



CENTRAL BANK OF THE TRNC

QUARTERLY BULLETIN



2021 - II



QUARTERLY BULLETIN

2021/II

I: FOREWORD

In the IMF's World Economic Outlook Update report for July 2021, the projection for the global economic growth rate has been kept constant at 6 percent for 2021, while the same rate has been revised upwards by 0.5 points moderating to 4.9 percent for 2022. The revision for 2022 is due to the upward growth forecasts made for advanced economies. The IMF report highlighted the high inflation expectations due to the rising food prices in developing economies. Therefore, the report emphasized that the central banks of developing countries should take preventive measures to prevent temporary high inflation from becoming permanent. According to the Global Economic Prospects report for June 2021 published by the World Bank, the projected growth rate of the global economy is 5.6 percent for 2021. The report projects the growth to be concentrated in a few major economies, with most emerging market and developing economies lagging behind.

After its meeting on July 2021, CBRT Monetary Policy Committee (MPC) decided to keep the policy rate constant by 19 percent. The statement released after the meeting emphasized that the current tight stance in monetary policy will be maintained decisively until a significant decrease in the forecast path of the April Inflation Report is achieved.

In the second quarter of 2021, TRNC monthly CPI change rates in April, May and June have been 1.94, 1.62, and 3.14 percent, respectively. In the second quarter of 2021, inflation rates compared to the same month of the previous year have been 16.45, 17.46 and 19.93 percent in April, May and June, respectively. The sectors with the highest price increase at the end of June 2021 are furniture and home appliances with 37.91 percent, transportation with 34.13 percent and, health with 30.78 percent. By the end of June 2021, the lowest price increase is alcoholic beverages and tobacco item with 5.82 percent.

In the second quarter of the 2021 fiscal year, budget revenues have become 2,081 million TRY and budget expenditures have become 2,309.2 million TRY. Thus, public finance has recorded a 228.2 million TRY deficit in the second quarter of 2021. The tax revenues item with the largest share in budget revenues increased by 37.6 percent compared to the same period of the previous year and amounted to 1,273.4 million TRY. Non-tax revenues item, which had the second-highest share in budget revenues, which was 261.2 million TRY in the second quarter 2020, increased to 287.8 million TRY in the same period of 2021. Thus, the shares of tax revenues and non-tax revenues in total budget revenues have become 61.2 percent and 13.8 percent, respectively. Current transfers and personnel expenditures have become the first two items having the largest share in the budget expenditures in the second quarter of 2021. These figures are 1,026.8 million TRY and 766.7 million TRY, respectively. The share of these items in total budget expenditures has been 44.5 percent for current transfers and 33.2 percent for personnel expenditures.

According to the foreign trade data announced by the TRNC Department of Trade, the export and import figures for the second quarter of 2021 have been 46.1 million and 264.9 million US dollars, respectively. Total exports increased by 24 percent in the first quarter of 2021, while total imports decreased by 17 percent, compared to the same period of the previous year. In the first quarter of 2021, the first three items with the largest share in imports have been vehicles with 8.26 percent, fuel with 7.29 percent and construction iron with 3.58 percent.

In the second quarter of 2021, total assets of the banking sector increased by 5.25 percent and reached 56,892.3 million TRY as of the end of June. Gross loans and cash and cash equivalents have been the largest shares in the total assets with 55.25 percent and 28.63 percent, respectively. Total deposits, which have the largest share in the sector's total liabilities, amounted to 46,859.3 million TRY as of the end of June 2021. The share of deposits in total liabilities is 82.36 percent. In the banking sector, the loans to deposits ratio increased by 0.15 points in the second quarter of 2021 and reached 67.08 percent, compared to the previous quarter. Sector's non-performing loans (NPL) decreased by 1.35 percent and reached 1,513.2 million TRY, compared to the previous quarter.

In the second quarter of 2021, the sector's capital adequacy standard ratio increased by 0.38 points compared to the previous quarter and reached 16.31 percent, above the legal limit of 10 percent. CASR based on bank groups has been 14.33 percent in public banks, 12.42 percent in private banks and 22.32 percent in branch banks.

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

Regards,



Rifat GÜNAY

Governor

Central Bank of the TRNC, 2021 / II

Address

Bedreddin Demirel Street,
Nicosia - TRNC

Mailing Address

PC 857, Nicosia-TRNC

Phone No.

