

APPENDIX: 1

ANALYSIS FORM FOR CAPITAL ADEQUACY

AS OF THE DATE (...../...../.....)

I- Principal Capital

- A) Paid-Up Capital
- B) Legal Reserve Funds (Against Possible Losses)
- C) Optional Reserves and Extraordinary Optional Reserves
- D) The Profit of the Particular Period In the Aftermath of the Tax Provision Contained in the Statements of Accounts and Sum Total of the Profit of the Past Years
- E) The Sum Total of the Losses of the Period of the Statement of Accounts and the Sum Total of the Losses of the Past Years

II- Contributed Capital

- A) Overall Provisions
- B) Revaluation Fund of the Bank's Fixed Assets (Including Cost Increase Fund, Shares of the Participations and Affiliates to Be Added to the Capital and Revenues from the Sale of the Immovable Property)
- C) For the Bank's Fixed Assets, Revaluation Amount Calculated In Accordance with the "Consumers Prices Index", under the provision of Paragraph 2 of Item (b) of Subsection (B) of Article 2 of the present Notification.
- D) Participations, Affiliates, Fixed Assets Revaluation Provision (Including Those Regarding Other Partnerships Aiming at Participations, Followed Amidst Stocks and Shares)
- E) Obtained Quasi-Capital Credits
- F) Free Reserves Earmarked for Possible Risks
- G) Stocks and Shares Value Increase Fund

III- Capital (I + II)

IV- Assets That Are Reduced From the Capital

Amounts concerning financial participations, affiliates and other financial partnerships participating in their capital (capital participations in the organizations and institutions listed in Item (a) of Subsection (B) of Article (2) of the present Notification),

- B) Special Cost Expenses
- C) Organization Costs
- D) Prepaid Expenses
- E) The resulting difference in the event that the current value of the participations, affiliates, other partnerships that participate in their capital and fixed assets is below the one recorded in the balance sheet,
- F) “Quasi-Capital Credits” granted to other banks operating in the TRNC
- G) Honorary Expenses,
- H) Capitalized Expenses.

V- Equity (III – IV)

VI- Risk-Weighted Assets, Non-Cash Credits and Liabilities

- A) Those With Risk Weight At 0%
- B) Those With Risk Weight At 20%
- C) Those With Risk Weight At 50%
- D) Those With Risk Weight At 100%
- E) The Amount Taken As Basis for the Exchange Risk (This amount is included in the capital adequacy standard rate by way of calculations in accordance with procedures indicated in Subsection E of Article 2 of the present Notification and recorded in this sentence).

TOTAL

CAPITAL ADEQUACY STANDARD RATIO (V / VI) %

CONTRIBUTED CAPITAL / PRINCIPAL CAPITAL (II / I) %

OBTAINED QUASI-CAPITAL CREDITS / PRINCIPAL CAPITAL (II E / I) %

RISK-WEIGHTED ASSETS, NON-CASH CREDITS AND LIABILITIES

ASSETS WITH 0% RISK WEIGHT – NON-CASH CREDITS AND LIABILITIES

- CASH ASSETS

- a) Cash Desk (Box)
- b) Effective Stock
- c) Cash in Transit

- BANKS

TRNC Central Bank Account

- SECURITIES PORTFOLIO (NET)

- a) Treasury Bills
- b) Government Securities
- c) Securities Issued By Treasury Surety
- d) Securities issued by the Central Governments of OECD Countries and Their Central Banks or By Their Surety
- e) Gold
- f) Matured (Due) Securities (Regarding securities subject to risk weight at 0%)

- INTER-BANK MONEY MARKET

- REVERSE REPO CLAIMS

Reverse repo claims guaranteed by securities regarded to be in the 0% Risk Group.

- RESERVE REQUIREMENTS

- CREDITS

- a) Cash credits given in return of cash
- b) Cash credits granted to Treasury and the Central Bank and the cash credits possessing the surety of the Treasury
- c) Cash credits granted in return of securities issued by the Treasury or by the surety of the Treasury
- d) Cash credits granted by the Central Governments of OECD Countries and Their Central Banks or By Their Surety, cash credits guaranteed by the Central Governments of OECD

Countries and Their Central Banks or guaranteed by the securities issued by their surety,

e) Fund-based cash credits allocated by empowered authorities, out of the funds established under the Decree or Notification of the relevant Law and the risk of which does not rest with the intermediary bank

f) Cash credits guaranteed by the securities issued by the banks themselves

- MISCELLANEOUS CLAIMS

a) Claims from the Funds

b) Miscellaneous claims guaranteed by securities subjected to 0% risk weight, by the surety of the Central Governments of OECD Countries and their Central Banks, by the surety of the Treasury and by cash money.

c) Special accounts of the TRNC Central Bank

- TIED SECURITIES (NET)

From among the securities subjected to 0% risk weight, those shown among the tied securities

- FIXED ASSETS (NET)

Immovable property that the banks compulsorily acquire and record in their assets under the Laws, Decrees and other legislation, except the ones that the banks have to acquire against their claims, under the provisions of Article 28 of the Banks Law.

