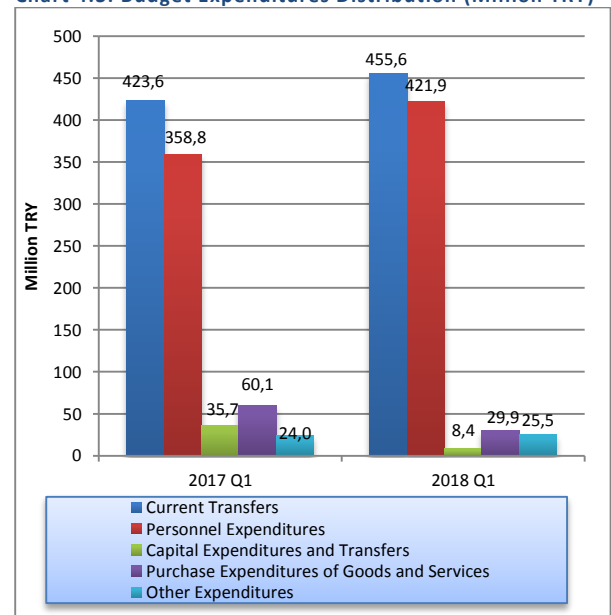
Table 4.3: Budget Expenditures (Million TRY)

	2017 January- March	2018 January- March	% Change
Current Transfers	423,6	455,6	7.6
Personnel Expenditures	358,8	421,9	17.6
Capital Expenditures and Transfers	35,7	8,4	-76.5
Goods and Service Purchase Expenditures	60,1	29,9	-50.3
Other Expenditures	24,0	25,5	6.3
Total	902,2	941,3	4.33

Source: Ministry of Finance

The share of personnel expenditures item in total expenditures was 39.8 percent in the first quarter of 2017, while it is 44.8 percent in the first quarter of 2018. In the first quarter of 2017, the share of the current transfers constituting 47 percent of the total budget expenditures increased in the first quarter of 2018 and became 48.4 percent. The share of personnel expenditures and current transfers in budget expenditures was 86.7 percent in the first quarter of 2017 and it became 93.2 percent in the same period of 2018.

Chart 4.3: Budget Expenditures Distribution (Million TRY)



Source: Ministry of Finance

4.4 BUDGET IMPLEMENTATION RESULTS

At the end of the first quarter of 2018, 17.66 percent of the budget revenues expected for 2018 were collected and 16.19 percent of the expected total

budget expenditures were spent. For the same period of 2017, these rates were 20.49 percent and 17.96 percent, respectively.

Table 4.4: Budget Implementation Results (Million TRY)

	2017	2018	2017 – 2018 Change (%)	2017 3-Month Results	2018 3-Month Results	2017 First 9-Month Results (%)	2018 3-Month Results (%)	
Revenues	Tax Revenues	3,047.1	3,321.8	9.02	589,1	731,7	19.33	22.03
	Non-Tax Revenues	1,048.1	1,067.2	1.82	306,9	254,3	29.28	23.88
	Donations, Grants and Loans	930.8	1,230.0	32.14	147,8	0	15.88	0.00
	Other Revenues	76.1	113,0	48.49	1.4	26.1	1.84	22.66
	Grand Total	5,102.1	5,732.0	12.35	1,045.2	1,012.1	20.49	17.66
Expenditures	Current Transfers	2,360.0	2,446.6	3.67	423,6	455,6	17.95	18.62
	Personnel Expenditures	1,768.8	1,907.6	7.85	358,8	421,9	20.29	22.12
	Capital Expenditures and Transfers	406,5	390,9	-3.84	35,7	8.4	8.78	2.15
	Goods and Service Purchase Expenditures	371,1	417,9	12.61	60,1	29.9	16.19	7.15
	Other Expenditures	117,2	652,0	456,31	24,0	25.5	20.48	3.91
Grand Total	5,023.6	5,815.0	15,75	902,2	941,3	17.96	16.19	

Source: Ministry of Finance

4.5 FINANCING BALANCE

The financing balance, which is equal to the difference between the total revenues figure (obtained by subtracting the loans extended by Turkey and domestic borrowing items from the budget revenues) and budget expenditures, increased by 20 percent in the first quarter of 2018 compared to the same period of the previous year and reached 70.8 million TRY.

In the first quarter of 2018, tax revenues item increased by 142.6 million TRY and non-tax revenues item decreased by 52.1 million TRY. Domestic income item increased by 12.8 percent and reached 1,012.1 million TRY.

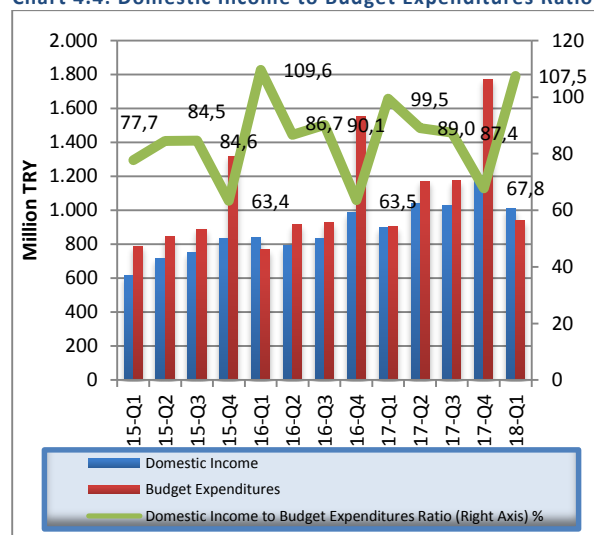
Table 4.5: Financing Balance (Million TRY)

	2017 January– March	2018 January– March
Budget Revenues	961,2	1,012.1
1. Domestic Income	897,4	1,012.1
Tax Revenues	589,1	731,7
Non-Tax Revenues	306,9	254,8
Other Revenues	1.4	25,6
2. Foreign Aids	63,8	0.0
Grants Extended by Turkey	63,8	0.0
Budget Expenditures	902,2	941,3
Personnel Expenditures	358,8	421,9
Current Transfers	423,6	455,6
Capital Expenditures	35,7	8,4
Other Expenditures	84,1	55,4
Financing Balance	59,0	70,8
Financing	84,0	0,0
Loans Extended by Turkey	84,4	0,0
Domestic Borrowing	0,0	0,0

Source: Ministry of Finance

According to the budget figures of the first quarter of 2018, the domestic income to budget expenditures ratio has been 107.5 percent. The same ratio was 99.5 percent in the first quarter of 2017.

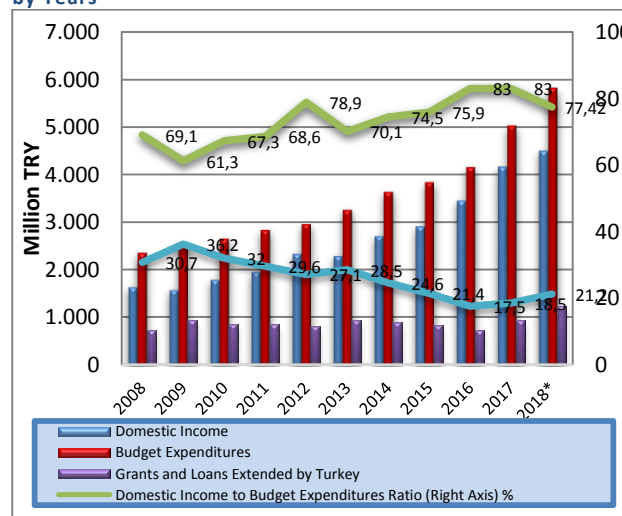
Chart 4.4: Domestic Income to Budget Expenditures Ratio



Source: Ministry of Finance

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

Chart 4.5: Domestic Income to Budget Expenditures Ratio by Years



Source: Ministry of Finance

*: Forecast

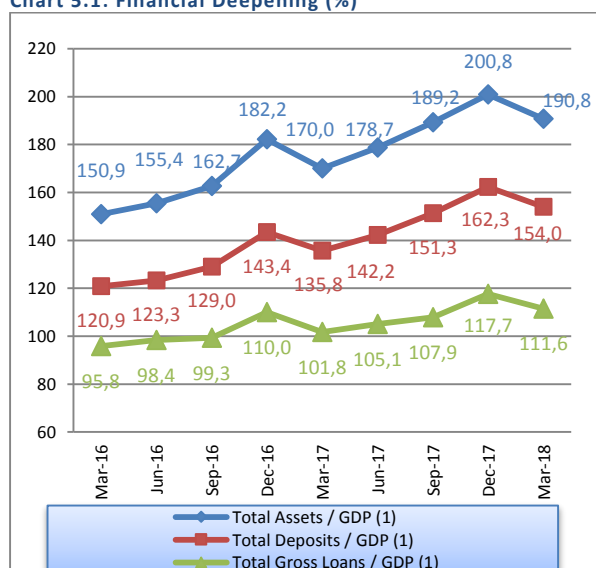
5 MONETARY AND FINANCIAL DEVELOPMENTS

5.1 OVERVIEW OF THE BANKING SECTOR

5.1.1 FINANCIAL DEEPENING

When the financial deepening figures of the first quarter of 2018 are analysed, the total gross loans to GDP ratio decreased from 117.7 percent to 111.6 percent, the total assets to GDP ratio decreased from 200.8 percent to 190.8 percent and the total deposits to GDP ratio decreased from 162.3 percent to 154.0 percent. However, since GDP forecast figures are used for 2017 and 2018 calculations, there is going to be a revision when the actual figures are announced.

Chart 5.1: Financial Deepening (%)



Note: Note: (1) GDP results for the year 2016 and the SPO's GDP forecast figures for the years 2017-2018 are used.

Source: Central Bank of the TRNC, SPO

5.1.2 PERFORMANCE RATIOS OF THE BANKING SECTOR

In the sector, the share of liquid assets in total assets declined to 26.37 percent in the first quarter of 2018, compared to the previous quarter. This rate was 25.28 percent in the same period of the previous year.

The CASR (Capital Adequacy Standard Ratio), which was 18.26 percent at the end of March 2017, decreased by 0.86 points to 17.4 percent in the first quarter of 2018.

The share of NPL in gross loans remained steady as 5.72 percent at the end of March 2018, compared to the previous quarter.

The gross loans to deposits ratio decreased by 0.1 percentage points to 72.45 percent in the first quarter of 2018, compared to the previous period.

The share of gross loans in total assets, which was 59.86 percent in March 2017, declined to 58.47 percent in the first quarter of 2018. It decreased by 0.14 points, compared to the previous quarter.

In the first quarter of 2018, growth rate of gross loans increased by 5.81 percent compared to the previous quarter. Gross loans increased by 3.67 percent in the same period of the previous year.

Compared to the previous quarter, deposits increased by 7.24 percent at the end of December 2017, showing an increase of 5.95 percent in the first quarter of 2018.

The financial leverage ratio, which was 9.99 at the end of December 2017, reached 10.01 in the first quarter of 2018.

Table 5.1: Performance Ratios

	2017				2018
	Mar.	Jun.	Sept.	Dec.	Mar.
Liquid Assets / Total Assets (%)	25,28	26,27	27,80	27,42	26,37
CASR (%)	18,26	18,04	18,27	17,30	17,40
NPL / Gross Loans (%)	6,20	6,08	6,06	5,72	5,72
Gross Loans / Total Deposits (%)	74,96	73,90	71,31	72,55	72,45
Gross Loans / Total Assets (%)	59,86	58,83	57,02	58,61	58,47
Quarterly Growth Rate on Gross Loans (%)	3,67	3,18	2,65	9,11	5,81
Quarterly Growth Rate on Deposits (%)	6,11	4,55	6,37	7,24	5,95
Financial Leverage ¹	9,24	9,44	9,54	9,99	10,01

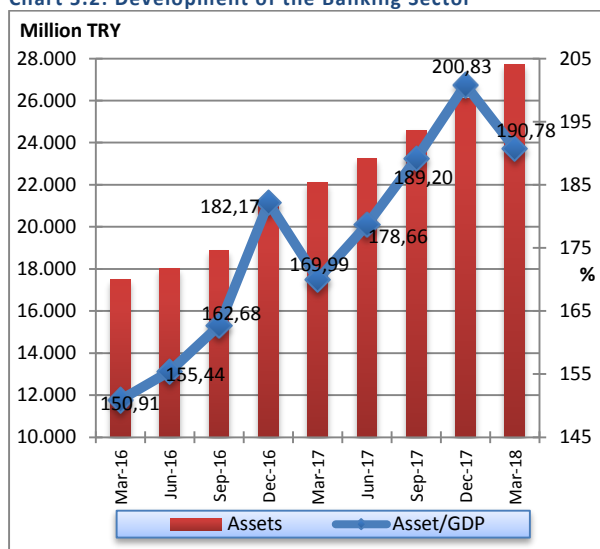
Note: (1) Foreign Resources / Total Shareholders' Equity

Source: Central Bank of the TRNC

5.1.3 DEVELOPMENT OF THE BANKING SECTOR

By the end of March 2018, the ratio of the banking sector balance sheet size to GDP fell to 190.78 percent.

Chart 5.2: Development of the Banking Sector



Note: Note: (1) GDP results for the year 2016 and the SPO's GDP forecast figures for the years 2017-2018 are used.

5.1.4 CONCENTRATION IN THE BANKING SECTOR

Analysing the concentration in the banking sector, the share of the largest five banks in the sector in terms of asset size in the first quarter of 2018 is 55.23 percent, and the share of the top ten banks in total assets is 78.56 percent.

In terms of the size of gross loans in the same period, the share of the first five banks in the sector is 56.22 percent and the share of the top ten banks is 80.64 percent.

In terms of deposit size, the share of the five largest banks in total deposits is 56.87 percent and the share of the top ten banks is 79.91 percent.

In terms of the size of shareholders' equity in the period, the share of the first five banks in total shareholders' equity is 49.75 percent, while the share of the top ten banks is 78.27 percent.

The share of the first five banks in the sector is 61.62 percent and the share of the top ten banks is 92.81 percent, in terms of the size of the debts to the banks item.

Table 5.2: Concentration in the Banking Sector (%)

Shares of the First Five Banks in the Sector	2017				2018
	March	June	September	December	March
Assets	55.23	54.64	54.72	55.15	55.23
Gross Loans	58.34	56.73	56.34	57.01	56.22
Deposits	57.51	56.81	56.94	56.80	56.87
Debts to Banks	62.90	58.03	55.47	58.42	61.62
Shareholders' Equity	51.01	50.66	50.37	50.38	49.75
Shares of the First Ten Banks in the Sector	2017				2018
Assets	77.64	77.47	77.78	78.47	78.56
Gross Loans	81.80	81.09	80.83	81.11	80.64
Deposits	80.09	79.92	79.91	80.07	79.91
Debts to Banks	89.08	88.45	87.22	90.64	92.81
Shareholders' Equity	76.70	76.80	77.22	78.36	78.27

Source: Central Bank of the TRNC

5.1.5 NUMBER OF BANKS, BRANCHES AND PERSONNEL

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

	Mar.16	Jun.16	Sept.16	Dec.16	Mar.17	Jun.17	Sept.17	Dec.17	Mar.18
Public Banks	2	2	2	2	2	2	2	2	2
Private Banks	13	13	14	14	14	14	14	14	14
Branch Banks	7	7	6	6	6	6	6	5	5
Total	22	22	22	22	22	22	22	21	21

Source: Central Bank of the TRNC

The number of bank branches in the sector is 232 in the first quarter of 2018. When the distribution of branch numbers according to bank groups is examined,

it is seen that 69.4 of the total number of branches belongs to private banks, 16.81 to branch banks and 13.79 to public banks.

Table 5.4: Development of the Number of Branches and Personnel

Development of the Number of Branches									
	Mar.16	Jun.16	Sept.16	Dec.16	Mar.17	Jun.17	Sept.17	Dec.17	Mar.18
Public Banks	36	36	36	36	36	36	34	33	32
Private Banks	145	145	152	151	152	153	156	161	161
Branch Banks	46	46	45	45	44	45	43	39	39
Total	227	227	233	232	232	234	233	233	232

Development of the Number of Personnel (persons)									
	Mar.16	Jun.16	Sept.16	Dec.16	Mar.17	Jun.17	Sept.17	Dec.17	Mar.18
Public Banks	516	504	554	548	564	559	565	558	554
Private Banks	1,814	1,807	1,875	1,934	1,924	1,927	1,965	2,024	2,038
Branch Banks	551	567	560	562	564	564	570	524	519
Total	2,881	2,878	2,989	3,044	3,052	3,050	3,100	3,106	3,111

Source: Central Bank of the TRNC

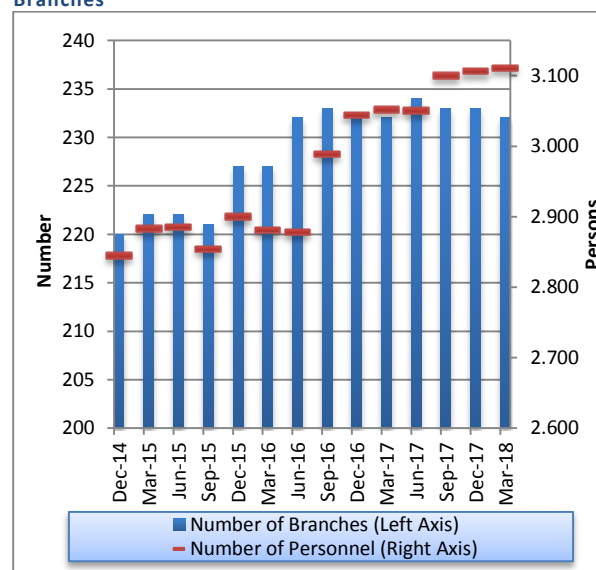
The number of personnel employed in the sector increased by 5 persons and reached to 3,111 from 3,106 during December 2017 - March 2018 period. 554 of these personnel are working in public banks, 2,038 in private banks and 519 in branch banks. In this period, the number of personnel in private banks increased from 2,024 to 2,038, the number of personnel in public banks fell from 558 to 554, and the number of personnel in branch banks fell from 524 to 519.

During March 2017 - March 2018 period, the number of personnel working in the banking sector increased by 59 persons to reach 3,111 from 3,052. In the mentioned period, when the change in the number of personnel is analysed based on bank groups, there was an increase of 114 persons in private banks, 10 persons in public banks and there was a decrease of 45 persons in branch banks.

In the first quarter of 2018, it is observed that 17.81 percent of the personnel working in the sector belongs to the public banks, 65.51 percent belongs to the

private banks and 16.68 percent belongs to the branch banks.

Chart 5.3: Development of Number of Personnel and Branches



Source: Central Bank of the TRNC

5.2 BANKING SECTOR CONSOLIDATED BALANCE SHEET

The total assets of the banking sector, which was 26,115.3 million TRY at the end of December 2017, increased by 6.06 percent in the first quarter of 2018 and reached 27,698.6 million TRY. In the aforementioned period, liquid assets increased by 1.98 percent, gross loans by 5.81 percent, securities portfolio by 16.2 percent and other assets by 14.19 percent. In March 2017 - March 2018 period, total assets of the sector increased by 25.3 percent, liquid

assets by 30.68 percent, gross loans by 22.4 percent, and securities portfolio by 24.06 percent. In the same period, deposits increased by 26.63 percent and shareholders' equity increased by 16.51 percent.