0392 - 611 5000

Fax No.

0392 - 228 5240

0392 - 228 2131

Website

<http://www.mb.gov.ct.tr>

E-mail

ileti@kktcmerkezbankasi.org

Part of the statistical information published in this bulletin is compiled from temporary data. Differences may be observed compared to previous bulletins and/or data on our web site. No rights or amendments can be requested from the Central Bank of the TRNC by showing this bulletin as a proof, as it is prepared for informing the public.

All rights of this publication are reserved. It can be used to provide references in non-commercial training, research and such studies.

II: ABBREVIATIONS

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

III: DEFINITIONS

Gross Loans: Loans + Non-Performing Loans

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

INDEX

I: FOREWORD	i
II: ABBREVIATIONS	v
III: DEFINITIONS	v
INDEX	vii
IV: LIST OF TABLES	ix
V: LIST OF CHARTS	xi
1 INTERNATIONAL DEVELOPMENTS	1
1.1 Overview and Current Developments	1
1.2 Economic and Financial Outlook	2
1.2.1 Growth	2
1.2.2 Inflation	3
1.2.3 Policy Interest Rates	3
1.2.4 Exchange Rates	4
2 EMPLOYMENT AND PRICES	5
2.1 Employment	5
2.2 Inflation	6
3 FOREIGN TRADE AND TOURISM	9
3.1 Exports and Imports	9
3.2 Tourism	12
4 BUDGETARY DEVELOPMENTS	15
4.1 Second Quarter 2021 Results	15
4.2 Revenues	15
4.3 Expenditures	16
4.4 Budget Implementation Results	17
4.5 Financing Balance	18
5 MONETARY AND FINANCIAL DEVELOPMENTS	21
5.1 Overview of the Banking Sector	21
5.1.1 Financial Deepening	21
5.1.2 Performance Ratios of the Banking Sector	21
5.1.3 Concentration in the Banking Sector	22
5.1.4 Banks, Branches, Personnel and ATMs	22
5.2 Banking Sector Consolidated Balance Sheet	24
5.2.1 Assets and Liabilities Structure	25
5.2.2 Cash and Cash Equivalents	27
5.2.3 Loans	28
5.2.4 Securities Portfolio	30

5.2.5	Deposits	31
5.2.6	Shareholders' Equity	34
5.3	Money Supply	35
5.4	Overview of Interbank Money Market.....	36
5.5	Credit Cards Maximum Interest Rates	39
6	<i>FINANCIAL STABILITY ANALYSIS</i>.....	41
6.1	Capital Adequacy.....	41
6.2	Non-Performing Loans	42
6.3	Return on Assets and Return on Equity.....	44
ANNEX A.	<i>ECONOMIC DECISIONS</i>	45
ANNEX B.	<i>STATISTICAL DATA</i>	47
ANNEX C.	<i>NOTES</i>	87