- OTHER ASSETS

a) Prepaid Taxes

b) Special Duty Accounts

c) Other claims from the Central Governments of OECD Countries and their Central Banks, as well as other claims guaranteed by the Central Governments of OECD Countries and their Central Banks and still other claims guaranteed by Securities subject to 0% risk weight, by cash and the surety of the Treasury.

d) Account-holding Branches

e) Gold Depot

- GUARANTEES AND SURETIES (BAILS)

- a) Guarantees and sureties given in return of cash
- b) Guarantees and sureties granted to Treasury and the Central Bank and guarantees and sureties granted with the surety of the Treasury
- c) Guarantees and sureties granted in return of securities issued by the Treasury or by its surety
- d) Guarantees and sureties granted with the surety of Central Governments of OECD Countries and their Central Banks or guarantees and sureties granted by taking as a guarantee, the securities issued by Central Governments of OECD Countries and their Central Banks or by their surety.
- e) Guarantees and sureties granted by taking them under a guarantee, through the securities issued by the banks themselves (Except the Investment Fund Participation Documents)
- f) Endorsements

- COMMITMENTS

- a) Securities issued by the Treasury or by the surety of the Treasury, securities commitments issued by Central Governments of OECD Countries and their Central Banks or by their surety.
- b) “Retractable commitments”, the cancellation of which is possible on the part of bank any time, without being subject to any condition

- - PROCEDURES CONCERNING FOREIGN CURRENCY AND INTEREST LIMITS

(For procedures regarding foreign currency and interest limits, amounts relating to claims from the other party, having the characteristics similar to those of credits subjected to 0% risk weight- amounts weighted with credit conversion rate)

- - INTEREST AND INCOME ACCRUALS AND REDISCOUNT (of items subject to 0% risk weight)

ASSETS, NON-CASH CREDITS AND LIABILITIES WITH A RISK WEIGHT AT 20%

- CASH ASSETS

Countries

Purchased foreign currency bank cheques drawn by the banks of the OECD

- BANKS

- a) Accounts with the banks operating in the TRNC.
- b) Non-guaranteed, unblocked stocks with the banks established in OECD countries, which are totally in the free possession of the bank outside their maturity.
- c) Accounts with the head offices and other branches abroad, of the foreign banks operating in the TRNC.

- SECURITIES PORTFOLIO (Net)

- a) Matured Securities (Regarding the securities subjected to 20% risk weight)
- b) Investment Fund Participation Documents
- c) The securities issued or guaranteed by the banks of the OECD countries.

- CLAIMS FROM REVERSE REPO PROCEDURES

Claims from the Reverse Repo procedures guaranteed by securities found within the 20% Risk group.

- CREDITS

- a) Credits granted relying upon the counter-sureties given by the banks of the OECD countries
- b) Cash credits by taking as a guarantee, the securities issued by the banks of OECD countries or by their surety.
- c) Cash credits granted to the intermediary agents of the capital markets of OECD countries, which are subjected to protective inspection and arrangements, including risk-based capital liability, or cash credits granted through the surety or guarantee of such agents.

-MISCELLANEOUS CLAIMS

Claims from the intermediary agents of the capital markets of OECD countries, which are subject to protective inspection and arrangements, including risk-based capital liability, or miscellaneous claims guaranteed through the surety or guarantee of such agents.

- TIED SECURITIES (NET) (Net)

From among the securities subject to 20% risk weight, those shown among tied securities.

- GUARANTEES AND SURETIES (BAILS)

- a) Guarantees and sureties granted, relying upon the counter-sureties given by the banks of the OECD countries
- b) Guarantees and sureties granted by taking as a guarantee, the securities issued by Central Governments of OECD Countries or by their surety.
- c) Bid bonds and performance bonds (Except those that are subject to 0% risk weight)
- d) “Letters of credit” with a maturity under one year, redeemable by itself and guaranteed by the liability of “loading”.