Deposits, which is the most important funding source of the sector increased by 5.95 percent and the shareholders' equity increased by 5.84 percent in December 2017 - March 2018 period.

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

	2017				2018	Percentage Change	
	March	June	September	December	March	12/2017 - 03/2018	03/2017 - 03/2018
Liquid Assets	5,589.2	6,103.5	6,840.0	7,161.8	7,303.9	1.98	30.68
Securities Portfolio	1,596.6	1,601.3	1,632.6	1,704.6	1,980.8	16.20	24.06
Total Gross Loans	13,231.5	13,666.3	14,028.2	15,306.2	16,195.6	5.81	22.40
Other Assets	1,687.7	1,861.0	2,101.9	1,942.7	2,218.3	14.19	31.44
Total Assets-Liabilities	22,105.0	23,232.1	24,602.7	26,115.3	27,698.6	6.06	25.30
Deposits	17,652.4	18,494.1	19,672.9	21,098.1	22,352.7	5.95	26.63
Debts to Banks	1,460.1	1,551.4	1,600.6	1,637.5	1,638.0	0.03	12.18
Other Liabilities	833,3	960,8	994,9	1,002.9	1,192.2	18.88	43.07
Shareholders' Equity	2,159.2	2,225.8	2,334.3	2,376.8	2,515.7	5.84	16.51

Source: Central Bank of the TRNC

5.2.1 DEVELOPMENTS IN THE STRUCTURE OF ASSETS AND LIABILITIES

In the first quarter of 2018, the largest share in the sector's total assets is gross loans with 58.47 percent. Gross loans are followed by liquid assets with a share of 26.37 percent, other assets with a share of 8.01 and securities portfolio with 7.15 percent.

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

As of March 2018, 80.7 percent of the total liabilities is deposits, 9.08 percent is shareholders' equity, 5.91 percent is debts to banks and 4.31 percent is other liabilities.

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

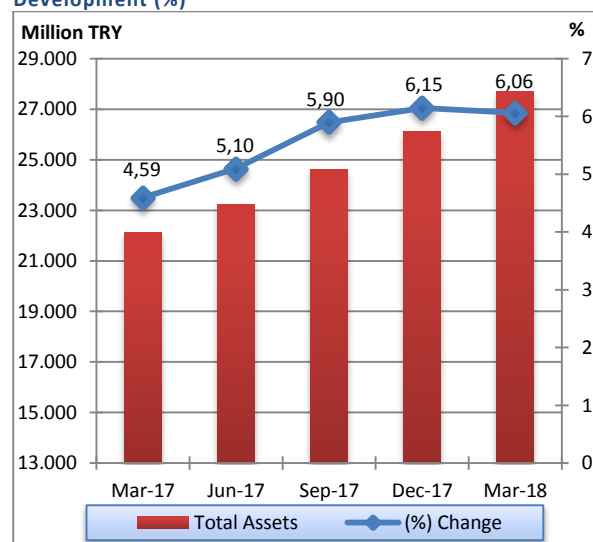
Table 5.6: Structural Percentage Distribution of Banking Sector Assets / Liabilities (%)

Assets	2017				2018
	March	June	September	December	March
Liquid Assets	25,28	26,27	27,80	27,42	26,37
Securities Portfolio	7.22	6.89	6.64	6.53	7.15
Total Gross Loans	59,86	58,83	57,02	58,61	58,47
Other Assets	7.64	8.01	8.54	7.44	8.01
Total	100.00	100.00	100.00	100.00	100.00
Liabilities					
Total Deposits	79.86	79.61	79.96	80.79	80.70
Debts to Banks	6.61	6.68	6.51	6.27	5.91
Other Liabilities	3.76	4.13	4.04	3.84	4.31
Shareholders' Equity	9.77	9.58	9.49	9.10	9.08
Total	100.00	100.00	100.00	100.00	100.00

Source: Central Bank of the TRNC

The banking sector's total assets, which grew during all periods from March 2017 to March 2018, increased by 4.59 percent in the first quarter of 2017. In the second and third quarters of 2017, an increase of 5.1 percent and 5.9 percent has been observed and there was an increase of 6.15 percent in the fourth quarter. Finally, there was an increase of 6.06 in the first quarter of 2018.

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

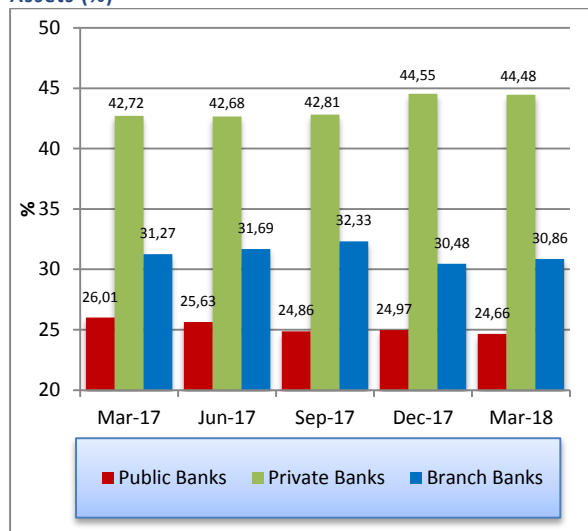


Source: Central Bank of the TRNC

In the first quarter of 2018, sector’s total assets increased from 30.48 to 30.86 percent in the branch banks group and decreased from 24.97 percent to 24.66 percent in the public banks group, and in the private banks group it decreased from 44.55 percent to 44.48 percent. In March 2017 - March 2018 period, there was a downsizing in the group of public and branch banks and a growth in private banks group.

In the first quarter of 2018, compared to the previous quarter, public banks’ total assets increased by 4.77 percent, private banks’ total assets increased by 5.87 percent and branch banks’ total assets increased by 7.41 percent. Compared to the same period of the previous year, total assets increased by 18.87 percent in public banks, 30.41 percent in private banks and 23.68 percent in branch banks.

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



Source: Central Bank of the TRNC

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

	2017				2018	Percentage Change	
	March	June	September	December	March	12/2017-03/2018	03/2017-03/2018
Public Banks	5,749.3	5,955.1	6,116.1	6,523.2	6,834.2	4.77	18.87
Private Banks	9,444.1	9,914.3	10,532.4	11,633.4	12,316.3	5.87	30.41
Branch Banks	6,911.6	7,362.7	7,954.2	7,958.7	8,548.1	7.41	23.68
Total	22,105	23,232.1	24,602.7	26,115.3	27,698.6	6.06	25.30

Source: Central Bank of the TRNC

5.2.2 LIQUID ASSETS

The cash assets sum, 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 1.98 percent in the first quarter of 2018 and reached 7,303.9 million TRY from 7.161,8 million TRY.

In this period, a decrease of 3.5 million TRY in the receivables from the IMM (Interbank Money Market) transactions item, an increase of 1 million TRY in the

cash values item, 125.3 million TRY in the receivables from the Central Bank item and 19.3 million TRY in the receivables from the banks item was recorded.

Liquid assets amounting to 5,589.2 million TRY at the end of March 2017 increased to 7,303.9 million TRY at the end of March 2018. In the period, cash assets increased by 27.6 million TRY, receivables from the Central Bank increased by 658.5 million TRY, receivables from IMM transactions increased by 474.8 million TRY and receivables from banks increased by 553.8 million TRY.

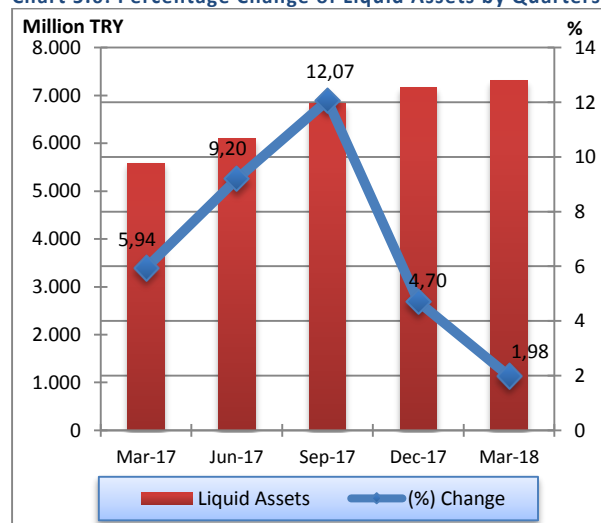
Table 5.8: Development of Liquid Assets (Million TRY)

	2017				2018	Percentage Change
	March	June	September	December	March	12/2017 - 03/2018
Cash Assets	189,8	208,7	227,9	216,4	217,4	0.46
Receivables from the Central Bank	2,028.9	2,209.9	2,433.8	2,562.1	2,687.4	4.89
Receivables from Interbank Money Market Transactions	1,020.8	1,012.1	1,251.5	1,499.1	1,495.6	-0.23
Receivables from Banks	2,349.7	2,672.8	2,926.8	2,884.2	2,903.5	0.67
Total	5,589.2	6,103.5	6,840.0	7,161.8	7,303.9	1.98

Source: Central Bank of the TRNC

Liquid assets increased by 5.94 percent in the first quarter of 2017. It increased by 9.2 percent in the second quarter, 12.07 percent in the third quarter, 4.7 percent in the fourth quarter of 2017 and 1.98 percent in the first quarter of 2018.

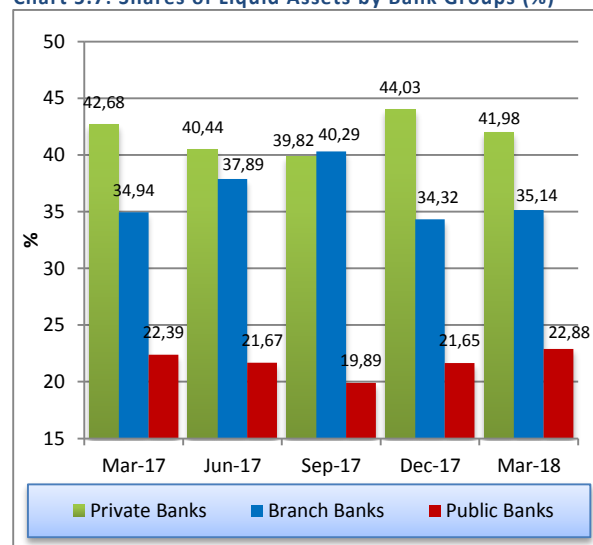
Chart 5.6: Percentage Change of Liquid Assets by Quarters



Source: Central Bank of the TRNC

In the first quarter of 2018, liquid assets of private banks decreased while the liquid assets of public banks and branch banks increased, compared to the previous quarter. In March 2017 - March 2018 period, there is an increase in branch and public banks, while there is a decrease in the number of private banks.

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



Source: Central Bank of the TRNC

5.2.3 LOANS

Business loans, which amounted to 8,907.5 million TRY as of March 2018, are in the first place as in the previous periods. They are followed by consumer loans with 4.255,4 million TRY.

During the period from March 2017 to March 2018, business loans increased from 7,206.5 million TRY to 8,907.5 million TRY while consumer loans increased to 4,255.4 million TRY from 3,514.2 million TRY.

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

	2017				2018
	March	June	September	December	March
Business Loans	7,206.5	7,475.2	7,598.6	8,406.5	8,907.5
Consumer Loans	3,514.2	3,642.2	3,815.2	4,152.9	4,255.4
Credit Cards	358,9	379,2	391,6	394,7	392,4
Discount Loans	179,4	180,0	178,0	195,0	206,2
Other Investment Loans	112,6	91,3	111,2	112,0	102,9
Import Loans	3,8	3,2	3,5	3,7	4,2
Loans of Funds Originated	14,4	14,2	15,9	17,1	17,0
Directed Loans	22,8	20,3	16,7	21,2	22,1
Export Loans	5,6	6,1	6,9	6,1	5,2
Loans Extended by Central Bank of the TRNC	0,0	5,3	5,4	5,7	0,0
Loans Extended Through Central Bank of the TRNC	0,0	0,0	0,0	0,0	0,0
Loans to Purchase Security for Customers	0,1	0,1	0,1	0,1	0,2
Export Guaranteed Investment Loans	0,0	0,0	0,0	0,0	0,0
Other Loans	992,5	1,019,0	1,034,9	1,116,3	1,356,4
Total Loans	12,410.8	12,836.1	13,178.0	14,431.3	15,269.5

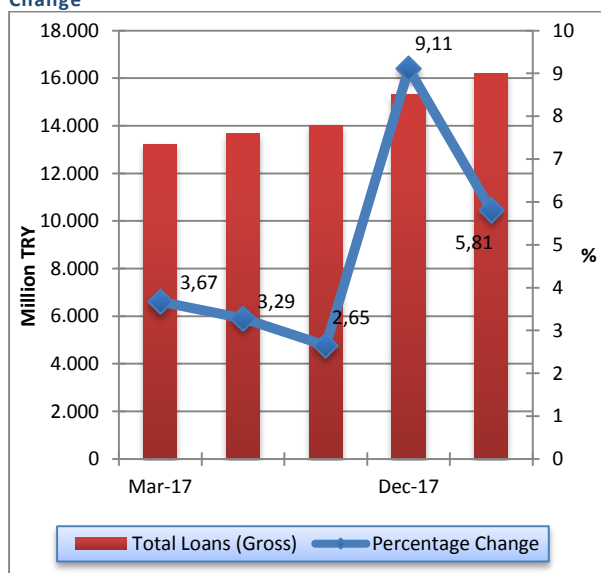
Note: Non-performing loans are not included.

Source: Central Bank of the TRNC

Gross loans of the sector increased by 3.67 percent at the end of March 2017 and 3.29, 2.65 and 9.11 percent at the end of June, September and December, respectively. Gross loans increased by 5.81 percent as of March 2018.

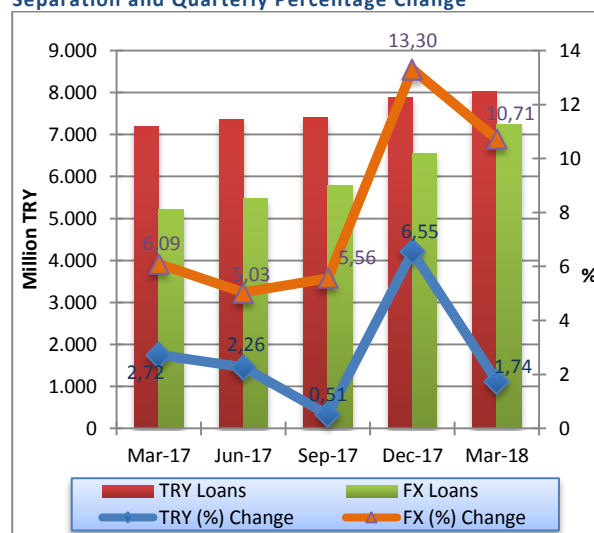
In the first quarter of 2018, 8,023.4 million TRY of the loans are in TRY currency and 7,246.1 million TRY are in foreign currency. In the period, there was an increase of 1.74 percent in TRY loans and 10.71 percent in FX loans, compared to the previous quarter.

Chart 5.8: Development of Gross Loans and Percentage Change



Source: Central Bank of the TRNC

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 the TRNC

In the first quarter of 2018, public banks' gross loans increased by 1.9 per mille in TRY currency and increased by 3.86 percent in FX currency, compared to the previous quarter. Gross loans of private banks

increased by 1.28 percent in TRY currency and by 14.53 percent in FX currency. Gross loans of branch banks increased by 3.32 percent in TRY and 8.22 percent in FX currency, in the mentioned period.

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

	December 2017			March 2018			Percentage Change 12/2017 - 03/2018		
	TRY	FX	Total	TRY	FX	Total	TRY	FX	Total
Public Banks	2,944.8	1,151.0	4,095.8	2,950.4	1,195.4	4,145.8	0.19	3.86	1.22
Private Banks	2,960.9	4,025.6	6,986.5	2,998.8	4,610.4	7,609.2	1.28	14.53	8.91
Branch Banks	2,662.8	1,561.1	4,223.9	2,751.2	1,689.4	4,440.6	3.32	8.22	5.13
Total Loans (Gross)	8,568.5	6,737.7	15,306.2	8,700.4	7,495.2	16,195.6	1.54	11.24	5.81

Source: Central Bank of the TRNC

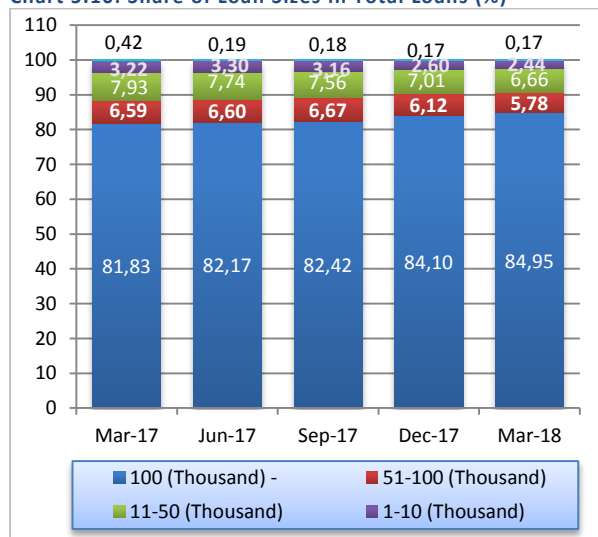
At the end of the first quarter of 2018, the share of loans over 100 thousand TRY in total loans was 84.95 percent.

In this period, 11-50 thousand TRY loans take the second place in loan sizes with a share of 6.66 percent. The loans amounting to 51-100 thousand TRY and 1-10 thousand TRY constitute 5.78 and 2.44 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 March 2017 - March 2018, the loans more than 100 thousand TRY increased and the loans of 51-100 thousand TRY, 11-50 thousand TRY, 1-10 thousand TRY and 0-1 thousand TRY decreased in terms of the share of the loan sizes in the total loans.

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 first quarter of 2018, short-term loans increased from 3,696 million TRY to 3,996.5 million TRY, and medium and long-term loans increased from 10,735.3 million TRY to 11,273 million TRY. In the period of March 2017 - March 2018, short-term loans decreased by 32.15 percent and medium and long-term loans increased by 72.87 percent.

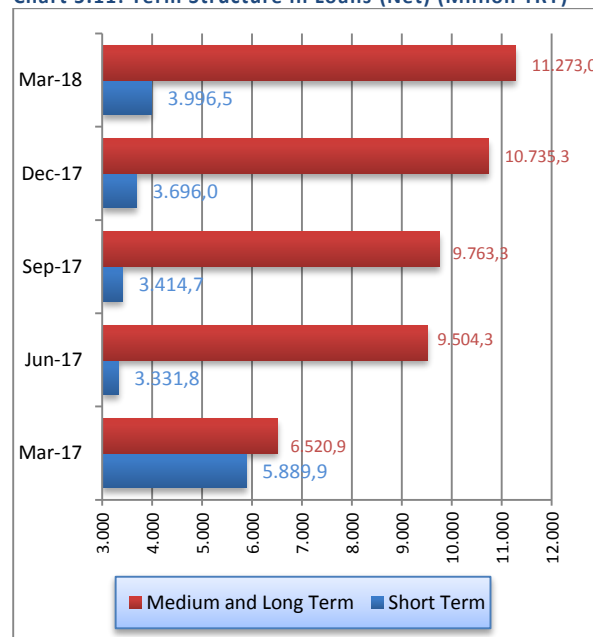
Chart 5.10: Share of Loan Sizes in Total Loans (%)



Note: Non-performing loans are not included.