IV: LIST OF TABLES

Table 1.1: GDP Forecasts	1
Table 2.1: Registered Active Unemployment - Overview (persons)	5
Table 2.2: Active Vacancy Listings (persons)	5
Table 2.3: Consumer Prices Index (% Change, 2015=100)	8
Table 3.1: Exports and Imports	9
Table 3.2: Main Import Goods (US dollar)	10
Table 3.3: TRNC Exports by Country Groups (percentage share)	11
Table 3.4: TRNC Imports by Country Groups (percentage share)	12
Table 3.5: Number of Visits to the TRNC by Air and Sea	12
Table 3.6: Border Gate Entries to TRNC	14
Table 3.7: Tourist Accommodations and Bednights	14
Table 4.1: Budget Balance (Million TRY)	15
Table 4.2: Budget Revenues (Million TRY)	15
Table 4.3: Budget Expenditures (Million TRY)	16
Table 4.4: Budget Implementation Results (Million TRY)	17
Table 4.5: Financing Balance (Million TRY)	18
Table 4.6: TRY Government Domestic Borrowing Bond (DIBS) Tenders	19
Table 5.1: Performance Ratios	21
Table 5.2: Concentration in the Banking Sector (%)	22
Table 5.3: Banks	22
Table 5.4: Branches and Personnel	23
Table 5.5: ATMs	23
Table 5.6: Banking Sector Consolidated Balance Sheet (Million TRY)	24
Table 5.7: Structural Percentage Distribution of Banking Sector Assets / Liabilities (%)	25
Table 5.8: Development of Total Assets Based on Bank Groups (Million TRY)	26
Table 5.9: TRY and FX Distribution of Gross Loans and Deposits (%)	26
Table 5.10: Development of the Cash and Cash Equivalents (Million TRY)	27
Table 5.11: Distribution of Loans by Type (Million TRY)	28
Table 5.12: Development of Deposits by Type (Million TRY)	31
Table 5.13: Development of Deposits Based on Bank Groups (Million TRY)	32
Table 5.14: Maturity Distribution of Deposits (%)	33
Table 5.15: Distribution of Deposits by Size (Million TRY)	33
Table 5.16: Development of Shareholders' Equity (Million TRY)	34
Table 5.17: Money Supply (Million TRY)	35
Table 5.18: Transaction Volume (x 1.000) and Amount	36
Table 5.19: Transaction Volume (x 1.000)	37
Table 5.20: Average Interest Rates (%)	38
Table 5.21: Credit Cards Maximum Interest Rates (%)	39
Table 6.1: Risk-Weighted Assets (Million TRY)	41
Table 6.2: Development of Various Selected Items by Bank Groups (Million TRY)	43
Table 6.3: Return on Assets and Return on Equity and Net Interest Income Ratios (%)	44
Table A.1: Economic Decisions - Central Bank of the TRNC	45
Table A.2: Economic Decisions - Legislative Regulations	46
Table B.1: Selected Balance Items (TRY)	48
Table B.2: Liquid Assets (TRY)	49
Table B.3: Loans Extended to the Banking Sector by Central Bank of the TRNC (TRY)	50
Table B.4: Deposits in Central Bank of the TRNC (TRY)	51
Table B.5: Exchange Rates (End of month)	52
Table B.6: Cross Rates	53

Table B.7: Interest Rates Applied to Turkish Lira and Foreign Currency Deposits by Central Bank of the TRNC (%)	54
Table B.8: Interest Rates Applied to Reserve Requirements by Central Bank of the TRNC (%).....	55
Table B.9: Rediscount Interest Rates (%)	56
Table B.10: Reserve Requirements Ratios (%)	57
Table B.11: Dishonoured Cheques	58
Table B.12: Banking Sector Assets / Liabilities (Million TRY)	59
Table B.13: Loans (Total) - By Types (Million TRY).....	60
Table B.14: Loans (TRY) - By Types (Million TRY)	61
Table B.15: Loans (FX) - By Types (Million TRY)	62
Table B.16: Loans - By Terms (Million TRY).....	63
Table B.17: Loans - Public and Private (Million TRY).....	64
Table B.18: Distribution of Total Loans by Size (Million TRY).....	65
Table B.19: Development of Shareholders' Equity (Million TRY).....	66
Table B.20: Capital Adequacy Ratio (%).....	67
Table B.21: Banking Sector Profit / Loss Table (Million TRY)	68
Table B.22: Total Deposits by Maturity Groups (Million TRY).....	69
Table B.23: TRY Deposits by Maturity Groups (Million TRY)	69
Table B.24: FX Deposits by Maturity Groups (Million TRY)	70
Table B.25: Total Deposits by Types (Million TRY)	70
Table B.26: TRY Deposits by Types (Million TRY)	71
Table B.27: FX Deposits by Types (Million TRY).....	71
Table B.28: Money Supply (Million TRY)	72
Table B.29: Licensed Banks	73
Table B.30: Main Economic and Social Indicators	74
Table B.31: Developments in Gross Domestic Product (Current Prices, Million TRY).....	75
Table B.32: Percentage Distribution of Gross Domestic Product	76
Table B.33: Overall Balance of the Economy (Current Prices, Million TRY).....	77
Table B.34: Real Growth Rates of Sectorial Value Added (%)	77
Table B.35: Balance of Payments (Million USD).....	78
Table B.36: Percentage Change of Consumer Prices Index Compared to December of the Previous Year	78
Table B.37: TRNC and TR Inflation Rates	79
Table B.38: Consumer Price Index (2015 = 100).....	79
Table B.39: Minimum Wage	80
Table B.40: Fuel Retail Prices	81
Table B.41: Exports of TRNC by Country Groups (USD).....	82
Table B.42: Imports of TRNC by Country Groups (USD)	83
Table B.43: Distribution of Visits to the TRNC by Ports.....	84
Table B.44: Total Border Gate Entries in 2020 - 2021 (Number of persons)	84
Table B.45: Number of Persons Accommodating in Touristic Accommodation Facilities	85