- COMMITMENTS

Other “retractable commitments”.

-PROCEDURES CONCERNING FOREIGN CURRENCY AND INTEREST LIMITS (For procedures concerning foreign currency and interest limits,

amounts relating to claims from the other party, having the characteristics similar to those of credits subject to 20% risk weight - amounts weighted with credit conversion rate)

INTEREST AND INCOME ACCRUALS AND REDISCOUNT (of items subject to 20% risk weight)

ACCOUNTS THE RISK OF WHICH ARE NOT GIVEN IN THIS TABLE, AS EXPLAINED IN PARAGRAPH 3 OF SUBSECTION (D) OF ARTICLE 2 OF THE PRESENT NOTIFICATION

ASSETS, NON-CASH CREDITS AND LIABILITIES WITH A RISK WEIGHT AT 50%

- CREDITS

- a) Cash credits granted against the first mortgage on the immovable property used for residential purposes.
- b) Cash credits granted against the first mortgage on the building sites or fields with title deeds, within the municipal boundaries

- GUARANTEES AND SURETIES (BAILS)

- a) Other “letters of credit” (Except those that are subjected to 0% and 20% risk weight)
- b) Guarantees and sureties granted against the first mortgage on the immovable property used for residential purposes
- c) Guarantees and sureties granted against the first mortgage of building sites or fields with title deeds, within the municipal boundaries.
- d) Other “letters of credit” (Except those that are subject to 0% and 20% risk weight)

- COMMITMENTS

- a) Commitments for intermediation for bond issue.
- b) Other “non-retractable commitments” (Except those that are subject to 0%, 20% and 100% risk weight)

- OTHER REGULATORY ACCOUNTS

Procedures for intermediation for issuing of securities and surety procedures

-INTEREST AND INCOME ACCRUALS AND REDISCOUNT (of items subject to 50% risk weight)

ASSETS, NON-CASH CREDITS AND LIABILITIES WITH A RISK WEIGHT AT 100%

- CASH ASSETS

- a) Matured (Due) Securities (Regarding securities subject to

risk weight at 100%)

b) Purchased other foreign currency bank cheques.

- BANKS

Other overseas banks (including guaranteed, blocked stocks with the banks established in OECD countries, which are not in the free possession of the bank).

-SECURITIES PORTFOLIO (Net)

Other securities

- REVERSE REPO CLAIMS

Reverse repo claims guaranteed by securities found in the 100% Risk Group.

- CREDITS

Other Cash Credits

- CLAIMS UNDER ADMINISTRATIVE PROCEEDINGS (Net)

- FIXED ASSETS – Net- (Except the immovable property and Special Cost Expenses subject to 0% risk weight)

- PARTICIPATIONS, AFFILIATES AND TIED SECURITIES

a) Shares regarding non-financial participations and affiliates

b) Other tied securities, except tied securities with 0% and 20% risk weight

-MISCELLANEOUS CLAIMS

Miscellaneous claims that are not included in the other risk groups.

- OTHER ASSETS (Other accounts within the scope of the section headed “Other Assets” of the statement of accounts except “organization expenses”, special duty expenses”, “prepaid expenses”, “prepaid tax accounts”, “other claims from

the Central Governments and Central Banks of OECD countries and other claims guaranteed by the Central Governments and Central Banks of OECD countries”, “account-holding branches”, “gold depot”, “securities subjected to 0% risk weight and other claims guaranteed by cash and treasury surety”.

- GUARANTEES AND SURETIES (BAILS)

- a) “Bank Acceptances” that have not been subjected to the risk weight as a guarantee in the other risk groups.
- b) “Guaranteed Prefinancing” that has not been subject to the risk weight as a guarantee in the other risk groups.
- c) “Selling Procedures Regarding the Bank’s Assets, the Risk of Which Is Recoverable to the Bank” that have not been subject to the risk weight as a guarantee in the other risk groups.
- d) Other granted guarantees and sureties (Except those that are subject to 0%, 20% and 50% risk weight)

-PROCEDURES CONCERNING FOREIGN CURRENCY AND INTEREST LIMITS (For procedures concerning foreign currency and interest limits, amounts relating to claims from the other party, having the characteristics similar to those of credits subject to 100% risk weight -amounts weighted with credit conversion rate)

- -INTEREST AND INCOME ACCRUALS AND REDISCOUNT (of items subject to 100% risk weight)