Source: Central Bank of the TRNC

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

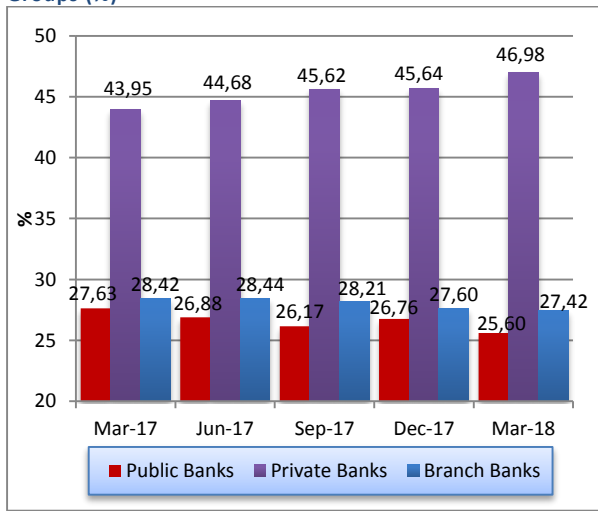


Note: Loans with up to 1-year term are classified as short-term loans.

Source: Central Bank of the TRNC

When the change in gross loans is examined, the share of private banks in the first quarter of 2018 has increased from 45.64 percent to 46.98 percent, compared to the previous quarter. The share of the loans extended by public banks group in the total loans decreased to 25.6 percent from 26.76 percent and the share of extended by branch banks decreased from 27.6 to 27.42 percent. During March 2017 - March 2018 period, the share of the loans extended by branch banks and public banks in total loans decreased while the share of private banks increased.

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

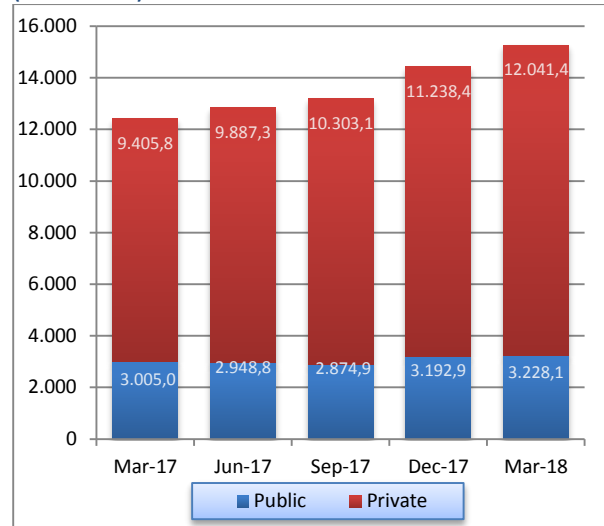


Source: Central Bank of the TRNC

As of March 2018, 78.86 percent of the banking sector total loans were extended to the private sector and 21.14 percent to the public sector. Compared to the previous quarter, the loans used by the public sector increased from 3,192.9 million TRY to 3,228.1 million TRY and private sector loans increased from 11,238.4 million TRY to 12,041.4 million TRY.

In March 2017 - March 2018 period, the increase rate of the loans used by the public was 7.42 percent and the increase rate of the loans used by the private sector was 28.02 percent.

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

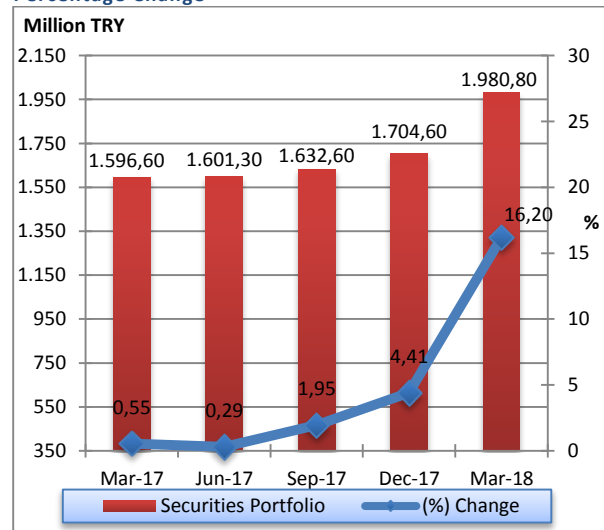


Source: Central Bank of the TRNC

5.2.4 SECURITIES PORTFOLIO

Securities portfolio increased by 16.2 percent as of March 2018, compared to the previous quarter. 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.

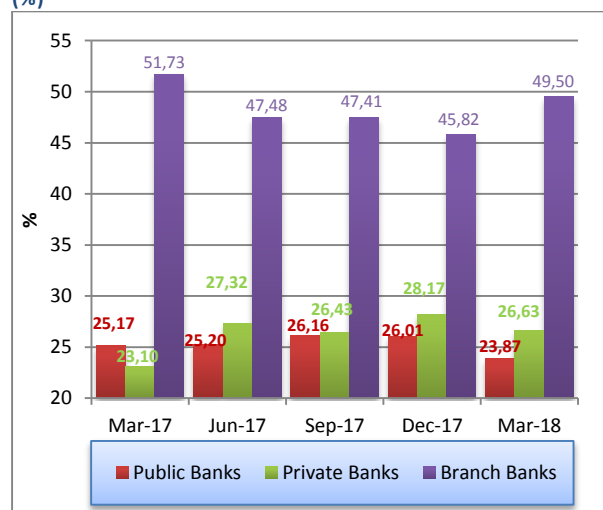
Chart 5.14: Securities Portfolio Totals and Quarterly Percentage Change



Source: Central Bank of the TRNC

In the first quarter of 2018, the share of public banks in total SP decreased from 26.01 percent to 23.87 percent and the share of private banks decreased from 28.17 percent to 26.63 percent, while the share of branch banks increased from 45.82 percent to 49.50 percent, compared to the previous quarter. In March 2017 - March 2018 period, there is a decrease in branch banks and public banks group, while there is an increase in the private banks group.

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



Source: Central Bank of the TRNC

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

	2017				2018
	March	June	September	December	March
Savings	12,895.4	13,373.9	14,146.6	15,380.3	16,210.0
Trading	3,310.7	3,512.2	3,914.2	3,942.5	4,270.9
Official	1,107.3	1,294.5	1,344.5	1,499.0	1,504.5
Other	339,0	313,5	267,5	276,3	367,3
Total Deposits	17,652.4	18,494.1	19,672.9	21,098.1	22,352.7
Debts to Banks	1,460.0	1,551.4	1,600.6	1,637.5	1,638.0
Total Deposits Including Debts to Banks	19,112.4	20,045.5	21,273.5	22,735.6	23,990.7

Source: Central Bank of the TRNC

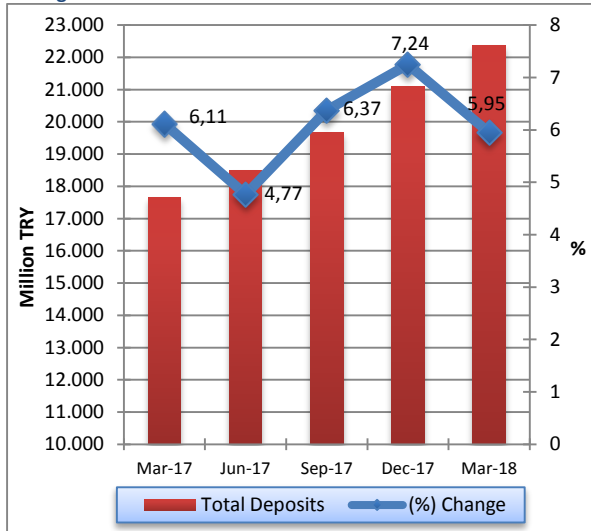
5.2.5 DEPOSITS

Deposits, which is the most important funding source of the sector increased by 5.95 percent, compared to the previous quarter. Deposits increased by 26.63 percent in one-year period and amounted to 22.352,7 million TRY at the end of March 2018.

As of the end of March 2018, it is observed that the largest share belongs to savings deposits with 16,210 million TRY as it was in the previous periods. This is followed by commercial deposits with 4,270.9 million TRY and official deposits with 1,504.5 million TRY. In March 2017 - March 2018 period, savings deposits increased by 25.7 percent, commercial deposits by 29 percent and official deposits by 35.87 percent.

In 2017, total deposits increased by 6.11 percent in the first quarter, 4.77 percent in the second quarter, 6.37 percent in the third quarter and 7.24 percent in the last quarter. In the first quarter of 2018, the upward trend continued and it increased by 5.95 percent.

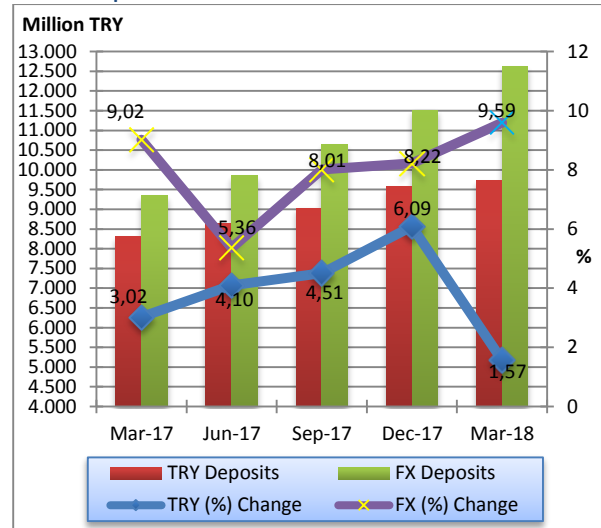
Chart 5.16: Development of Deposits and Percentage Change



Source: Central Bank of the TRNC

In the first quarter of 2018, it is observed that deposits amounted to 9,732.5 million TRY in Turkish Lira currency and 12,620.2 million TRY in foreign currency. In the period, TRY deposits increased by 1.57 percent and FX deposits increased by 9.59 percent, compared to the previous quarter.

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



Source: Central Bank of the TRNC

At the end of March 2018, compared to the previous quarter, TRY deposits of public banks increased by 0.6 percent and FX deposits increased by 11.19 percent, while private banks' TRY deposits decreased by 1.5 per mille and FX deposits by increased 9.66 percent. In the same period, branch banks' TRY deposits increased by 5.36 percent and FX deposits increased by 8.14 percent.

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

	December 2017			March 2018			Percentage Change 12/2017-03/2018		
	TRY	FX	Total	TRY	FX	Total	TRY	FX	Total
Public Banks	3,214.1	2,403.7	5,617.8	3,215.9	2,672.6	5,888.5	0.06	11.19	4.82
Private Banks	3,498.4	6,146.8	9,645.2	3,493.0	6,740.8	10,233.8	-0.15	9.66	6.10
Branch Banks	2,869.8	2,965.3	5,835.1	3,023.6	3,206.8	6,230.4	5.36	8.14	6.77
Total Deposits	9,582.3	11,515.8	21,098.1	9,732.5	12,620.2	22,352.7	1.57	9.59	5.95

Source: Central Bank of the TRNC

As in previous periods, maturity concentration of the sector deposits belongs to one-month deposits with a ratio of 52.97 percent. 1-month deposits are followed by, 3-month deposits with a share of 18.96 percent, demand deposits with a share of 13.86 percent, 1-year deposits with a share of 10.13 percent and 6-month deposits with a share of 4.08 percent.

When the maturity distribution of deposits is compared to the previous quarter, there is a decrease of 0.92, 1.23 and 0.28 points in demand deposits and 3-month and 6-month deposits, and 1-month and 1-

year deposits increased by 1.74 and 0.69 points respectively.

During March 2017 - March 2018 period, demand deposits, 1-month and 6-month deposits decreased by 0.19, 1.83 and 0.02 points respectively, while 3-month deposits and 1-year deposits increased by 1.05 and 0.99 points, respectively.

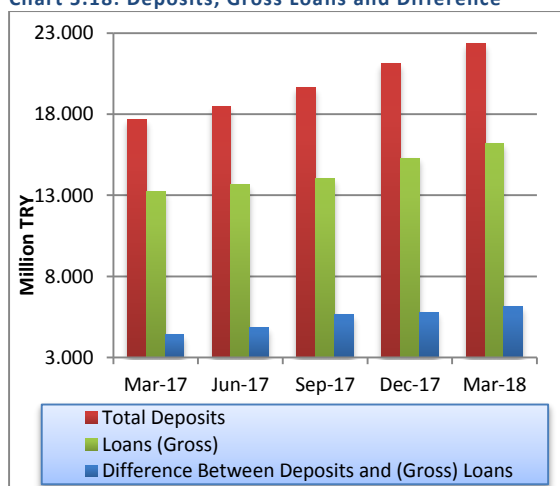
Table 5.13: Maturity Distribution of Deposits (%)

	2017				2018	Change (Points)	
	March	June	September	December	March	12/2017-03/2018	03/2017-03/2018
Demand	14.05	14.98	14.83	14.78	13.86	-0.92	-0.19
1-Month	54.80	53.64	51.18	51.23	52.97	1.74	-1.83
3-Month	17.91	18.42	20.54	20.19	18.96	-1.23	1.05
6-Month	4.10	3.98	4.39	4.36	4.08	-0.28	-0.02
1-Year	9.14	8.97	9.06	9.44	10.13	0.69	0.99
Total	100.00	100.00	100.00	100.00	100.00		

Source: Central Bank of the TRNC

The difference between total deposits and gross loans, which was 5,791.9 million TRY at the end of December 2017, increased by 365,2 million TRY and rose to 6,157.1 million TRY in March 2018.

Chart 5.18: Deposits, Gross Loans and Difference



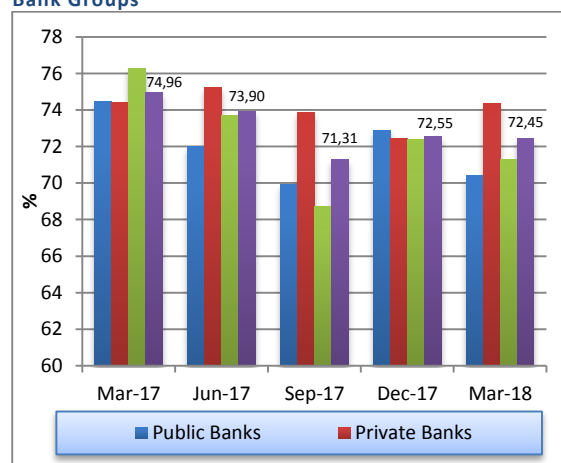
Source: Central Bank of the TRNC

Loans to total deposits ratio, which is one of the indicators of the banking sector's depth and intermediary function, was 72.55 percent at the end of December 2017 and decreased to 72.45 percent at the end of March 2018.

Loans to total deposits ratio decreased by 2.5 points in one-year period.

When loans to deposits ratio at the end of March 2018 is examined on the basis of bank groups, private banks take the first place with 74.35 percent. Private banks are followed by branch banks with a rate of 71.27 percent. Public banks have a conversion rate of 70.4 percent.

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



Source: Central Bank of the TRNC

5.2.6 SHAREHOLDERS' EQUITY

Shareholders' equity, which is of great importance in terms of stability and healthy development of the sector, increased by 5.84 percent, compared to the previous quarter and reached to 2,515.7 million TRY at the end of the first quarter of 2018.

Shareholders' equity increased by 16.51 percent in March 2017 - March 2018 period. In one-year period, paid-up capital of the sector increased by 161.3 million TRY and reserve funds increased by 52.7 million TRY.

Table 5.14: Development of Shareholders' Equity (Million TRY)

	2017				2018
	Mar.	Jun.	Sept.	Dec.	Mar.
Paid-in Capital	992,4	1,011.7	1,021.4	1,099.6	1,153.7
Reserve Requirements	520,1	558,0	558,0	409,6	572,8
Fixed Asset Revaluation Fund	0.3	0.9	0.9	0.9	0.9
Securities Value Increment Fund	85,9	88,8	92,6	101,1	110,0
Profit (Loss)	104,7	185,4	297,4	407,5	123,1
Accumulated Profit (Loss)	455,8	380,9	364,0	358,1	555,2
Total	2,159.2	2,225.8	2,334.3	2,376.8	2,515.7

Source: Central Bank of the TRNC

5.2.7 MONEY SUPPLY

The most narrow defined money supply M1 increased by 4.93 percent at the end of March 2018 compared to December 2017 and rose to 4,620,3 million TRY from 4,403.3 million TRY. The M1 money supply has increased by 23.05 percent in one-year period.

At the end of December 2017, the M2 defined money supply, which amounted to 21,181.5 million TRY increased by 6.88 percent in the first quarter of 2018 and reached 22,638.7 million TRY. The M2 money supply has increased by 25.63 percent in one-year period.

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
2018	I	4,620.3	4.93	22,638.7	6.88	24,286.7	6.57

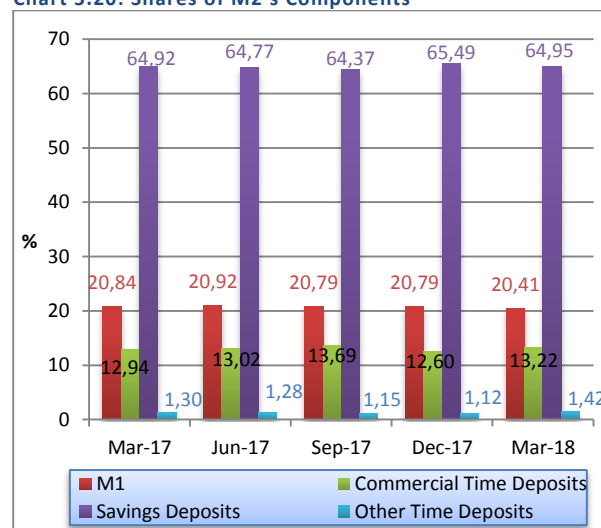
Source: Central Bank of the TRNC

As in previous periods, the largest share in M2 is 64.95 percent with the savings deposits as of March 2018. This is followed by M1 with a share of 20.41 percent, commercial time deposits with 13.22 percent and other time deposits with a ratio of 1.42 percent.

The savings time deposit, which constitutes the largest share of the structure of M2, increased by 0.03 points to 64.95 percent in March 2017 - March 2018 period. In the period, commercial time deposits from other sub-components of M2 increased from 12.94 percent to 13.22 percent, other time deposits decreased from 20.84 percent to 20.41 percent and M1 decreased from 20.84 percent to 20.41 percent.

The broadest defined money supply M3, which is found by adding official deposits and other deposits within Central Bank of the TRNC to the M2 money supply, increased by 6.57 percent in the first quarter of 2018 compared to the previous quarter and increased from 22,789.8 million TRY to 24,286.7 million TRY. The increase rate in M3 compared to the same period of the previous year is 26.43 percent.