V: LIST OF CHARTS

Chart 1.1: GDP Growth Rates	2
Chart 1.2: Inflation Rates.....	3
Chart 1.3: Policy Interest Rates.....	3
Chart 1.4: CBRT Weighted Average Funding Cost.....	4
Chart 1.5: Currency Exchange Rates (2 January 2013 =100)	4
Chart 2.1: Registered Active Unemployment.....	5
Chart 2.2: Applications - Vacancies - Employments.....	5
Chart 2.3: Inflation Rates (Compared to the previous month).....	6
Chart 2.4: Inflation Rates (Compared to the corresponding month of the previous year).....	6
Chart 2.5: Cumulative Inflation Rates (Compared to December of the previous year	6
Chart 2.6: 12-Month Cumulative Sectorial Inflation Rates	7
Chart 3.1: Imports and Exports	10
Chart 3.2: Foreign Trade Volume (exports + imports), Foreign Trade Balance (exports - imports)	11
Chart 3.3: Number of Visits in 2021 Compared to 2019, 2020 and Average of the Last 5 Years	13
Chart 3.4: Hotel Bed Occupancy Rates by Months (%)	13
Chart 3.5: Hotel Beds	13
Chart 4.1: Budget Results (Million TRY)	15
Chart 4.2: Budget Revenues Distribution (Million TRY).....	16
Chart 4.3: Budget Expenditures Distribution (Million TRY)	16
Chart 4.4: Domestic Income to Budget Expenditures Ratio by Quarters	18
Chart 4.5: Domestic Income to Budget Expenditures Ratio by Years.....	19
Chart 4.6: Grants and Loans Extended by Turkey/TRNC GDP Ratio (%).....	20
Chart 5.1: Financial Deepening (%).....	21
Chart 5.2: Personnel and Branches.....	23
Chart 5.3: Assets of the Banking Sector and Quarterly Development (%)	25
Chart 5.4: Shares of Bank Groups in the Sector's Total Assets (%)	26
Chart 5.5: Quarterly Percentage Change of Cash and Cash Equivalents	27
Chart 5.6: Shares of Cash and Cash Equivalents by Bank Groups (%).....	27
Chart 5.7: Development of Gross Loans and Quarterly Percentage Change	28
Chart 5.8: Banking Sector Loans TRY and FX Separation and Quarterly Percentage Change	28
Chart 5.9: Share of Gross Loans Based on Bank Groups (%)	29
Chart 5.10: Share of Loan Sizes in Total Loans (%)	29
Chart 5.11: Term Structure in Loans (Million TRY).....	29
Chart 5.12: Public and Private Sector Distribution of Loans (Million TRY).....	30
Chart 5.13: Securities Portfolio Totals and Quarterly Percentage Change	30
Chart 5.14: Shares of Securities Portfolio by Bank Groups (%)	31
Chart 5.15: Deposits and Quarterly Percentage Change (%)	32
Chart 5.16: Quarterly Percentage Change of Deposits and TRY-FX Separation.....	32
Chart 5.17: Deposits and Gross Loans Gap	34
Chart 5.18: Deposits to Loans (Gross) Ratio Based on Bank Groups.....	34
Chart 5.19: TRY and FX Deposits to Loans Ratio (Excluding NPL)	34
Chart 5.20: Shares of M2's Components.....	35
Chart 5.21: TRY - FX Percentage Distribution of M3	36
Chart 6.1: Capital Adequacy Standard Ratio	41
Chart 6.2: Risk-Weighted Assets	41
Chart 6.3: Increase Rates in Total Shareholders' Equity and Total Assets (Quarter-on-quarter).....	42
Chart 6.4: Shareholders' Equity to Total Assets Ratio of Banking Sector.....	42
Chart 6.5: Development of Non-Performing Loans.....	42
Chart 6.6: Distribution of Non-Performing Loans by Bank Groups	43
Chart 6.7: NPL Conversion Rate and Provisions for NPL/ NPL.....	44

1 INTERNATIONAL DEVELOPMENTS

1.1 OVERVIEW AND CURRENT DEVELOPMENTS

In the World Economic Outlook Update report for July 2021 published by the IMF, projection for the global economic growth rate has been kept constant at 6 percent for 2021, while the same rate has been revised upwards by 0.5 points and projected as 4.9 percent for 2022. This revision derives from upward growth forecasts made for advanced economies, particularly the United States, reflecting the anticipated legislation of additional fiscal support in the second half of 2021 and improved health metrics more broadly across the group.

The report indicates that though uncertainty remains high, inflation is expected to return to its pre-pandemic state in most countries in 2022. The report also mentions that high inflation is also expected in some developing economies, related in part to high food prices. It was suggested in the report that the central banks should look through transitory inflation pressures and avoid tightening until the underlying price dynamics are more clear. The importance of clear communication from central banks on the outlook for monetary policy for shaping inflation expectations and safeguarding against premature tightening of financial condition were also highlighted. However, it was also stated that risk that transitory pressures could become more persistent and central banks may need to take preemptive action.

The World Economic Outlook Update report underlined that the risks around the global baseline are to the downside. The report suggests that the slower-than-anticipated vaccine rollout would allow the virus to mutate further. It was also indicated that if inflation expectations increase faster than expected, the financial conditions could tighten rapidly due to a reassessment of the monetary policy outlook in advanced economies. The report highlighted that the worsening pandemic dynamics and tighter external financial conditions would severely set back the recovery of emerging market and developing economies and drag global growth below this outlook.

The report noted that as many countries entered the Covid-19 pandemic crisis with high debt levels and

limited resources, access to international liquidity is vital for these countries to fight the crisis. Therefore, the proposed 650 billion USD General Allocation of Special Drawing Rights at the IMF is set to support reserve assets of all economies and help ease liquidity constraints. It was also underlined that about 275 billion USD of the allocation would go to emerging market and developing economies.

According to the Global Economic Prospects report for June 2021 published by the World Bank, the global economy has been experiencing a strong but uneven recovery. The global economy is expected to expand 5.6 percent in 2021—its strongest postrecession pace in 80 years. The report projects the growth to be concentrated in a few major economies, with most emerging market and developing economies lagging behind. While about 90 percent of advanced economies are expected to regain their pre-pandemic per capita income levels by 2022, only about one-third of emerging market and developing economies are expected to do so.

Table 1.1: GDP Forecasts

	2019	2020 ¹	2020 ²	2021 ³	2021 ⁴
IMF	2.8	3.3	-3.2	3.4	6.0
World Bank	2.3	2.5	-3.5	2.6	5.6
OECD	2.7	2.4	-3.4	3.3	5.8

Source: OECD, World Bank, IMF

¹ Last projection before Covid-19 outbreak.

² Last projection after Covid-19 outbreak.

³ First projection of the year.

⁴ Last projection of the year.

The World Bank report underlines that the global outlook remains uncertain, with risks caused by the path of the pandemic and the possibility of financial stress due to large debt loads. The report highlights that controlling the pandemic at the global level will require more equitable vaccine distribution, especially for low-income countries. Also, policy makers need to nurture the recovery through efficiently allocated fiscal support while maintaining price stability and fiscal sustainability. The World Bank report indicates that the global trade has continued to rebound however, the strength of global trade growth is projected to be dampened by shifting activity from manufacturing to the low-trade-intensity domestic services sector in countries where COVID-19 cases have been declining. Therefore necessary measures are needed to lower trade costs so that trade can once again become a

robust engine of growth. According to the report, trade growth is hampered by high trade costs, which remain elevated in emerging market and emerging economies. Trade costs primarily arise from transportation expenses and customs procedures, and are likely to have increased further as a result of protectionist measures, such as tariffs on U.S.-China trade and export controls on food and medical products.