Chart 5.20: Shares of M2's Components



Source: Central Bank of the TRNC

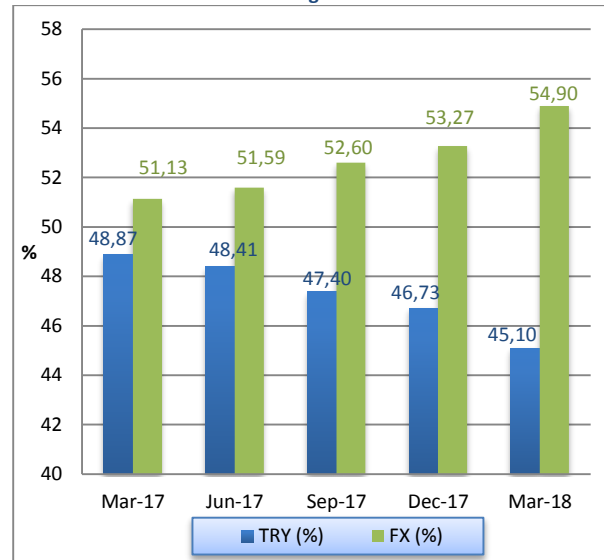
Analysing the TRY-FX percentage distribution of M3 defined money supply as of March 2018, it is observed that the share of TRY deposits in M3 is 45.1 percent and the share of FX deposits is 54.9 percent. At the end of March 2017, these shares were 48.87 percent in the TRY and 51.13 percent in the FX.

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 first quarter of 2018, there were 948 transactions in TRY, 163 transactions in USD, 272 transactions in EUR and 579 transactions in GBP currency. In this period, transactions of 16,734 million TRY in Turkish Lira currency and, 410 million USD in US Dollars currency, 7,739 million EUR in Euro currency and 5,729 million GBP in Sterling Pound currency were made.

Chart 5.21: TRY - FX Percentage Distribution of M3



Source: Central Bank of the TRNC

Table 5.16: Transaction Volume (x 1.000) and Amount

	TRY		\$		€		£	
	Amount	Volume	Amount	Volume	Amount	Volume	Amount	Volume
2016								
February - March	101	948,500	48	543,000	60	139,150	136	1,296,050
Q2	468	4,486,250	224	2,732,400	245	532,200	551	5,281,550
Q3	465	5,473,600	116	2,125,500	174	787,300	424	3,917,600
Q4	909	9,985,350	194	2,799,200	214	1,197,550	559	4,854,300
2017								
Q1	765	17,094,850	245	1,637,875	207	1,321,300	702	6,972,375
Q2	618	11,700,500	149	876,650	202	3,317,600	679	5,874,875
Q3	633	9,554,550	167	177,450	220	5,263,225	716	5,715,425
Q4	708	15,421,800	197	314,050	251	7,011,600	574	5,731,125
2018								
Q1	948	16,733,550	163	409,500	272	7,738,650	579	5,729,025

Source: Central Bank of the TRNC

Looking at the volume distributions of overnight transactions made in the first quarter of 2018, it is observed that the rate was 96.62 percent in TRY, 91.06 percent in USD, 99.93 in EUR and 99.88 percent in GBP. It is observed that 1-week transactions are made in TRY currency with a rate of 3.9 percent and in EUR

with a rate of 0.1 per mille. 1-month transactions were preferred as 4.2 per mille in TRY, 8.82 percent in USD, 0.6 per mille in EUR and 0.9 per mille in GBP. 3-month transactions had a rate of 0.6 per mille in TRY, 0.3 per mille in GBP and 6-month transactions had a rate of 1.2 per mille in TRY.

Table 5.17: Transaction Volume (x 1.000)

	TRY		\$		€		£	
	Volume	Share (%)	Volume	Share (%)	Volume	Share (%)	Volume	Share (%)
2017 Q1	17,094,850		1,637,875		1,321,300		6,972,375	
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				
2017 Q2	11,700,500		876,650		3,317,600		5,874,875	
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		
2017 Q3	9,554,550		177,450		5,263,225		5,715,425	
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		
2017 Q4	15,421,800		314,050		7,011,600		5,731,125	
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						
2018 Q1	16,733,550		409,500		7,738,650		5,729,025	
O/N	16,000,450	95.62	372,900	91.06	7,732,850	99.93	5,722,025	99.88
1W	653,000	3.90			600	0.01		
1M	71,000	0.42	36,100	8.82	5,200	0.06	5,000	0.09
3M	9,100	0.06					2,000	0.03
6M			500	0.12				

Source: Central Bank of the TRNC

Average interest rates for overnight transactions in the first quarter of 2018 were 7.75 percent in TRY, 0.5 percent in USD and EUR, and 0.75 percent in GBP. The average interest rates for 1-month transactions are 10 percent in TRY, 1.72 percent in USD, 0.86 percent in

EUR and 1.25 percent in GBP. The average interest rates for 3-month transactions are 10.33 percent in TRY and 1.25 percent in GBP. The average interest rate for 6-month transactions is 2.25 percent in USD.

Table 5.18: Average Interest Rates (%)

	TRY						\$					€			£		
	O/N	1W	2W	1M	3M	6M	O/N	1W	1M	3M	6M	O/N	1W	1M	O/N	1M	3M
2016 February-March	7.25			9.83			0.50		1.50			0.50	1.75		0.75		
Q2	7.25	10.00		10.00			0.50		1.60			0.50			0.75		
Q3	7.25			9.88			0.50		1.25			0.50	1.75		0.75		
Q4	7.25			9.77			0.50	1.00	1.29			0.50	1.25		0.75		
2017 Q1	7.25	9.58	10.00	9.75			0.50		1.34	1.75		0.50	1.25		0.75		
Q2	7.66	9.73		10.03			0.50		1.50			0.50	1.50		0.76		
Q3	7.65	9.75		10.05			0.50		1.50			0.50	1.50		0.75		
Q4	7.75	9.75		10.02	10.06	10.63	0.50		1.61	2.00		0.50	1.38		0.76		
2018 Q1	7.75	9.75		10.00	10.33		0.50		1.72	2.25		0.50	0.75	0.86	0.75	1.25	1.25

Source: Central Bank of the 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 Central Bank of the TRNC.

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

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

Table 5.19: Credit Cards Maximum Interest Rates (%)

Effective Date	TRY		FX	
	Monthly Maximum Contract	Monthly Maximum Overdue Interest	Monthly Maximum Contract	Monthly Maximum Overdue Interest
02/10/2015 (OG 144)	1.89	2.39	1.30	1.80
04/01/2016 (OG 1)	1.96	2.46	1.29	1.79
01/04/2016 (OG 41)	2.09	2.59	1.27	1.77
01/07/2016 (OG 85)	2.14	2.64	1.26	1.76
01/10/2016 (OG 123)	2.12	2.62	1.24	1.74
02/01/2017 (OG 2)	2.06	2.56	1.23	1.73
03/04/2017 (OG 61)	2.00	2.50	1.21	1.71
03/07/2017 (OG 113)	1.97	2.47	1.20	1.70
02/10/2017 (OG 161)	2.00	2.50	1.18	1.68
02/01/2018 (OG 1)	2.06	2.56	1.17	1.67
02/04/2018 (OG 303)	2.16	2.66	1.16	1.66

Source: Central Bank of the TRNC

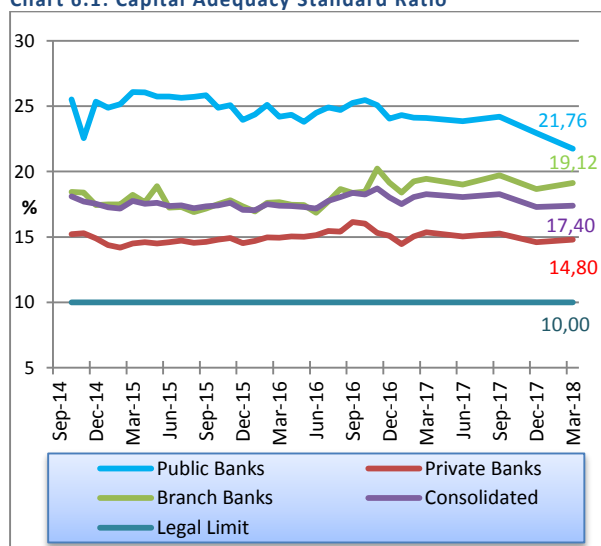
6 FINANCIAL STABILITY ANALYSIS

6.1 CAPITAL ADEQUACY

In the first quarter of 2018, the sector's capital adequacy standard ratio increased by 0.10 points compared to the previous quarter and it reached 17.4 percent, well above the legal limit of 10 percent.

As of March 2018, CASR based on bank groups was 21.76 percent in public banks, 14.8 percent in private banks and 19.12 percent in branch banks. As of December 2017, these ratios were 22.95, 14.61 and 18.67 percent, respectively. Compared to the same period of the previous year, CASR decreased by 0.55 points in private banks, 0.33 points in branch banks and by 2.3 points in public banks.

Chart 6.1: Capital Adequacy Standard Ratio



Source: Central Bank of the TRNC

When the risk-weighted assets of the sector are compared to the previous period at the end of March 2018, the assets with 0 percent risk weight increased by 5.19 percent, the assets with 20 percent risk weight increased by 9.4 percent, those with 50 percent risk weight increased by 9.25 percent, and assets with 100 percent risk weight increased by 3.82 percent. In the period concerned, the total of market risk and operational risk increased by 49.6 million TRY and reached to 2,677.6 million TRY compared to the previous period. The total of market risk and operational risk of the sector increased by 357.2 million TRY in one-year period (March 2017 - March 2018).

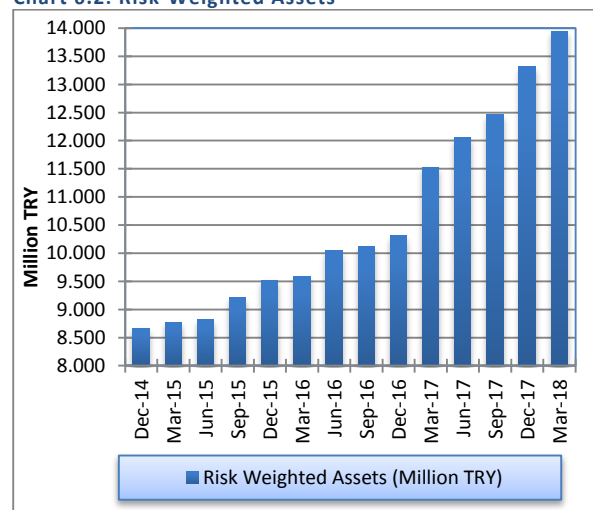
Table 6.1: Risk-Weighted Assets

	Mar. 2017	Jun. 2017	Sept. 2017	Dec. 2017	Mar. 2018	Percentage Change (12/17-03/18)
% 0	10,170.6	10,467.2	11,122.9	11,589.1	12,190.3	5.19
% 20	1,840.3	2,008.9	2,294.2	2,544.7	2,783.8	9.40
% 50	4,346.5	4,712.6	5,067.4	5,569.0	6,084.1	9.25
% 100	6,667.9	6,970.5	7,091.1	7,390.3	7,672.3	3.82
Market Risk + Operational Risk	2,320.4	2,319.9	2,379.6	2,628.0	2,677.6	1.89

Source: Central Bank of the TRNC

In the first quarter of 2018, risk-weighted assets increased by 4.78 percent, compared to the previous quarter. The weighted sum of risk-weighted assets, which amounted to 13,311.8 million TRY as of December 2017, increased by 636.8 million TRY at the end of March 2018 and reached 13,948.6 million TRY. Risk-weighted assets of the sector increased by 20.97 percent in March 2017 - March 2018 period.

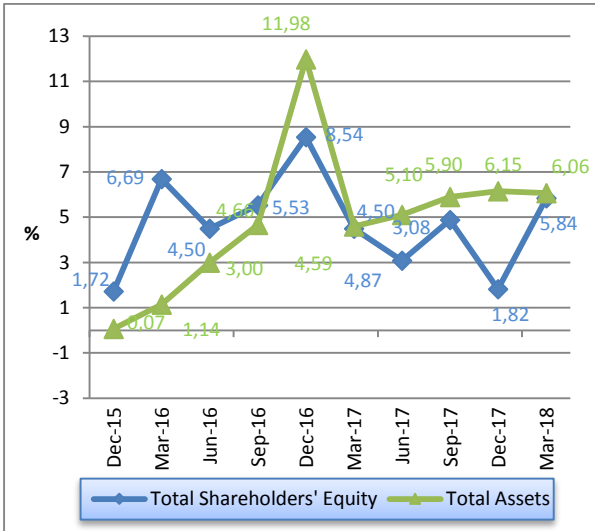
Chart 6.2: Risk-Weighted Assets



Source: Central Bank of the TRNC

As of the end of March 2018, total assets increased by 6.06 percent and total shareholders' equity increased by 5.84 percent. Total assets and shareholders' equity increased by 25.31 percent and 16.51 percent, respectively, compared to the same period of the previous year.

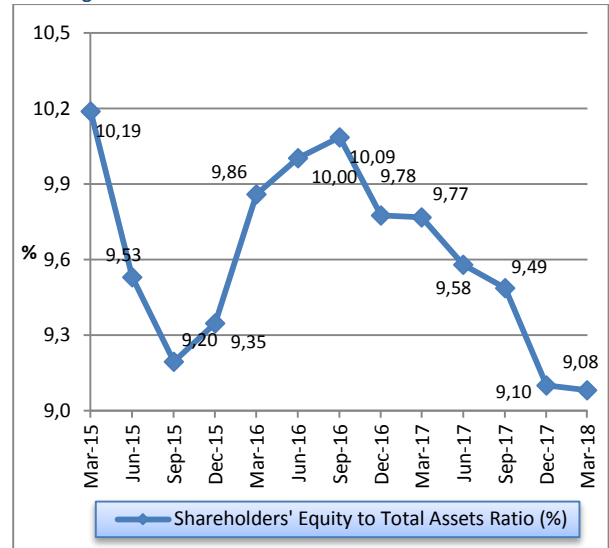
Chart 6.3: Increase Rates in Total Shareholders' Equity and Total Assets



Source: Central Bank of the TRNC

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

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

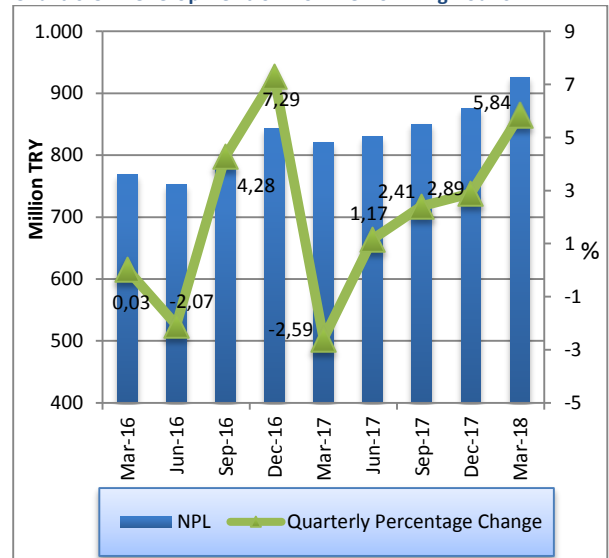


Source: Central Bank of the TRNC

6.2 NON-PERFORMING LOANS

The sector's non-performing loans totalled 874.9 million TRY as of the end of December 2017 and increased by 5.84 percent and reached 926 million TRY as of the end of March 2018. Non-performing loans increased by 12.83 percent compared to the same period of the previous year.

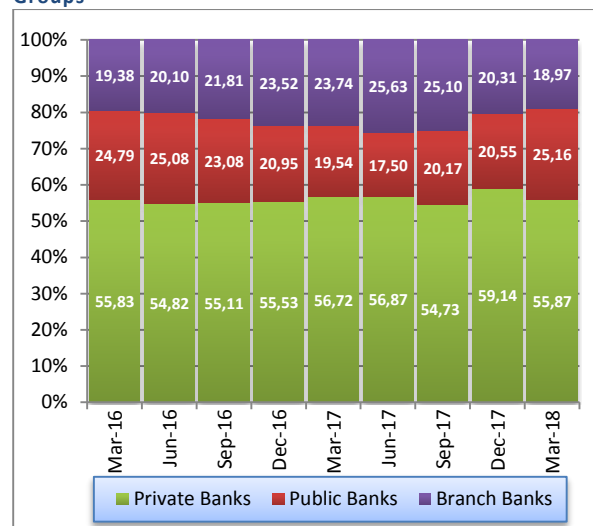
Chart 6.5: Development of Non-Performing Loans



Source: Central Bank of the TRNC

As of the end of the first quarter of 2018, it is seen that the share of public banks in total NPL increased and the share of branch banks and private banks decreased, compared to the previous quarter. Accordingly, in December 2017 - March 2018 period, while the share of public banks in total NPL increased from 20.55 percent to 25.16 percent, the share of private banks increased from 59.14 percent to 55.87 percent, the share of branch banks in the total NPL declined from 20.31 percent to 18.97 percent. From March 2017 to March 2018, the share of private banks in total NPL decreased from 56.72 percent to 55.87 percent and the share of branch banks decreased from 23.74 percent to 18.97 percent, while the share of public banks increased from 19.54 to 25.16.

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



Source: Central Bank of the TRNC

In the first quarter of 2018, total assets amounted to 27,698.6 million TRY, total gross loans amounted to 16,195.6 million TRY, non-performing loans amounted to 926 million TRY and provisions for non-performing loans amounted to 525.8 million TRY. When analysed by bank groups, as of March 2018, total assets in public banks are 6,834.2 million TRY, total gross loans are 4,145.8 million TRY, non-performing loans are 232.9 million TRY and provisions for non-performing loans are 105.3 million TRY. In the private banks, total assets amounted to 12,316.3 million TRY, total gross

loans amounted to 7,609.2 million TRY, non-performing loans amounted to 517.4 million TRY and provisions for non-performing loans amounted to 278 million TRY. Branch banks have total assets of 8,548.1 million TRY, total gross loans of 4,440.6 million TRY, non-performing loans of 175,7 million TRY and provisions for non-performing loans of 142,5 million TRY.

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

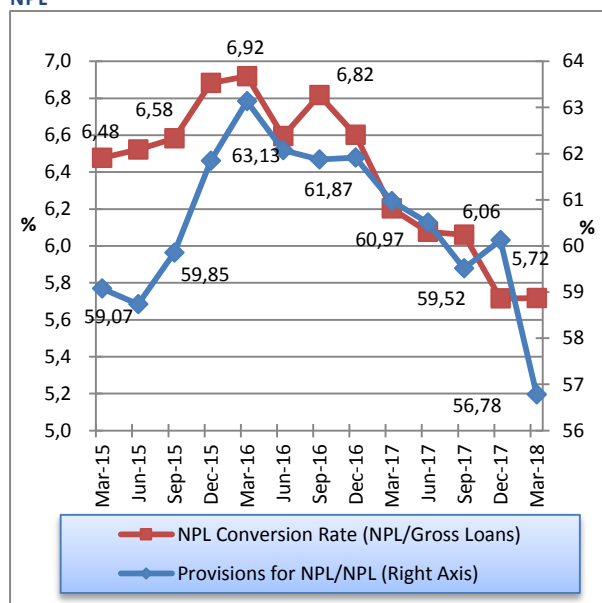
	Total Assets			Total Gross Loans			NPL			Provisions for Non-Performing Loans		
	Sept.17	Dec.17	Mar.18	Sept.17	Dec.17	Mar.18	Sept.17	Dec.17	Mar.18	Sept.17	Dec.17	Mar.18
Public Banks	6,116.1	6,523.2	6,834.2	3,670.9	4,095.8	4,145.8	171,5	179,8	232,9	97,1	104,9	105,3
Private Banks	10,532.4	11,633.4	12,316.3	6,400.2	6,986.5	7,609.2	465,3	517,4	517,4	234,6	278,1	278
Branch Banks	7,954.2	7,958.7	8,548.1	3,957.1	4,223.9	4,440.6	213,4	177,7	175,7	174,3	143,0	142,5
Total	24,602.7	26,115.3	27,698.6	14,028.2	15,306.2	16,195.6	850,2	874,9	926,0	506,0	526,0	525,8

Source: Central Bank of the TRNC

The NPL conversion rate, which was at 6.82 percent as of September 2016, has fallen to 5.72 percent by the end of 2017. In the first quarter of 2018, NPL conversion rate remained stable at 5.72 percent. It has experienced a decrease of 0.48 points during the one-year period (March 2017 - March 2018).

While the ratio of provisions for NPL to total NPL was 60.12 percent by the end of December 2017, it decreased by 3.34 points to 56.78 percent in March 2018. During March 2017 - March 2018, the ratio of provisions for NPL to total NPL decreased by 4.19 points.

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



Source: Central Bank of the TRNC

The sector's return on assets, which was 1.72 percent at the end of December 2017, decreased to 1.71 percent in the first quarter of 2018, the return on equity, which was 18.1 percent, increased to 18.25 percent and the net interest margin increased to 3.20 percent from 3.16 percent. In the period of March 2017 - March 2018, sector's return on assets decreased from 1.8 percent to 1.71 percent, return on equity increased from 18.18 to 18.25 percent, and the net interest margin increased from 3.18 to 3.2 percent.

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

Description	2017				2018
	Mar.	Jun.	Sept.	Dec.	Mar.
Return on Assets ¹	1.80	1.70	1.69	1.72	1.71
Return on Equity ²	18.18	17.26	17.39	18.10	18.25
Net Interest Margin ³	3.18	3.00	3.16	3.16	3.20

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 the TRNC

ANNEX A. ECONOMIC DECISIONS

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

Subject	Decisions of the Board of Directors Published in the Notifications, Notices and Official Gazette		Official Gazette	
	Date	Number	Date	Number
Central Bank of the Turkish Republic of Northern Cyprus Board Decision on the change in the reserve requirements interest rate in accordance with Articles 11 (1) and 23 (3) of the Law on the Central Bank of the Turkish Republic of Northern Cyprus No: 41/2001.	25.01.2018	979	31.01.2018	9
Central Bank of the Turkish Republic of Northern Cyprus, “Notification on the Principles of the Banks’ Activities” under Articles 23 and 31 of the Banking Law No. 62/2017.	25.01.2018	976	12.02.2018	13
Central Bank of the Turkish Republic of Northern Cyprus, “Notification on the Corporate Governance” under Articles 17, 18, 19, 20 and 22 of the Banking Law No. 62/2017.	25.01.2018	973	12.02.2018	13
Central Bank of the Turkish Republic of Northern Cyprus, “Notification on the Measurement and Assessment of Leverage Levels of Banks” under Articles 46(2), 48 and 49 of the Banking Law No. 62/2017.	25.01.2018	974	12.02.2018	13
Central Bank of the Turkish Republic of Northern Cyprus, “Notification on Measurement and Assessment of Capital Adequacy of Banks” under Articles 46(1) (B), 48 and 49 of the Banking Law No. 62/2017.	25.01.2018	971	12.02.2018	13
Central Bank of the Turkish Republic of Northern Cyprus, “Notification on the Shareholders’ Equity of Banks” under Articles 45, 48 and 49 of the Banking Law No. 62/2017.	25.01.2018	975	12.02.2018	13
Central Bank of the Turkish Republic of Northern Cyprus, “Notification on Capital Conservation Buffer, Countercyclical Capital Buffer and Profit Distribution” under Articles 45(3), 46(3), 48 and 49 of the Banking Law No. 62/2017.	25.01.2018	972	12.02.2018	13
Central Bank of the Turkish Republic of Northern Cyprus, “Notification on Voluntary Termination of Mergers, Transfers and Activities of Banks” under Articles 14 and 16 of the Banking Law No. 62/2017.	22.02.2018	982	14.03.2018	27
Central Bank of the Turkish Republic of Northern Cyprus, “Notification on the Independent Audit Firms” under Articles 67 and 70(2) of the Banking Law No. 62/2017.	15.03.2018	986	05.04.2018	41

Central Bank of the Turkish Republic of Northern Cyprus, “Good Practice Guidelines on the Credit Management of Banks” under Articles 17(3) (1) and 22 of the Banking Law No. 62/2017.	25.01.2018	977	19.02.2018	18
Central Bank of the Turkish Republic of Northern Cyprus, “Good Practice Guidelines on the Interest Rate Risk Management” under Articles 17(3) (1) and 22 of the Banking Law No. 62/2017.	25.01.2018	971	14.03.2018	27
Central Bank of the Turkish Republic of Northern Cyprus, “Good Practice Guidelines on the Market Risk Management” under Articles 17(3) (1) and 22 of the Banking Law No. 62/2017.	15.03.2018	987	02.04.2018	38
Determining the new term’s monthly maximum contractual and overdue interest rates			02.01.2018	1
Determining the new term’s monthly maximum contractual and overdue interest rates			02.04.2018	38

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

Subject	Law/Draft Law		Official Gazette	
	Date	Number	Date	Number
Law				
Banking Law of the Turkish Republic of Northern Cyprus		62/2017	17.11.2017	O.G. 193
Law Drafts				
Laws to be Approved by the Presidency				
Regulations				

ANNEX B. STATISTICAL TABLES

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

Date	Liquid Assets	Loans	Other Assets	Total Assets	Shareholders' Equity	Deposits	Reserve Requirements	Other Liabilities	Total Liabilities
31 Dec. 2013	3,213,649,639	78,854,104	63,070,913	3,355,574,656	291,100,579	1,818,251,291	870,763,371	436,559,672	3,355,574,656
31 Mar. 2014	3,079,515,185	147,484,184	1,728,249	3,228,727,618	245,971,070	1,675,102,982	876,948,620	430,704,946	3,228,727,618
30 June 2014	3,270,433,195	121,218,064	1,804,149	3,393,455,408	247,254,958	1,792,772,785	890,156,351	463,271,314	3,393,455,408
30 Sept. 2014	3,511,228,059	119,312,114	1,752,480	3,632,292,653	248,132,449	1,917,060,863	938,524,944	528,574,397	3,632,292,653
31 Dec. 2014	3,645,697,257	171,220,524	25,331,106	3,842,248,887	258,929,182	1,493,119,701	954,982,558	1,135,217,446	3,842,248,887
31 Mar. 2015	3,739,517,315	115,254,133	2,248,301	3,857,019,749	276,152,356	1,408,442,288	1,006,554,132	1,165,870,973	3,857,019,749
30 June 2015	4,297,312,709	132,031,767	18,942,188	4,448,286,664	276,996,548	1,482,713,730	1,062,691,010	1,625,885,376	4,448,286,664
30 Sept. 2015	4,883,071,770	133,138,667	2,280,396	5,018,490,833	278,408,386	1,554,299,105	1,159,694,120	2,026,089,222	5,018,490,833
31 Dec. 2015	4,820,323,929	184,465,057	20,635,529	5,025,424,515	400,156,276	1,597,089,925	1,143,470,037	1,884,708,277	5,025,424,515
31 Mar. 2016	4,759,331,238	177,928,840	2,511,781	4,939,771,859	317,637,476	1,368,093,189	1,158,875,053	2,095,166,141	4,939,771,859
30 June 2016	4,743,182,458	213,175,830	2,640,121	4,958,998,409	318,658,983	1,476,230,465	1,172,163,993	1,991,944,968	4,958,998,409
30 Sept. 2016	5,466,386,701	186,416,180	2,729,886	5,655,532,767	319,829,286	1,706,384,976	1,233,282,326	2,396,036,179	5,655,532,767
31 Dec. 2016	6,362,944,796	67,051,670	22,187,719	6,452,184,185	465,169,093	2,083,019,935	1,359,700,420	2,544,294,737	6,452,184,185
31 Mar. 2017	6,764,573,400	101,158,224	3,401,183	6,869,132,807	365,686,916	2,121,997,651	1,448,684,018	2,932,764,222	6,869,132,807
30 June 2017	6,981,906,564	134,992,949	2,841,955	7,119,741,468	367,060,935	2,317,720,970	1,512,813,049	2,922,146,514	7,119,741,468
30 Sept. 2017	7,630,043,970	191,469,924	2,907,269	7,824,421,163	368,577,947	2,505,097,829	1,615,196,100	3,335,549,287	7,824,421,163
31 Dec. 2017	7,630,043,970	191,469,924	2,907,269	7,824,421,163	368,577,947	2,505,097,829	1,615,196,100	3,335,549,287	7,824,421,163
31 Mar. 2018	8,545,422,968	219,540,337	4,339,065	8,769,302,370	436,642,697	2,870,588,126	1,851,557,638	3,610,513,909	8,769,302,370

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

Source: Central Bank of the TRNC

Table B.1: Central Bank of the TRNC Liquid Assets (TRY)

Date	Cash Assets	Gold Deposit	Bank Deposits (TRY)	Bank Deposits (FX)	Foreign Banks	Securities Portfolio	Total
31 Dec. 2013	62,270,427	2,146,362	1,403,280,967	1,522,482,954	78,923,761	144,545,168	3,213,649,639
31 Mar. 2014	57,681,769	2,146,362	1,068,596,270	1,717,402,462	35,043,690	198,644,632	3,079,515,185
30 June 2014	37,813,934	2,146,362	1,173,711,609	1,837,164,805	51,540,117	168,056,368	3,270,433,195
30 Sept. 2014	63,855,297	2,146,362	1,167,075,364	1,915,670,506	63,391,520	299,089,010	3,511,228,059
31 Dec. 2014	59,575,201	2,341,331	1,307,875,937	1,925,886,634	60,933,484	289,084,670	3,645,697,257
31 Mar. 2015	93,270,862	2,341,331	1,456,217,149	1,979,335,666	48,438,307	159,914,000	3,739,517,315
30 June 2015	82,385,984	2,341,331	1,467,167,127	2,411,582,643	113,843,324	219,992,300	4,297,312,709
30 Sept. 2015	140,974,336	2,341,331	1,467,337,337	2,899,368,703	114,480,913	258,569,150	4,883,071,770
31 Dec. 2015	87,625,194	2,611,239	1,402,006,529	2,945,775,755	55,692,162	326,613,050	4,820,323,929
31 Mar. 2016	117,668,364	2,611,239	1,499,576,679	2,952,607,384	77,638,972	109,228,600	4,759,331,238
30 June 2016	90,757,864	2,611,239	1,614,592,023	2,855,674,301	33,822,031	145,725,000	4,743,182,458
30 Sept. 2016	238,570,625	2,611,239	2,029,877,829	3,097,871,008	-	97,456,000	5,466,386,701
31 Dec. 2016	216,724,660	3,440,019	2,260,530,677	3,687,779,940	-	194,469,500	6,362,944,796
31 Mar. 2017	165,588,687	3,440,019	2,101,326,259	4,030,683,635	-	463,534,800	6,869,132,807
30 June 2017	171,906,834	3,440,019	1,823,606,608	4,299,854,053	-	683,099,050	6,981,906,564
30 Sept. 2017	275,459,595	3,440,019	1,842,387,496	4,739,760,510	-	768,996,350	7,630,043,970
31 Dec. 2017	275,459,595	3,440,019	1,842,387,496	4,739,760,510	-	768,996,350	7,630,043,970
31 Mar. 2018	382,362,841	3,997,999	1,705,665,243	5,630,492,210	-	822,904,675	8,545,422,968

Source: Central Bank of the TRNC

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

Date	Agriculture	Trading	Industry	Exports	Small Business Owners	Tourism	Education	Total
31 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 Sept. 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
31 Mar. 2018							5,789,550	5,789,550

Note: Interest revenue rediscounts are included in the figures.

Source: Central Bank of the TRNC

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

Date	Public Deposits		Banks				Other		Total
			A-Deposits		B-Reserve Requirements				
	TRY	FX	TRY	FX	TRY	FX	TRY	FX	
31 Dec. 2013	18,846,398	20,578,975	735,826,294	1,013,142,338	487,900,228	382,863,143	609,831	29,247,455	2,689,014,662
31 Mar. 2014	38,950,361	43,565,188	472,182,955	1,094,180,494	491,575,544	385,373,076	438,945	25,785,039	2,552,051,602
30 June 2014	53,919,830	11,982,605	466,591,523	1,122,184,360	499,327,153	390,829,198	17,474,716	120,619,751	2,682,929,136
30 Sept. 2014	69,233,058	18,698,887	502,033,797	1,136,473,300	526,918,645	411,606,299	27,425,327	163,196,494	2,855,585,807
31 Dec. 2014	17,094,271	9,256,228	567,445,436	868,076,651	532,525,648	422,456,910	629,724	30,617,391	2,448,102,259
31 Mar. 2015	10,753,910	21,354,653	497,415,629	849,731,141	555,437,616	451,116,516	441,602	28,745,353	2,414,996,420
30 June 2015	18,278,584	34,669,328	421,856,540	988,595,032	565,747,200	496,943,810	428,189	18,886,057	2,545,404,740
30 Sept. 2015	14,819,534	30,301,580	346,773,076	1,141,287,770	578,364,670	581,329,450	396,168	20,720,977	2,713,993,225
31 Dec. 2015	57,528,409	19,608,857	377,112,293	1,111,941,851	583,627,835	559,842,202	751,281	30,147,234	2,740,559,962
31 Mar. 2016	6,022,339	9,748,736	300,772,726	1,024,849,739	596,821,843	562,053,210	529,628	26,170,021	2,526,968,242
30 June 2016	78,931,631	12,662,410	294,047,768	975,886,690	606,507,229	565,656,764	479,769	114,222,197	2,648,394,458
30 Sept. 2016	51,544,433	68,733,216	389,781,881	1,098,732,181	622,344,234	610,938,092	527,417	97,065,848	2,939,667,302
31 Dec. 2016	29,069,115	35,483,804	459,264,539	1,442,174,000	652,163,031	707,537,389	794,582	116,233,895	3,442,720,355
31 Mar. 2017	58,041,406	24,242,055	461,185,477	1,467,785,063	691,268,617	757,415,401	624,885	110,118,765	3,570,681,669
30 June 2017	78,704,320	22,436,407	374,581,174	1,734,713,467	710,390,248	802,422,801	573,332	106,712,270	3,830,534,019
30 Sept. 2017	15,915,165	32,448,413	425,277,954	1,918,976,979	734,899,763	880,296,337	760,406	111,718,912	4,120,293,929
31 Dec. 2017	42,219,684	73,593,138	490,652,950	1,955,533,333	781,455,275	947,545,441	1,072,860	118,842,745	4,410,915,426
31 Mar. 2018	76,501,751	66,921,045	471,340,988	2,111,203,615	804,457,502	1,047,100,136	1,011,021	143,609,706	4,722,145,764

Source: Central Bank of the TRNC

Table B.2: Central Bank of the TRNC Exchange Rates

Years	Months	USD		EURO		GBP	
		Buying	Selling	Buying	Selling	Buying	Selling
2012		1.7826	1.7912	2.3517	2.3630	2.8708	2.8858
2013		2.1343	2.1381	2.9365	2.9418	3.5114	3.5297
2014		2.3189	2.3230	2.8207	2.8258	3.5961	3.6149
2015		2.9076	2.9128	3.1776	3.1833	4.3007	4.3231
2016		3.5192	3.5255	3.7099	3.7166	4.3189	4.3414
2017		3.7719	3.7787	4.5155	4.5237	5.0803	5.1068
2018	1	3.7795	3.7863	4.6824	4.6908	5.3025	5.3301
	2	3.7833	3.7901	4.6646	4.6730	5.2749	5.3024
	3	3.9489	3.9560	4.8673	4.8761	5.5385	5.5674
	4						
	5						
	6						
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	12						

Source: Central Bank of the TRNC

Table B.3: Cross Rates

Years	Months	Foreign Currency / USD	
		£	€
2012		1.6111	1.3192
2013		1.6480	1.3759
2014		1.5535	1.2164
2015		1.4817	1.0929
2016		1.2293	1.0542
2017		1.3492	1.1972
2018	1	1.4054	1.2389
	2	1.3967	1.2330
	3	1.4049	1.2326
	4		
	5		
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	7		
	8		
	9		
	10		
	11		
	12		

Source: Central Bank of the TRNC

Table B.4: Interest Rates Applied to Turkish Lira and Foreign Currency Deposits by Central Bank of the TRNC (%)

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

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

Source: Central Bank of the TRNC

Table B.5: Interest Rates Applied to Reserve Requirements by Central Bank of the 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
01.02.2018	5.00	0.20	0,125	0.25	25.01.2018	979	31.01.2018	9

Source: Central Bank of the TRNC

Table B.6: Rediscount Interest Rates (%)

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

Source: Central Bank of the TRNC

Table B.7: Reserve Requirements Ratios (%)

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

Source: Central Bank of the TRNC

Table B.8: Overdraft Checks

Years	Months	People Restrained from Using Checks (Number of Persons)	
		Monthly Total	Cumulative Total
2012			3,842
2013			2,910
2014			3,366
2015			3,699
2016			2,977
2017	1	347	347
	2	197	544
	3	182	726
	4	174	900
	5	341	1,241
	6	182	1,423
	7	155	1,578
	8	173	1,751
	9	170	1,921
	10	196	2,117
	11	171	2,288
	12	181	2,469
2018	1	153	153
	2	125	278
	3	164	442
	4		
	5		
	6		
	7		
	8		
	9		
	10		
	11		
	12		

Source: Central Bank of the TRNC

Table B.9: Assets / Liabilities Sum of Banking Sector (Million TRY)

Date	Liquid Assets	Securities Portfolio	Reserve Requirements	Gross Loans	Provisions for Non-Performing Loans	Other	Total Assets	Deposits	Other	Shareholders' Equity	Total Liabilities
31 Dec. 2014	3,310.5	890,9	958,4	9,557.8	-373,0	491,5	14,836.1	11,773.8	1,558.7	1,503.6	14,836.1
31 Mar. 2015	3,380.1	768,2	1,002.9	9,969.9	-381,5	610,2	15,349.8	12,258.1	1,527.7	1,564.0	15,349.8
30 June 2015	3,364.5	1,039.2	1,059.3	10,349.0	-396,4	1,335.3	16,075.9	13,000.0	1,543.7	1,532.2	16,075.9
30 Sept. 2015	3,879.7	1,033.9	1,151.8	10,891.5	-429,1	770,1	17,297.9	14,007.8	1,699.5	1,590.6	17,297.9
31 Dec. 2015	3,953.2	1,031.3	1,141.5	11,168.1	-475,4	490,9	17,309.6	13,950.5	1,741.1	1,618.0	17,309.6
31 Mar. 2016	3,872.0	1,223.0	1,152.5	11,115.4	-485,4	630,1	17,507.6	14,024.1	1,757.3	1,726.2	17,507.6
30 June 2016	3,871.0	1,314.7	1,166.8	11,420.4	-467,5	727,1	18,032.5	14,300.5	1,928.1	1,803.9	18,032.5
30 Sept. 2016	4,360.1	1,408.8	1,229.1	11,521.2	-485,9	839,7	18,873.0	14,969,8	1,999.6	1,903.6	18,873.0
31 Dec. 2016	5,275.8	1,587.8	1,358.4	12,763.1	-521,6	670,7	21,134.2	16,635.2	2,432.8	2,066.2	21,134.2
31 Mar. 2017	5,589.2	1,596.6	1,445.4	13,231.5	-500,4	742,7	22,105.0	17,652.4	2,293.4	2,159.2	22,105.0
30 June 2017	6,103.5	1,601.3	1,511.6	13,666.3	-502,4	851,8	23,232.1	18,494.1	2,512.2	2,225.8	23,232.1
30 Sept. 2017	6,840.0	1,632.6	1,606.9	14,028.2	-506,1	1,001.1	24,602.7	19,672.9	2,595.6	2,334.3	24,602.7
31 Dec. 2017	7,161.7	1,704.7	1,729.3	15,306.2	-526,0	739,3	26,115.3	21,098.1	2,640.4	2,376.8	26,115.3
31 Mar. 2018	7,303.9	1,980.8	1,835.4	16,195.6	-525,9	908,8	27,698.6	22,352.7	2,830.2	2,515.7	27,698.6