1.2 ECONOMIC AND FINANCIAL OUTLOOK

1.2.1 GROWTH

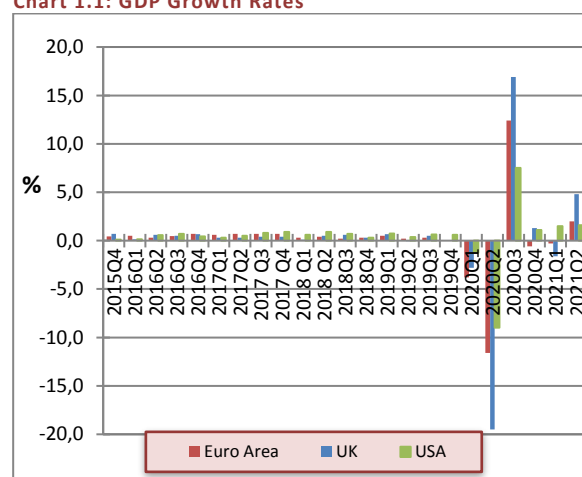
According to the data announced by the US Bureau of Economic Analysis, the US economy, grew by 6.3 percent in the first quarter and by 6.5 percent in the second quarter of 2021 annually. In the US economy, increases in personal consumption expenditures, non-residential fixed investments, export, state and local government spending contributed to the rise in GDP in the second quarter. Import growth, on the other hand, had a negative impact on GDP.

According to the chained volume index data released by the UK's Office for National Statistics (ONS), the previous annual contraction rate of 1.5 percent for the first quarter of 2021 has been revised to 1.6 percent. Thus, the difference between the growth data for the first quarter of 2021 and the fourth quarter of 2019, which was the period before the Covid-19 epidemic, has been revised from 8.7 percentage points to 8.8 percentage points. The sectors with the highest contribution to the contraction in GDP in the first quarter of 2021 have been education, wholesale and retail trade, accommodation and food services due to the Covid-19 restrictions in the relevant quarter. According to the chained volume index data for the second quarter of 2021, the UK economy has grown by 4.8 percent, compared to the previous quarter. In the second quarter, all items except trade have made a positive contribution to growth in the main expenditure groups in the UK. Consumption expenditures item has made the highest contribution to economic growth with 4.1 percentage points.

According to the seasonally adjusted data released by EUROSTAT, the Eurozone economy contracted by 0.3 percent in the first quarter of 2021 compared to the previous quarter. The GDP contraction ratio was

announced as 0.6 percent in the first projections, but it has declined by 0.3 percent according to the latest statements. Compared with the same quarter of the previous year, seasonally adjusted GDP has been revised from -1.8 percent to -1.3 percent in the first quarter of 2021. Based on the forecast data released by EUROSTAT in the second quarter of 2021, seasonally adjusted GDP increased by 2.0 percent in the euro area, compared with the previous quarter. Compared with the same quarter of the previous year, seasonally adjusted GDP increased by 13.6 percent in the euro area.

Chart 1.1: GDP Growth Rates



Source: OECD

Based on the chain-linked volume index, Turkish economy grew by 1.8 percent in 2020 compared with the previous year. The growth rate, which was previously announced as 1.7 percent, has increased by 0.1 percentage points.

Turkish economy, GDP with chain linked volume index increased by 7 percent compared to the same quarter of the previous year in the first quarter of 2021. The country's GDP expanded by 1.7 percent in the first quarter of 2021 compared to the previous quarter on a seasonally and calendar-adjusted basis.

According to expenditure approach, final consumption expenditure of resident households increased by 7.4 percent and gross fixed capital formation increased by 11.4 percent in the first quarter of 2021 compared with the same quarter of the previous year.

According to production approach, the value added increased by 18.1 percent in information and communication, 14.4 percent in other service activities, 11.7 percent in industry, and 7.5 percent in agriculture.

1.2.2 INFLATION

Consumer prices in the USA increased by 0.6 percent on a monthly basis in April 2021, and by 3.6 percent on an annual basis. The US CPI index rose 3.9 percent for the year and 0.4 percent for the month in May 2021. Most of the consumer price increase came from the escalating demand for consumer goods and services, and the rising energy and food costs.