Source: Central Bank of the TRNC

Table B.10: Loans (Total) - By Types (Million TRY)

Date	Discount Loans	Export Loans	Import Loans	Export Guaranteed Investment Loans	Other Investment Loans	Business Loans	Directed Loans	Loans of Funds Originated	Consumer Loans	Credit Cards	Loans to Purchase Security for Customers	Loans Extended by Central Bank of the TRNC	Loans Extended Through Central Bank of the TRNC	Other Loans	Total
31 Dec. 2014	95,9	9,3	3,2	0,0	77,0	4,802.6	27,0	13,7	2,869.0	229,1	0,1	0,0	0,0	813,5	8,940.4
31 Mar. 2015	98,5	7,4	3,1	0,0	83,1	4,990.4	30,5	14,7	2,936.2	251,4	0,1	4.4	0,0	904,3	9,324.1
30 June 2015	117,1	10,1	3.4	0,0	92,1	5,195.8	15,0	14,5	3,033.7	257,8	0,1	4,6	0,0	929,8	9,674.0
30 Sept. 2015	133,1	11,8	3,8	0,0	86,1	5,532.5	10.4	15.8	3,152.2	259,9	0,1	5.2	0,0	963,7	10,174.6
31 Dec. 2015	138,5	11.0	3.6	0,0	96,4	5,740.9	15,9	14.8	3,073.4	265,1	0,1	0,0	0,0	1,039.7	10,399.4
31 Mar. 2016	146,2	7,0	3,7	0,0	90,7	5,731.3	17.8	14,2	3,085.4	251,0	0,1	0,0	0,0	999,0	10,346.4
30 June 2016	161,7	2.1	3.0	0,0	96,6	5,987.6	13,5	13,8	3,130.1	279,9	0,1	4.1	0,0	974,9	10,667.4
30 Sept. 2016	161,0	4,5	2,3	0,0	93,5	6,022.0	12.2	13,5	3,222.1	289,8	0,1	4.2	0,0	910,7	10,735.9
31 Dec. 2016	165,8	3,8	3,7	0,0	102,4	6,910.7	16,5	14,9	3,411.8	324,8	0,1	4,9	0,0	961,2	11,920.6
31 Mar. 2017	179,5	5.6	3,8	0,0	112,6	7,206.5	22,8	14,4	3,514.1	358,9	0,1	0,0	0,0	992,5	12,410.8
30 June 2017	180,0	6.0	3,2	0,0	91,3	7,475.2	20,3	14,2	3,642,2	379,2	0,1	5.3	0,0	1,019.0	12,836.0
30 Sept. 2017	178,0	6.9	3.5	0	111,2	7,598.6	16,7	15,9	3,815.2	391,6	0,1	5.4	0	1,034.9	13,178.0
31 Dec. 2017	195,0	6.1	3.6	0	111,9	8,406.5	21,2	17,1	4,152.0	394,7	0,1	5.7	0	1,116.3	14,431.3
31 Mar. 2018	206,2	5.2	4.2	0	102,9	8,907.5	22,1	17,0	4,255.4	392,4	0.2	0,0	0,0	1,356.4	15,269.5

Source: Central Bank of the TRNC

Table B.11: Loans (TRY) - By Types (Million TRY)

Date	Discount Loans	Export Loans	Import Loans	Export Guaranteed Investment Loans	Other Investment Loans	Business Loans	Directed Loans	Loans of Funds Originated	Consumer Loans	Credit Cards	Loans to Purchase Security for Customers	Loans Extended by Central Bank of the TRNC	Loans Extended Through Central Bank of the TRNC	Other Loans	Total
31 Dec. 2014	66.3	0	0,1	0	60,9	2,898.0	27,0	5.8	2,038.4	228,2	0,1	0	0	566,7	5,891.5
31 Mar. 2015	72,0	0	0,1	0	63,7	2,898.1	30,5	5.8	2,036.9	250,6	0,1	0	0	592,5	5,950.3
30 June 2015	90,2	0	0,1	0	68,0	2,897.1	15,0	5.4	2,084.3	257,0	0,1	0	0	613,4	6,030.6
30 Sept. 2015	101,5	0	0,1	0	59,1	2,926.8	10.4	5.4	2,135.7	257,9	0,1	0	0	611,7	6,108.7
31 Dec. 2015	107,3	0	0,1	0	64,9	3,161.8	16.0	5.4	2,139.0	264,3	0,1	0	0	695,5	6,454.4
31 Mar. 2016	114,4	0	0.4	0	62,1	3,238.7	17.9	5.1	2,166.9	250,1	0	0	0	691,6	6,547.2
30 June 2016	126,0	2.1	0,1	0	57,6	3,311.3	13,5	4,5	2,212.4	278,9	0	0	0	678,0	6,684.4
30 Sept. 2016	123,0	4.4	0,1	0	52,9	3,296.1	12.1	4.0	2,243.5	288,2	0,1	0	0	644,8	6,669.2
31 Dec. 2016	117,6.	3,8	0.3	0	53,2.	3,575.9	16,5	3,8	2,270.9	323,1	0,1	0	0	644,9	7,010.1
31 Mar. 2017	127,2	5.6	0.5	0	61,7	3,637.1	22,8	3.5	2,310.6	356,9	0,1	0	0	675,1	7,201.1
30 June 2017	131,8	6.1	0,1	0	60,2	3,664.0	20,3	3,8	2,401.9	376,9	0,1	0	0	698,8	7,364.0
30 Sept. 2017	135,3	6.9	0.2	0	74,4	3,631.2	16,7	5.3	2,457.6	389,1	0,1	0	0	684,7	7,401.6
31 Dec. 2017	140,4	6.1	0,1	0	75,9	3,918.0	21,2	5.9	2,627.5	392,6	0,1	0	0	698,4	7,886.4
31 Mar. 2018	149,1	5.2	0.5	0	69,3	3,973.9	22,1	5.8	2,566.2	390,3	0.2	0	0	840,8	8,023.4

Source: Central Bank of the TRNC

Table B.12: Loans (FX) - By Types (Million TRY)

Date	Discount Loans	Export Loans	Imports Loans	Export Guaranteed Investment Loans	Other Investment Loans	Business Loans	Directed Loans	Loans of Funds Originated	Consumer Loans	Credit Cards	Loans to Purchase Security for Customers	Loans Extended by Central Bank of the TRNC	Loans Extended Through Central Bank of the TRNC	Other Loans	Total
31 Dec. 2014	29,6	9,3	3,1	0	16,0	1,904.6	0	7.8	830,6	1.0	0	0	0	246,9	3,048.9
31 Mar. 2015	26,6	7.5	3,1	0	19.4	2,092.3	0	9.0	899,5	0,1	0	4,5	0	311,8	3,373.8
30 June 2015	26,9	10,1	3.4	0	24.2	2,298.8	0	9.0	949,4	0.7	0	4,5	0	316,4	3,643.4
30 Sept. 2015	31,7	11.7	3.5	0	27,1	2,605.7	0	10.3	1,016.7	2.0	0	5.1	0	352,1	4,065.9
31 Dec. 2015	31,2	11.0	3,2	0	31,5	2,579.1	0	9.4	934,4	1.0	0	0	0	344,2	3,945.0
31 Mar. 2016	31,8	7,0	3.3	0	28,6	2,492.6	0	9.1	918,5	1.0	0	0	0	307,3	3,799.2
30 June 2016	35,6	0	2.9	0	39,0	2,676.3	0	9,3	917,7	1.0	0	4.1	0	297,1	3,983.0
30 Sept. 2016	38	0	2.7	0	40,6	2,725.8	0	9.5	978,5	1.5	0	4.2	0	265,9	4,066.7
31 Dec. 2016	48,2	0	3.3	0	49,1	3,334.8	0	11.1	1,141	1.7	0	5.0	0	316,3	4,910.5
31 Mar. 2017	52,3	0	3.3	0	51.0	3,569.4	0	11.0	1,203.5	1.9	0	0	0	317,3	5,209.7
30 June 2017	48,2	0	3,1	0	31,1	3,811.2	0	10,4	1,240.3	2.2	0	5.3	0	320,2	5,472.0
30 Sept. 2017	42,7	0	3.3	0	36,8	3,967.3	0	10.6	1,357.6	2.5	0	5.4	0	350,2	5,776.4
31 Dec. 2017	54,5	0	3.6	0	36,0	4,488.4	0	11.1	1,525.4	2.1	0	5.7	0	417,8	6,544.8
31 Mar. 2018	57,1	0	3,7	0	33,6	4,933.6	0	11.2	1,689.3	2.1	0	0	0	515,5	7,246.1

Source: Central Bank of the TRNC

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

Date	Short-Term Loans	Percentage Change	Medium and Long-Term Loans	Percentage Change	Total	Percentage Change
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 Sept. 2015	4,384.3	3,38	5,790.3	6,6	10,174.6	5,17
31 Dec. 2015	4,602.5	4,98	5,796.8	0,11	10,399.4	2,21
31 Mar. 2016	4,535.0	-1,47	5,811.4	0,25	10,346.4	-0,51
30 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
31 Mar. 2018	3,996.5	8,13	11,273.0	5,00	15,269.5	5,81

Source: Central Bank of the TRNC

Table B.14: Loans - Public and Private (Million TRY)

Date	Public Loans	Percentage Change	Private Loans	Percentage Change	Total	Percentage Change
31 Dec. 2014	2,416.9	11.13	6,523.5	3.54	8,940.4	5.49
31 Mar. 2015	2,442.9	1.07	6,881.2	5.48	9,324.1	4.29
30 June 2015	2,411.2	-1.29	7,262.8	5.55	9,674.0	3.75
30 Sept. 2015	2,484.0	3.02	7,690.6	5.89	10,174.6	5.17
31 Dec. 2015	2,692.1	8.38	7,707.3	0.22	10,399.4	2.21
31 Mar. 2016	2,679.4	-0.47	7,667.0	-0.52	10,346.4	-0,51
30 June 2016	2,662.4	-0.63	8,005.0	4.41	10,667.4	3.10
30 Sept. 2016	2,656.7	-0.21	8,079.2	0.93	10,735.9	0.64
31 Dec. 2016	2,995.6	12.76	8,925.0	10.47	11,920.6	11,03
31 Mar. 2017	3,005.0	0.31	9,405.8	5.39	12,410.8	4,11
30 June 2017	2,948.7	-1.87	9,887.3	5.12	12,836.0	3,43
30 Sept. 2017	2,874.9	-2.50	10,303.1	4.21	13,178.0	2.66
31 Dec. 2017	3,192.9	11.06	11,238.4	9.08	14,431.3	9,51
31 Mar. 2018	3,228.1	1.10	12,041.4	7.15	15,269.5	5.81

Source: Central Bank of the TRNC

Table B.15: Loan Sizes (Million TRY)

Date	Over 100 Thousand TRY	51-100 Thousand TRY	11-50 Thousand TRY	1 - 10 Thousand TRY	Fewer Than 1 Thousand TRY	Grand Total
31 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 Sept. 2015	7,912.1	780,3	1,024.0	443,8	14,4	10,174.6
31 Dec. 2015	8,154.1	780,1	1,017.5	432,5	15.2	10,399.4
31 Mar. 2016	8,137.3	776,4	1,025.0	392,7	15,0	10,346.4
30 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
31 Mar. 2018	12,971.9	883,1	1,016.5	372,6	25,5	15,269.6

Source: Central Bank of the TRNC

Table B.16: Development of the Shareholders' Equities (Million TRY)

Date	Paid-in Capital	Reserve Requirements	Fixed Asset Rev. Fund	Securities Value Increment Fund	Profit (Loss)	Accumulated Profit (Loss)	Total
31 Dec. 2014	800,8	261,6	1,4	13,5	214,7	211,6	1,503.6
31 Mar. 2015	802,4	307,6	1,6	13,5	79,9	359,1	1,564.1
30 June 2015	771,9	353,8	1,4	14,7	128,4	262,0	1,532.2
30 Sept. 2015	778,9	355,0	1,4	12,6	185,4	257,3	1,590.6
31 Dec. 2015	791,4	367,3	0,2	12,6	201,8	244,7	1,618.0
31 Mar. 2016	791,8	426,1	0,2	78,7	56,2	373,2	1,726.2
30 June 2016	848,5	425,3	0,3	72,3	156,3	301,2	1,803.9
30 Sept. 2016	878,5	423,7	0,2	72,7	227,5	301,0	1,903.6
31 Dec. 2016	976,7	426,4	0,3	82,1	306,8	273,9	2,066.2
31 Mar. 2017	992,4	520,0	0,3	86,0	104,7	455,8	2,159.2
30 June 2017	1,011.7	558,0	0,9	88,8	185,4	381,0	2,225.8
30 Sept. 2017	1,021.4	558,0	0,9	92,6	297,4	364,0	2,334.3
31 Dec. 2017	1,099.6	409,5	0,9	101,1	407,5	358,1	2,376.8
31 Mar. 2018	1,153.7	572,8	0,9	110,0	123,1	555,2	2,515.7

Source: Central Bank of the TRNC

Table B.17: Capital Adequacy Ratio (%)

Date	Public Banks	Private Banks	Branch Banks	Banking Sector	Legal Limit
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 Sept. 2015	25.83	14.62	17.18	17.33	10.00
31 Dec. 2015	23.95	14.53	17.35	17.06	10.00
31 Mar. 2016	24.19	14.94	17.66	17.39	10.00
30 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
31 Mar. 2018	21.76	14.80	19.12	17.40	10.00

Source: Central Bank of the TRNC

Table B.18: Profit / Loss Table (Million TRY)

Date	Interest Revenues	Interest Expenditures	Non-Interest Revenues	Non-Interest Expenditures	Net Profit / Loss
31 Dec. 2014	1,230.1	409,3	246,6	438,5	214,7
31 Mar. 2015	330,9	109,3	68,5	110,6	79,9
30 June 2015	672,2	215,3	132,6	228,3	128,4
30 Sept. 2015	1,028.1	308,5	191,3	354,2	185,4
31 Dec. 2015	1,391.1	378,4	272,9	485,6	201,8
31 Mar. 2016	375,6	118,3	77,8	125,5	56,1
30 June 2016	758,1	252,3	173,5	251,6	156,3
30 Sept. 2016	1,150.1	373,9	242,0	373,9	227,5
31 Dec. 2016	1,558.7	465,1	334,8	519,3	306,7
31 Mar. 2017	433,5	156,3	92,1	141,5	104,7
30 June 2017	885,7	308,4	195,5	295,1	185,4
30 Sept. 2017	1,383.6	802,7	298,9	456,9	297,4
31 Dec. 2017	1,891.8	1,101.7	396,9	630,9	407,5
31 Mar. 2018	562,5	329,5	108,4	179,9	123,1

Source: Central Bank of the TRNC

Table B.19: Deposits (Total) - By Maturity Groups (Million TRY)

Date	Demand	1-Month	3-Month	6-Month	1-Year	Total
31 Dec. 2014	1,469.5	6,744.4	1,910.0	493,0	1,156.9	11,773.8
31 Mar. 2015	1,480.3	7,034.4	2,043.0	466,5	1,233.8	12,258.0
30 June 2015	1,651.8	7,323.3	2,202.8	526,6	1,295.5	13,000.0
30 Sept. 2015	1,864.3	7,773.2	2,394.4	598,2	1,377.7	14,007.8
31 Dec. 2015	1,859.2	7,689.2	2,516.1	566,5	1,319.5	13,950.5
31 Mar. 2016	1,750.4	7,918.7	2,488.7	591,5	1,274.8	14,024.1
30 June 2016	1,912.7	7,930.3	2,584.2	603,7	1,269.6	14,300.5
30 Sept. 2016	2,064.9	8,206.5	2,751.7	608,2	1,338.5	14,969.8
31 Dec. 2016	2,394.0	8,623.1	3,360.7	689,5	1,567.9	16,635.2
31 Mar. 2017	2,480.3	9,674.2	3,161.1	723,8	1,613.0	17,652.4
30 June 2017	2,771.0	9,919.8	3,407.0	736,9	1,659.4	18,494.1
30 Sept. 2017	2,916.9	10,069.4	4,041.3	862,7	1,782.6	19,672.9
31 Dec. 2017	3,118.5	10,808.9	4,257.6	920,4	1,992.7	21,098.1
31 Mar. 2018	3,098.2	11,840.3	4,238.1	912,5	2,263.6	22,352.7

Source: Central Bank of the TRNC

Table B.20: Deposits (TRY) - By Maturity Groups (Million TRY)

Date	Demand	1-Month	3-Month	6-Month	1-Year	Total
31 Dec. 2014	798,0	4,122.7	1,013.8	234,3	299,1	6,467.9
31 Mar. 2015	769,5	4,328.5	1,068.6	213,9	285,6	6,666.1
30 June 2015	821,1	4,403.3	1,137.2	207,8	285,3	6,854.7
30 Sept. 2015	837,2	4,427.9	1,171.5	202,1	266,5	6,905.2
31 Dec. 2015	865,0	4,452.8	1,259.1	201,5	283,0	7,061.4
31 Mar. 2016	797,1	4,557.7	1,280.1	225,0	261,6	7,121.5
30 June 2016	898,2	4,618.9	1,341.7	221,6	263,3	7,343.7
30 Sept. 2016	968,4	4,690.1	1,463.3	203,2	258,9	7,583.9
31 Dec. 2016	1,122.6	4,796.3	1,611.5	231,0	297,1	8,058.5
31 Mar. 2017	1,083.7	5,157.3	1,503.4	283,7	274,1	8,302.2
30 June 2017	1,276.2	5,173.5	1,636.5	273,9	282,2	8,642.3
30 Sept. 2017	1,318.5	5,221.5	1,831.2	358,1	302,8	9,032.1
31 Dec. 2017	1,412.7	5,481.0	1,993.8	381,3	313,4	9,582.3
31 Mar. 2018	1,275.9	5,724.4	2,037.6	385,5	309,1	9,732.5

Source: Central Bank of the TRNC

Table B.21: Deposits (FX) - By Maturity Groups (Million TRY)

Date	Demand	1-Month	3-Month	6-Month	1-Year	Total
31 Dec. 2014	671,5	2,621.7	896,3	258,7	857,7	5,305.9
31 Mar. 2015	710,8	2,705.9	974,5	252,5	948,2	5,591.9
30 June 2015	830,8	2,919.9	1,065.5	318,8	1,010.3	6,145.3
30 Sept. 2015	1,027.1	3,345.3	1,222.9	396,1	1,111.2	7,102.6
31 Dec. 2015	994,3	3,236.4	1,256.9	365,0	1,036.5	6,889.1
31 Mar. 2016	953,3	3,361.1	1,208.6	366,5	1,013.0	6,902.5
30 June 2016	1,014.5	3,311.4	1,242.5	382,1	1,006.3	6,956.8
30 Sept. 2016	1,096.5	3,516.5	1,288.3	405,0	1,079.6	7,385.9
31 Dec. 2016	1,271.4	3,826.8	1,749.2	458,5	1,270.7	8,576.7
31 Mar. 2017	1,396.6	4,516.9	1,657.7	440,1	1,338.9	9,350.2
30 June 2017	1,494.9	4,746.3	1,770.5	463,0	1,377.2	9,851.9
30 Sept. 2017	1,598.4	4,847.8	2,210.1	504,7	1,479.7	10,640.8
31 Dec. 2017	1,705.8	5,327.8	2,263.8	539,1	1,679.3	11,515.8
31 Mar. 2018	1,822.4	6,115.9	2,200.5	526,9	1,954.5	12,620.2

Source: Central Bank of the TRNC

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

Date	Official	Trading	Savings	Other	Banks	Total
31 Dec. 2014	760,4	1,696.1	9,016.1	301,2	799,4	12,573.2
31 Mar. 2015	746,3	1,854.6	9,366.2	291,0	750,8	13,008.9
30 June 2015	792,2	2,063.5	9,858.0	286,3	805,0	13,805.0
30 Sept. 2015	787,1	2,408.0	10,576.4	236,3	867,4	14,875.2
31 Dec. 2015	822,7	2,350.4	10,537.9	239,5	961,3	14,911.8
31 Mar. 2016	825,4	2,380.7	10,581.1	236,9	1,024.2	15,048.3
30 June 2016	881,2	2,442.5	10,745.4	231,4	1,025.7	15,326.2
30 Sept. 2016	913,5	2,744.1	11,022.3	289,9	1,148.4	16,118.2
31 Dec. 2016	991,7	3,040.5	12,287.2	315,8	1,597.8	18,233.0
31 Mar. 2017	1,107.4	3,310.6	12,895.4	339,0	1,460.1	19,112.5
30 June 2017	1,294.5	3,512.2	13,373.9	313,5	1,551.4	20,045.5
30 Sept. 2017	1,344.5	3,914.2	14,146.6	267,5	1,600.8	21,273.5
31 Dec. 2017	1,499.0	3,942.5	15,380.3	276,3	1,637.5	22,735.6
31 Mar. 2018	1,504.5	4,270.9	16,210.0	367,3	1,638.0	23,990.7

Source: Central Bank of the TRNC

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

Date	Official	Trading	Savings	Other	Banks	Total
31 Dec. 2014	577,2	879,8	4,875.8	135,1	399,0	6,866.9
31 Mar. 2015	552,5	965,0	5,006.1	142,5	331,0	6,997.1
30 June 2015	588,9	1,015.5	5,120.9	129,4	276,2	7,130.9
30 Sept. 2015	571,4	1,076.5	5,130.1	127,3	237,6	7,142.9
31 Dec. 2015	614,6	1,110.6	5,193.0	143,2	254,6	7,316.0
31 Mar. 2016	615,7	1,101.8	5,286.0	118,1	285,5	7,407.1
30 June 2016	669,7	1,107.3	5,441.0	125,7	208,8	7,552.5
30 Sept. 2016	708,4	1,216.8	5,492.2	166,5	227,8	7,811.7
31 Dec. 2016	756,3	1,319.0	5,823.8	159,4	331,8	8,390.3
31 Mar. 2017	809,7	1,352.5	5,963.4	176,8	351,3	8,653.7
30 June 2017	1,022.5	1,368.4	6,116.2	135,1	313,2	8,955.4
30 Sept. 2017	1,029.4	1,516.0	6,387.8	98,9	319,0	9,351.2
31 Dec. 2017	1,150.6	1,522.5	6,802.0	107,2	279,1	9,861.4
31 Mar. 2018	1,144.2	1,558.4	6,912.0	117,9	302,7	10,035.2

Source: Central Bank of the TRNC

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

Date	Official	Trading	Savings	Other	Banks	Total
31 Dec. 2014	183,2	816,3	4,140.3	166,1	400,4	5,706.3
31 Mar. 2015	193,8	889,5	4,360.2	148,5	419,8	6,011.8
30 June 2015	203,3	1,048.0	4,737.1	156,9	528,8	6,674.1
30 Sept. 2015	215,8	1,331.5	5,446.3	108,9	629,8	7,732.3
31 Dec. 2015	208,1	1,239.8	5,345.0	96,3	706,6	7,595.8
31 Mar. 2016	209,7	1,279.0	5,295.1	118,8	738,6	7,641.2
30 June 2016	211,6	1,335.2	5,304.3	105,6	817,0	7,773.7
30 Sept. 2016	205,1	1,527.4	5,530.0	123,4	920,6	8,306.5
31 Dec. 2016	235,4	1,721.5	6,463.4	156,4	1,266.0	9,842.7
31 Mar. 2017	297,7	1,958.2	6,932.1	162,2	1,108.7	10,458.9
30 June 2017	272,0	2,143.8	7,257.6	178,4	1,238.2	11,090.0
30 Sept. 2017	315,1	2,398.3	7,758.8	168,6	1,281.6	11,922.3
31 Dec. 2017	348,5	2,420.0	8,578.2	169,1	1,358.3	12,874.1
31 Mar. 2018	360,3	2,712.6	9,298.0	249,3	1,335.3	13,955.5

Source: Central Bank of the TRNC

Table B.25: Money Supply (Million TRY)

Year	Period	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	6.72	21,181.5	6.72	22,789.8	7.30
2018	I	4,620.3	4.93	22,638.7	6.88	24,286.7	6.57

Source: Central Bank of the TRNC

Table B.26: Licensed Banks Operating under the Banking Law

1	KIBRIS VAKIFLAR BANKASI LTD.
2	AKFİNANS BANK LTD.
3	CREDITWEST BANK LTD.
4	NOVA BANK LTD.
5	ASBANK LTD.
6	KIBRIS İKTİSAT BANKASI LTD.
7	KIBRIS TÜRK KOOPERATİF MERKEZ BANKASI LTD.
8	LİMASOL TÜRK KOOPERATİF BANKASI LTD.
9	ŞEKERBANK (KIBRIS) LTD.
10	TÜRK BANKASI LTD.
11	UNIVERSAL BANK LTD.
12	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.

Source: Central Bank of the TRNC

Table B.27: Basic Economic and Social Indicators

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
GNP (Current Prices, Million TRY)	4,671.3	5,128.3	5,415.3	5,649.5	6,559.2	6,915.8	7,579.4	8,840.4	10,222.5	10,222.5 ^(F)	13,003.4 ^(F)	14,518.4 ^(F)
GNP (Million USD)	3,598.8	3,995.6	3,502.5	3,750.6	3,908.5	3,840.8	3,969.5	4,031.9	3,749.2	3,735.8 ^(F)	3,446.9 ^(F)	3,685.3 ^(F)
GNP per capita (Current Prices, TRY)	19,165	20,739	21,538	22,147	25,850	27,077	29,217	33,128	37,456	40,590 ^(F)	45,781 ^(F)	53,974.1 ^(F)
GNP per capita (USA)	14,765	16,158	13,930	14,703	15,404	15,038	15,302	15,109	13,737.2	13,427.9 ^(F)	12,135.5 ^(F)	13,700.6 ^(F)
Inflation Rate (%)	9.4	14.5	5.7	3.3	14.7	3.6	10.2	6.5	7.8	10.2	14.7	12.1
Deposits (Million USD) (2)	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	n.a
Foreign Exchange Reserve (Million USD)	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	n.a
Exports (Million USD) (3)	83,7	83,6	71,1	96,4	119,9	116,3	120,7	134,0	118,1	105,5	105,6	108,0 ^(F)
Imports (Million USD) (4)	1,539.2	1,680.7	1,326.2	1,604.2	1,699.9	1,703.9	1,699.4	1,538.8	1,500.6	1,557.2	1,768.5	1,684.5 ^(F)
Foreign Trade Balance (Million USD)	-1,455.5	-1,597.1	-1,255.1	-1,507.8	-1,580.0	-1,587.6	-1,578.7	-1,404.8	-1,382.5	-1,451.7	-1,662.9	-1,576.5 ^(F)
Exports / Imports (%)	5.1	4.4	5.4	6.0	9.0	7.2	7.1	7.5	7.9	6.9	6.4	6.4 ^(F)
Number of Arriving Tourists	791,036	808,682	800,376	902,390	1,022,089	1,166,186	1,232,753	1,366,007	1,483,244	1,577,073	1,734,330	405,744
a) Turkey	634,580	650,405	638,700	741,925	801,326	904,505	923,308	1,020,577	1,110,795	1,218,232	1,324,248	314,325
b) Other	156,456	158,277	161,676	160,465	220,763	261,681	309,445	345,430	372,449	358,841	410,082	91,422
Net Tourism Income (Million USD)	381,0	383,7	390,7	405,8	459,4	571,9	613,4	691,6	697,7	714,4 ^(F)	725,8 ^(F)	737,2 ^(F)
Employment	89,787	91,223	91,550	93,498	93,470	96,539	97,867	103,149	112,811	118,387 ^(F)	121,889 ^(F)	125,511 ^(F)
Number of Unemployed	9,361	9,881	12,941	12,619	9,864	9,174	8,929	9,320	9,043	8,075 ^(F)	7,257 ^(F)	7,257 ^(F)
Unemployment Rate (%)	9.4	9.8	12.4	11.9	9.5	8.7	8.4	8.3	7,4	6.4 ^(F)	5.6 ^(F)	5.5 ^(F)
Population (5)	268,011	274,436	283,736	277,680	283,281	292,129	301,988	313,626	326,158	335,455 ^(F)	351,965 ^(F)	n.a
Annual Population Growth (%)	4.0	2.4	3.3	1.1	-1.3	3,1	3.3	3,8	3.9	2.9	4,9	n.a
Population Density	82,7	84,7	87,5	85,7	87,4	90,1	93,1	96,7	100,6	n.a	n.a	n.a
Health Expenditures / GNP (%)	3.9	3.5	3.5	3.4	3,1	3,1	3,2	3,1	2.5	2.8	n.a	n.a
Health Expenditures / Budget (%)	8.6	7.6	7,4	7.3	7.2	7.3	7,4	7.6	6.6	7.7	n.a	n.a
Annual Average 1 USD = TRY	1.2980	1.2835	1.5461	1.5063	1.6782	1.8006	1.9094	2.1926	2.7266	3.0228	3.7725	3.8712

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 the TRNC, Department of Trade, Tourism Planning Department.

Table B.28: Sectorial Developments in Gross Domestic Product (Current Prices, Million TRY)

Sectors	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017 ^(F)	2018 ^(F)
1. Agriculture	288,2	259,2	300,6	330,3	366,4	386,5	405,0	489,3	609,7	647,6	738,8	862,2
2. Industry	430,8	542,8	516,7	552,4	558,5	587,1	636,6	779,7	937,7	1,064.7	1,227.2	1,377.1
3. Construction	364,4	362,2	346,4	312,1	408,5	335,8	370,7	370,2	480,5	511,6	618,9	685,6
4. Trade - Tourism	630,3	721,7	766,3	900,0	1,216.8	1,385.3	1,527.9	1,829.1	2,012.9	2,280.6	2,575.3	2,878.9
5. Transportation - Communication	533,4	614,5	597,3	525,2	553,1	642,9	711,4	788,0	896,6	965,3	1,141.2	1,264.3
6. Financial Institutions	309,4	357,8	388,4	404,4	472,6	506,0	579,7	637,4	719,4	887,6	913,1	1,006.7
7. Housing Income	144,2	175,9	202,5	220,6	274,4	305,8	358,2	398,9	456,2	535,3	589,2	655,9
8. Self-Employment and Services	493,5	525,2	609,3	652,3	727,5	801,8	891,6	1,026.1	1,422.6	1,679.9	1,903.9	2,160.5
9. Public Services	1,003.5	1,104.0	1,201.2	1,180.1	1,294.3	1,294.9	1,349.9	1,603.6	1,715.2	1,850.1	2,060.2	2,244.6
10. Import Taxes	406,7	416,6	447,6	536,3	637,0	709,1	775,9	936,4	971,8	1,178.3	1,235.6	1,382.6
11. GDP	4,604.3	5,079.9	5,376.3	5,614.1	6,509.0	6,955.1	7,606.9	8,858.6	10,222.5	11,601.2	13,003.4	14,518.4
12. Net Factor Income from Abroad	66,9	48,4	38,9	35,4	50,2	-39,3	-27,5	-18,2	-11,7	4,2	-14,2	-15,3
GNP	4,671.2	5,128.3	5,415.3	5,649.5	6,559.2	6,915.8	7,579.4	8,840.4	10,210.7	11,605.5	12,989.1	14,503.1

(F)Forecast
Source: SPO

Table B.29: Percentage Distribution of Gross Domestic Product

Sectors	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017 ^(F)	2018 ^(F)
1. Agriculture	6.3	5.1	5.6	5.9	5.6	5.6	5.3	5.5	6.0	5.6	5.7	5.9
2. Industry	9.4	10.7	9.6	9.8	8.6	8.4	8.4	8.8	9.2	9.2	9.4	9.5
2.1. Quarrying	1.1	0.8	0.7	0.6	0.7	0.6	0.6	0.5	0.7	0.7	0.7	0.7
2.2. Manufacturing Industry	4.4	4.0	3,2	2,3	2.5	2.8	2.9	3,1	3,7	3,7	3,8	3.9
2.3. Electricity-Water	3.9	5.9	5.8	6.9	5.3	5.1	4.8	5.1	4.8	4.8	4,9	4,9
3. Construction	7.9	7.1	6.5	5.6	6.3	4.8	4.9	4.2	4.7	4.4	4.8	4.7
4. Trade - Tourism	13.7	14.2	14.3	16.0	18.7	19.9	20.1	20.6	19.7	19.7	19.8	19.8
4.1. Wholesale and Retail Trade	9.5	9.7	9.0	10.7	11.1	11.4	11.2	12.3	10.7	11.0	10.6	10.5
4.2. Hotel and Restaurant Management	4,2	4,5	5.2	5.4	7.6	8.5	8.9	8.3	9.0	8.7	9.2	9,3
5. Transportation - Communication	11.6	12.1	11.1	9.4	8.5	9.3	9.4	8.9	8.8	8.3	8.8	8.7
6. Financial Institutions	6.7	7.1	7.2	7.2	7.2	7.3	7.6	7.2	7.0	7.6	7.0	6.9
7. Housing Ownership	3.1	3.5	3.8	3.9	4.2	4.4	4.7	4.5	4.4	4.6	4.5	4.5
8. Self-Employment and Services	10.7	10.3	11.3	11.6	11.2	11.5	11.7	11.6	13.9	14.5	14.6	14.9
9. Public Services	21.8	21.7	22.3	21.0	19.9	18.6	17.7	18.1	16.8	15.9	15.8	15.5
10. Import Taxes	8.8	8.2	8.3	9.6	9.8	10.2	10.2	10.6	9.5	10.2	9.5	9.5
GDP	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Source: SPO

Table B.30: General Balance of the Economy (Current Prices, Million TRY)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 ^(F)	2017 ^(F)	2018 ^(F)
1. Total Resources	4,996.3	5,629.3	5,516.7	6,065.0	6,849.7	7,141.1	7,664.8	8,866.0	9,470.2	10,499.0	12,259.9	13,948.6
2. Total Investments	1,089.2	1,049.1	946,6	1,049.6	1,266.5	1,175.5	1,147.8	1,276.7	1,598.5	1,791.2	2,138.6	2,447.3
3. Total Consumption	3,907.1	4,580.1	4,570.0	5,015.4	5,583.1	5,965.6	6,516.9	7,589.3	7,871.7	8,707.8	10,121.3	11,501.4
4. Public Disposable Income	904,7	1,105.6	751,9	962,2	1,059.2	1,491.8	1,341.3	1,688.9	2,123.1	2,317.2	2,586.1	2,777.4
5. Private Disposable Income	3,766.5	4,022.7	4,663.3	4,687.3	5,449.9	5,424.0	6,238.1	7,151.5	8,087.7	8,962.7	10,403.0	11,725.7
6. Private Savings Ratio (%)	29.0	20.1	33.9	26.0	28.0	20.8	25.0	23.3	29.8	29.4	28.1	26.1
7. Total Domestic Savings	764,2	548,2	845,2	634,1	976,1	950,3	1,062.5	1,251.0	2,339.0	2,572.1	2,867.8	3,001.7

(F) Forecast

Source: SPO

Table B.31: Real Growth Rates of Sectorial Value Added (%)

Sectors	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 ^(F)	2017 ^(F)	2018 ^(F)
1. Agriculture	0.4	-18,2	8.2	10.0	10.8	3,7	-1.6	4.8	14.5	-8.0	8.5	8.5
2. Industry	-0.9	-10.3	-9.1	-0.2	3.4	-0.7	1.7	8.5	19.5	2.5	4.7	4.7
3. Construction	4,2	-8.0	-18.5	3,8	3.3	-16.0	-0.3	-4.5	6.5	3.0	3.0	3.0
4. Trade-Tourism	-2.7	-2.1	-8.7	18.3	6.0	6.1	1,4	8.5	-0.8	1.7	2.7	3.4
5. Transportation-Communication	-3.6	2.2	-2.8	-20.0	-4.3	5.7	2.0	3,2	5.7	1.8	3.0	3.0
6. Financial Institutions	6.3	9.6	1.7	0,3	1,4	8.1	7.5	0.8	1.6	2.0	2.5	2.5
7. Housing Ownership	4,6	2.7	3,8	4.0	3.9	3,7	3,2	2.6	3.0	2.8	3.5	3.5
8. Self-Employment and Services	6.6	4.3	3.4	-5.3	4.3	1.5	2,3	8.8	9.5	4,5	5.5	5.5
9. Public Services	8.2	1.2	-5.0	0.4	2.8	1.9	1,4	-0.1	0,1	-0.3	0.5	0.5
10. Import Taxes	12.3	-0.8	-7.1	18.6	3.9	8.9	-2.1	7.9	-9.6	9.5	-5.0	3.0
11. GDP	2.8	-2.9	-5.5	3.7	3.9	1.8	1.1	4.8	4.0	2.0	2.7	3.8
12. Net Factor Income from Abroad	-47.3	-36.4	-28.2	-9.8	27.1	-174.5	35.3	40.5	41.9	0,0	0.0	0.0
GNP	1.5	-3.4	-5.7	3.6	4.0	0.5	1.3	4.9	4.1	2.1	2.7	3.8

(F) Forecast

Source: SPO

Table B.32: Sectorial Distribution of Fixed Capital Investments (Current Prices, Million TRY)