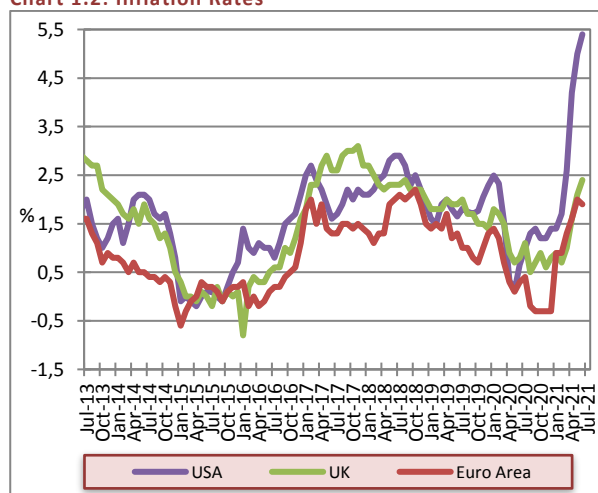
According to ONS data, the UK annual CPI change has been 2.1 percent in the second quarter of 2021. Monthly CPI increase rate has been 2.1, and 2.4 percent in May and June, respectively. In June, the transportation sector made the highest contribution to the increase in price levels with 0.8 percentage points.

According to EUROSTAT data, the harmonized annual CPI rates in the Eurozone have been 2.0 and 1.9 percent in May and June 2021. In June, the highest contribution to the annual euro area inflation rate came from energy, followed by non-energy industrial goods, services and food, alcohol & tobacco.

According to the data announced by the Turkish Statistical Institute, the annual change in the CPI in June 2021 was 17.53 percent, highest level of the last two months. In the same period, D-PPI increased by 42.89 percent on annual basis, highest level since October 2018. CPI and D-PPI increased by 1.94 and 4.01 percent on monthly basis, in June 2021.

The highest annual increase came from transportation by 26.29 percent, followed by furnishings and household equipment with 25.69 percent and food and non-alcoholic beverages with 19.99 percent. Alcoholic beverages and tobacco group had the lowest annual increase with 2.01 percent.

Chart 1.2: Inflation Rates



Source: OECD

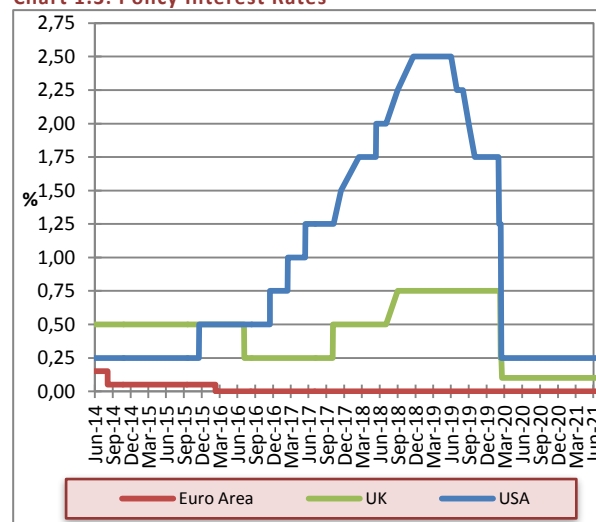
1.2.3 POLICY INTEREST RATES

After the Fed's FOMC meeting held in June 2021, the policy rate of 0.00 - 0.25 percent was maintained, in line with market expectations. The statement released after the meeting highlighted that due to the strong policy support and progress on vaccinations, indicators of economic activity and employment have strengthened. In his statement after the meeting, Powell, Chair of the Fed stated that it is still early to increase interest rates and that necessary actions will be taken to limit the market reaction before reducing their asset purchases.

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

At the meeting held on June 11, 2021, the European Central Bank (ECB) continued to keep the policy rate at zero percent, in line with the expectations. Lastly, it has been announced that the purchases made within the scope of the Pandemic Emergency Purchase Program (PEPP) will be completed more rapid than in the first months of the year.

Chart 1.3: Policy Interest Rates



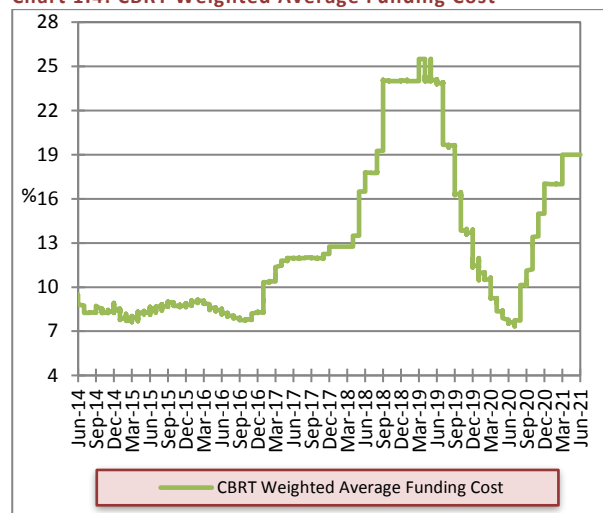
Source: FED, ECB, BoE

At its meeting on May 6, 2021, CBRT Monetary Policy Committee decided to keep the policy rate at a level of 19 percent. In the monetary policy meetings held in June and July, the committee maintained the policy rate.