Sectors	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 ^(F)	2017 ^(F)	2018 ^(F)
1. Agriculture	25.1	33.1	27.1	49.1	51.0	54.2	71.5	80.7	62,1	97,5	123,9	140,8
2. Industry	188.4	199.7	103.8	142.7	196.3	182.3	134.1	176.6	224,7	251,4	345,4	392,0
3. Construction	20.9	14.0	14.2	18.0	23.8	20.2	18.2	20.2	27,7	33,9	37,1	42,3
4. Trade-Tourism	101.2	82.2	55.6	71.0	204.9	99.4	97.4	71.3	263,5	149,6	179,3	203,9
5. Transportation-Communication	72.0	97.3	92.6	143.8	94.7	125.6	124.6	136.0	139,2	207,9	295,8	319,3
6. Financial Institutions	11.4	14.9	24.9	12.6	10.4	14.1	12.8	11.4	10.3	17.3	21,8	24,6
7. Housing Ownership	467.0	480.2	427.3	403.4	506.4	450.3	543.3	512.9	584,6	722,6	710,4	809,7
8. Self-Employment and Services	88.4	78.7	122.7	143.6	68.2	71.1	57.3	84.9	129,9	126,6	150,5	171,6
9. Public Services	89.9	62.5	62.1	32.1	54.2	77.2	88.4	71.8	102,4	102,4	155,4	185,7
Total	1.064.3	1.062.6	930.3	1.016.3	1.209.9	1.094.4	1.147.6	1.165.8	1.544,4	1.709,4	2.019,4	2.289,9

(F) Forecast
Source: SPO

Table B.33: General Balance of the Public Sector (Current Prices, TRY)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1. Public Income	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	3,747,936,193.4	4,306,597,171.1
2. Transfers	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	1,627,164,205.7	1,814,054,229.8
3. Public Disposable Income	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	2,120,771,987.7	2,492,542,941.3
4. Public Current Expenditures	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	2,203,794,468.5	2,365,535,939.9
5. Public Savings	-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	-83,022,480.7	127,007,001.4
6. Public Investment	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	254,074,254.5	226,108,243.2
7. Public Funding Requirement	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	337,096,735.2	99,101,241.9

Source: SPO

Table B.34: General Balance of the Private Sector (Current Prices, TRY)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1. Private Disposable Income	3,766,545,993.5	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	9,112,917,437.1
2. Private Consumption	2,675,778,431.4	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	6,583,230,714.0
3. Private Savings	1,090,767,562.1	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	2,529,686,723.1
4. Private Investment	833,684,967.4	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	1,561,228,201.3
5. Private Savings-Investment Difference	257,082,594.7	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	968,458,521.8

(F) Forecast
Source: SPO

Table B.35: Government Budget Balance (Current Prices, TRY)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
I. Budget Revenues	1,912,021,359.7	1,928,800,834.9	1,850,579,976.4	2,094,884,139.9	2,342,746,054.0	2,733,508,126.6	2,717,380,643.9	3,207,881,150.7	3,464,983,316.1	3,960,630,723.5
1. Domestic Income	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	2,708,664,636.5	2,915,923,580.5	3,454,747,062.1
2. Foreign Aids	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	499,216,514.2	549,059,735.6	505,883,661.5
II. Budget Expenditures	2,125,063,562.9	2,364,729,328.4	2,575,108,349.3	2,660,956,990.0	2,844,717,192.2	2,964,278,216.8	3,261,442,097.7	3,635,438,526.6	3,841,876,284.7	4,160,316,995.6
1. Current Expenditures	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	1,465,520,571.6	1,566,222,876.2	1,680,388,903.9
2. Transfers	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	1,580,378,034.8	1,643,347,756.4	1,896,703,964.1
3. Defence	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	227,517,948.2	240,860,181.3	252,444,740.9
4. Investments	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	362,021,972.0	391,445,470.9	330,779,386.7
III. Budget Balance	-287,087,316.2	-474,386,821.0	-759,185,805.2	-566,072,850.1	-501,971,138.2	-230,770,090.2	-544,061,453.9	-427,557,376.0	-376,892,968.6	-199,686,272.1

(*) Million TRY
Source: SPO

Table B.36: Government Budget Balance (GNP Percentage)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
I. Budget Revenues	40.9	37.6	34.2	37.1	35.7	39.5	35.9	36.3	33.9	34.1
1. Domestic Income	34.9	31.9	29.1	31,7	29.8	33.8	30.2	30.6	28,6	29.8
2. Foreign Aids and Loans	6.1	5.7	5.0	5.4	6.0	5.7	5.7	5.6	5.4	4.4
II. Budget Expenditures	45.5	46.1	47.6	47.1	43.4	42.9	43.0	41.1	37.6	35.8
1. Current Expenditures	20.0	20.0	20.4	20.2	17.7	17.3	17,1	16.6	15.3	14.5
2. Transfers	18.1	19.0	21.3	20.7	19.1	19.1	19.2	17.9	16.1	16.3
3. Defence	2.6	2.9	3,1	2.9	3.0	2.8	2.7	2.6	2.4	2.2
4. Investments	4,9	4.3	2.8	3.3	3.5	3.6	4.0	4.1	3,8	2.9
III. Budget Balance	-4.6	-8.5	-13.4	-10.0	-7.7	-3.3	-7.2	-4.8	-3.7	-1.7

Source: SPO

Table B.37: Balance of Payments (Million USD)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016 ^(F)	2017 ^(F)	2018 ^(F)
1. Current Accounts Balance	-250,4	-390,3	-65,4	-275,8	-173,1	-125,1	-44,7	-11,7	271,6	258,4	193,3	140,7
2. Balance of Capital Movements	335,0	410,5	495,0	438,5	326,5	346,2	259,7	186,9	168,9	152,6	164,9	157,9
3. Reserve Movements (- Increase, + Decrease)	-41,2	269,5	-172,1	-94,4	-47,3	-340,8	-219,9	-176,7	-75,8	-410,9	-358,2	-298,7
4. Net Errors and Omissions	-43,4	-289,7	-257,5	-68,3	-106,1	119,7	4,9	1,5	-364,7	0,0	0,0	0,0

^(F) Forecast

Source: SPO

Table B.38: Percentage Change Rates of Consumer Prices Index Compared to December of Last Year

Months	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
January	1.8	3.4	0.7	-0.9	1.0	1.3	1.6	-0.1	-0.27	1.39	-0.70	1.00	2.09	-0.88	0.47	2.56	-0.22
February	3.9	6.0	0,3	-0.9	0.7	2.0	2.2	0,1	-0.31	2.10	-0.95	0.46	4.43	-2.14	0.31	4.00	1.39
March	6.2	7.9	1.8	-0.9	2.5	3.5	3,8	1.1	0.00	3.88	-0.03	0.66	5.02	-0.41	0.09	4.61	2.26
April	7.3	9.8	2.4	0.5	4,2	4,2	6.3	1.2	0.71	4.85	1.83	1.51	5.38	1.09	1.09	6.54	
May	7.3	12.9	4,6	-0.2	6.4	4.3	7.9	2.5	0.29	6.46	1.69	1.80	4.56	2,73	1,86	6.95	
June	8.2	9.0	4,2	-0.4	8.5	3.4	9.8	3,2	0.31	5.95	0.73	3.30	4.89	3.18	2.33	7.68	
July	11.4	6.9	4,2	-0.2	10.2	3.6	11.5	0.8	0.92	7.02	-0.28	3.21	5.15	1.90	3.23	9.29	
August	15.2	7.1	6.5	0.5	12.6	5.9	11.3	2.6	1.92	9.49	0.84	4,17	5.77	2.72	4.00	9.75	
September	16.9	9.1	8.4	2.0	15,9	7.7	14.3	3.3	2.58	10.39	2.57	6.30	5.84	5.78	4.63	10.31	
October	20.7	10.9	10.3	2.5	18.6	9,3	15.6	4,9	3.61	11.90	3.52	7.89	7.69	7.39	5.85	11.32	
November	21.9	11.7	10.9	2,3	19.0	9.0	16.4	6.0	3.54	13.91	3.61	8.29	6.97	6.38	7.36	12.78	
December	24.5	12.6	11.6	2.7	19.2	9.4	14.5	5.7	3.27	14.72	3.60	10.22	6.49	7.78	10.19	14.68	

Source: SPO

Table B.39 TRNC and TR Inflation Rates

Years	TRNC	TR	Years	TRNC	TR	Years	TRNC	TR
1984	70.7	49.7	1998	66.5	69.7	2012	3.60	6.16
1985	43.0	44.2	1999	55.3	68.8	2013	10.22	7.40
1986	48.1	30.7	2000	53,2.	39,0	2014	6.49	8.17
1987	43.0	55.1	2001	76.8	68,5	2015	7.78	8.81
1988	62.6	77.1	2002	24.5	29.8	2016	10.19	8.53
1989	51,8	64.3	2003	12.6	18.4	2017	14.68	11.92
1990	69.4	60.4	2004	11.6	9,3	2018	12.11	10.23
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.40: Consumer Price Index (2015 = 100 Base Year)

Main Spending Groups' Effects on Change Compared to the Previous Month

Main Groups	2018											
	1	2	3	4	5	6	7	8	9	10	11	12
1. Food and Non-Alcoholic Beverages	0.06	0.64	-0.1									
2. Alcoholic Beverages and Tobacco	0.01	0.00	0.01									
3. Clothing & Shoes	-0.13	-0.20	-0.04									
4. Housing, Water, Electricity, Gas and Other Fuels	0.01	0.10	0.06									
5. Furniture, Home Appliances and Home Maintenance Services	0.15	0.07	0.15									
6. Health	0.04	0.16	0.02									
7. Transportation	-0.01	0.47	0.14									
8. Communication	-0.01	0.04	0.00									
9. Entertainment and Culture	-0.34	0.19	0.17									
10. Education	-0.03	0.08	0.08									
11. Restaurants and Hotels	-0.03	0.03	0.06									
12. Miscellaneous Goods and Services	0.06	0.03	0.23									
General	-0.22	1.61	0.87									

Source: SPO

Table B.41: Minimum Wage Developments

Years	Minimum Wage (TRY / YTL)	Exercise Date
1991	520,000	01.01.1991
1992	806,000	01.01.1992
1993	1,373,000	01.01.1993
1994	3,000,000	01.01.1994
1994	5,000,000	01.08.1994
1995	9,420,000	01.01.1995
1995	11,590,000	01.09.1995
1996	14,800,000	01.01.1996
1997	23,000,000	01.01.1997
1997	33,800,000	01.09.1997
1998	50,250,000	01.01.1998
1998	67,000,000	01.09.1998
1999	85,000,000	01.01.1999
1999	103,000,000	01.01.1999
2000	137,000,000	01.01.2000
2000	160,000,000	01.07.2000
2001	200,000,000	01.01.2001
2001	240,000,000	01.08.2001
2002	320,000,000	01.01.2002
2002	380,000,000	01.10.2002
2003	440,000,000	01.01.2003
2003	500,000,000	01.08.2003
2004	550,000,000	01.03.2004
2004	627,000,000	01.07.2004
2005	720 (YTL)	01.06.2005
2006	780 (YTL)	01.01.2006
2006	860 (YTL)	01.08.2006
2007	950 (YTL)	01.02.2007
2008	1,060 (YTL)	01.01.2008
2008	1,190 (YTL)	01.09.2008
2009	1,237	01.10.2009
2011	1,300	01.01.2011
2013	1,415	01.01.2013
2014	1,560	01.01.2014
2014	1,675	01.11.2014
2015	1,730	01.09.2015
2016	1,834	01.07.2016
2017	2,020	01.02.2017
2017	2,175	01.07.2017
2018	2,365	01.03.2018

Source: SPO

Table B.42: Fuel Retail Prices

Date	Unleaded Gas		Euro Diesel	Diesel	Petroleum
	95 Octane	97 Octane			
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
03.02.2018	3.85	4.04	3.78	-	3.55
17.03.2018	3.88	4.07	3.82	-	3.59
11.04.2018	4.19	4.37	4.02	-	3.78

Source: Ministry of Economy and Energy

Table B.43: Sectorial Distribution of Employed Population (According to the Household Labour Force Survey)

Sectors	2008		2009		2010		2011		2012		2013		2014		2015		2016	
	Population	%	Population	%	Population	%	Population	%	Population	%	Population	%	Population	%	Population	%	Population	%
1. Agriculture, Forestry, Hunting and Fishing	3,171	3.5	4,432	4.8	5,300	5.7	3,377	3.61	3,892	4.03	4,901	5.01	4,017	3.9	4,580	4.1	4,261.0	3.6
2. Mining and Quarrying	113	0,1	106	0,1	73	0,1	39	0.04	179	0.19	157	0.16	119	0,1	109	0,1	171	0,1
3. Manufacturing Industry	7,171	7.9	7,312	8.0	8,393	9.0	6,636	7.1	6,632	6.87	5,961	6.09	8,075	7.8	8,971	8.0	9,646.0	8.1
4. Electricity, Gas, Water, Sewerage, Waste Water Treatment	860	0.9	952	1.0	1,051	1.1	1,286	1.38	1,356	1,4	1,421	1.45	1,787	1.7	2,384	2.1	1,748.0	1,5
5. Construction	10,491	11.5	9,204	10,1	7,746	8.3	6,496	6.95	7,224	7.48	7,139	7.29	8,096	7.8	8,451	7.5	9,745.0	8.2
6. Wholesale and Retail Trade	16,123	17.7	15,609	17,0	16,547	17.7	17,256	18.46	16,141	16.72	16,689	17.05	18,817	18.2	19,428	17.2	20,834.0	17.6
7. Restaurants and Hotels	5,941	6.5	7,316	8.0	7,470	8.0	7,553	8.08	9,518	9.86	8,007	8.18	8,859	8.6	11,301	10.0	11,614.0	9.8
8. Transportation, Storage, Communication, Publishing and Programming	6,082	6.7	4,872	5.3	5,026	5.4	5,282	5.65	5,156	5.34	6,133	6.27	6,431	6.2	6,484	5.7	6,957.0	5.9
9. Financial Intermediary Institutions	3,638	4.0	3,777	4.1	3,498	3,7	3,560	3.81	3,312	4.43	3,404	3.48	3,730	3.6	4,889	4.3	5,095.0	4.3
10. Real Estate, Rental, Technical and Administrative Service Activities	3,004	3.3	4,180	4,6	4,686	5.0	5,481	5.86	6,714	6.95	5,931	6,06	7,989	7.7	7,802	6.9	7,723.0	6.5
11. Public Administration	14,854	16.3	15,417	16.8	15,669	16.8	17,428	18.65	15,775	16.34	18,559	18.96	15,081	14.6	13,886	12.3	13,644.0	11.5
12. Educational Services	9,715	10.6	10,182	11.1	9,149	9.8	9,967	10.66	10,028	10.39	10,040	10.26	9,493	9.2	11,796	10.5	14,214.0	12.0
13. Human Health and Social Services Activities	2,907	3,2	2,533	2.8	2,481	2.7	3,020	3.23	3,487	3.61	2,838	2.9	3,130	3.0	3,884	3.4	3,998.0	3.4
14. Other Community Services	7,151	7.8	5,658	6.2	6,408	6.9	6,086	6.51	7,125	7.38	6,688	6.83	7,524	7.3	8,850	7.8	8,738.0	7,4
Total	91,223	100	91,550	100	93,498	100	93,470	100	96,539	100	97,868	100	103,149	100	112,815	100.00	118,388.0	100.0

Source: SPO

Table B.44: Exports of TRNC by Country Groups (USD)

Years	Turkey	European Union Countries	Other EU Countries	Middle East Countries	Other Countries	Total Exports
2006	30,875,362	9,708,799	9,805,754	11,543,938	2,933,694	64,867,547
2007	48,907,443	13,225,555	7,369,006	9,702,231	4,480,578	83,684,813
2008	41,770,636	17,147,124	4,953,414	14,220,270	5,572,694	83,664,138
2009	38,482,808	13,156,210	1,206,347	13,833,521	4,384,880	71,063,766
2010	44,741,216	11,816,654	3,475,821	31,104,188	5,282,030	96,419,909
2011	61,333,755	9,515,772	1,514,866	36,886,525	10,645,168	119,896,086
2012	58,878,076	8,678,585	1,014,857	39,821,898	9,873,712	116,267,128
2013	62,969,817	9,145,514	2,733,484	38,472,891	7,359,533	120,681,239
2014	78,446,382	8,304,840	835,323	40,583,800	5,814,745	133,985,090
2015	66,228,637	6,195,715	3,811,828	35,611,170	5,885,294	117,732,644
2016	65,926,162	10,664,066	893,816	23,981,854	4,022,010	105,487,908
2017	63,818,406	8,335,579	1,681,343	22,247,673	9,532,987	105,615,988

Source: Ministry of Economy and Energy

Table B.45: Imports of TRNC by Country Groups (USD)

Years	Turkey	European Union Countries	Far Eastern Countries	Other EU Countries	Middle East Countries	Other Countries	Total Imports
2006	946,978,969	247,072,030	82,977,243	16,460,425	65,267,005	17,464,606	1,376,220,278
2007	1,044,965,855	248,220,981	111,304,222	40,423,905	66,253,726	28,022,604	1,539,191,293
2008	1,172,502,792	236,344,802	109,156,742	78,503,072	56,482,297	27,673,475	1,680,657,180
2009	923,438,219	205,604,209	87,720,997	30,311,431	52,507,371	26,582,965	1,326,165,192
2010	1,137,378,970	251,285,189	90,266,660	29,873,873	69,000,395	26,375,578	1,604,180,665
2011	1,165,712,306	286,204,302	82,493,886	42,982,735	87,880,256	34,654,478	1,699,927,963
2012	1,234,214,030	247,749,409	81,109,808	28,245,460	81,484,144	31,111,112	1,703,913,963
2013	1,155,334,547	257,018,820	113,400,316	59,110,065	86,239,017	28,323,666	1,699,426,431
2014	995,563,199	238,330,438	125,280,677	70,915,525	75,481,630	33,204,743	1,538,776,212
2015	967,563,226	271,360,515	115,042,857	45,084,868	70,781,057	30,744,861	1,500,577,384
2016	940,845,300	326,806,415	133,943,157	51,872,616	69,557,193	34,165,573	1,557,190,254
2017	1,040,958,559	381,381,939	148,683,585	61,153,637	87,579,546	48,692,756	1,768,450,022

Source: Ministry of Economy and Energy

Table B.46: Distribution of Passengers Arriving in the TRNC by Ports

Years	Ercan	Kyrenia	Famagusta	Karpasia	Total
2014	1,577,347	49,967	18,608	291	1,646,213
2015	1,693,694	60,733	19,196	342	1,773,965
2016	1,785,746	57,513	19,004	295	1,862,558
2017	1,794,483	71,619	21,668	283	1,888,053
2018 (January-March)	458,681	12,162	5,268	63	476,174

Source: Tourism Planning Department

Table B.47: Number of Persons Accommodating in Touristic Accommodation Facilities

Countries	Number of Persons							
	2011	2012	2013	2014	2015	2016	2017	2018 (January-March)
Foreign	156,381	183,651	209,379	224,881	235,661	266,208	317,984	56,835
TRNC	45,243	45,175	40,125	49,598	52,335	53,224	42,491	8,612
Turkey	393,238	459,529	464,397	529,909	588,045	621,819	656,365	160,730
Grand Total	594,862	688,355	713,901	804,387	876,041	941,251	1,016,840	226,177

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

M2= M1 + Time Deposits in the Banks

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

Deposits and Loans

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

Bank

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

Banking Sector

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

Monetary Data of the Banking Sector

The monetary aggregates of the sector are compiled from temporary balances that banks presented to the Central Bank of the TRNC. These balances are prepared on the last day of each calendar month and show the balance sheet status of the banks as of that day. However, since the Central Bank may request amendments to certain items of these balance sheets

as a result of some examinations, these balance sheets are considered 'Temporary'.

Conversion Method

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

Other Points Related to the Bulletin

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

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

Central Bank of the TRNC

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