The statement published after the last meeting held on July 14, 2021 indicates that inflation may fluctuate in the summer period due to the recent increases in import prices, demand conditions, supply constraints in some sectors and the effects of the removed

restrictions. It is stated that this situation will continue to pose risks on the pricing behaviour and inflation outlook due to the high levels of inflation expectations and the volatility in inflation. The statement also emphasized that the current tight stance in monetary policy will be maintained decisively until a significant decrease in the forecast path of the April Inflation Report is achieved.

Chart 1.4: CBRT Weighted Average Funding Cost

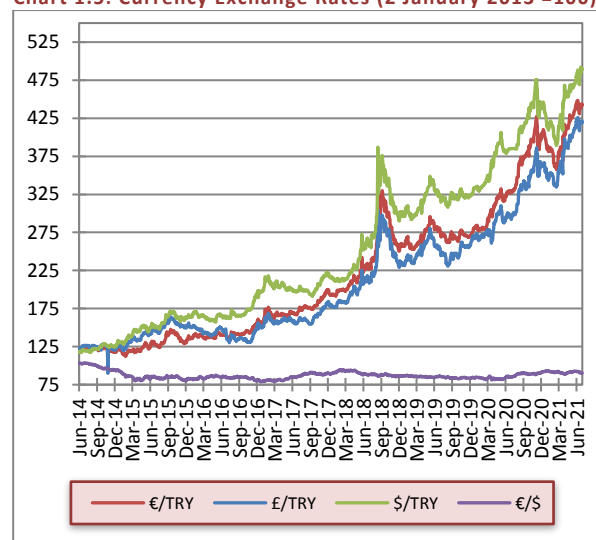


Source: CBRT

1.2.4 EXCHANGE RATES

In the second quarter of 2021, the Turkish lira depreciated by 35 percent against the euro and pound sterling, and by 20 percent against the US dollar, compared to the same period of the previous year. In the second quarter of 2020, while the average exchange rates for GBP/TRY, EUR/TRY, and USD/TRY were 8.50, 7.55 and 6.86, respectively, the averages for the same period of 2021 have been 11.68, 10.08 and 8.37. Comparing the second quarter exchange rates for 2020 and 2021, it is seen that the Turkish lira depreciated by 37.41 percent against the pound sterling, by 33.50 percent against the euro, and by 22.01 percent against the US dollar.

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



Source: Central Bank of TRNC

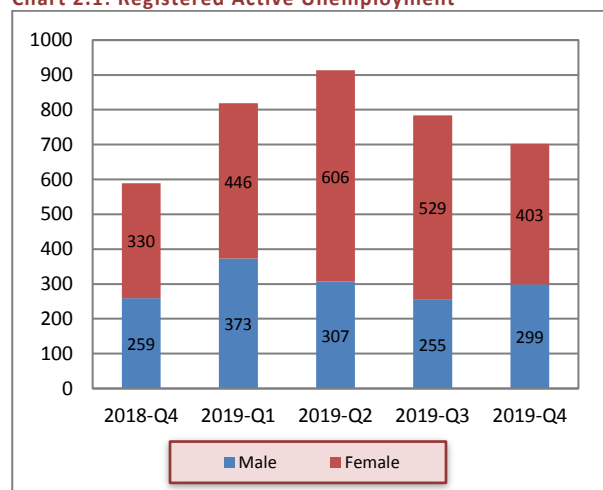
2 EMPLOYMENT AND PRICES

(Employment section have not been updated since the data for 2020 and 2021 was not published by the Labour Office)

2.1 EMPLOYMENT

According to the unemployment data prepared by the TRNC Labour Office, the number of registered unemployed people, which was 784 by the end of the third quarter of 2019, decreased to 702 as of the fourth quarter of 2019. When the unemployment rate is analysed by gender composition, it is seen that about 57 percent of the active registered unemployed people are composed of women and 43 percent of them are men, as of the last quarter of 2019.

Chart 2.1: Registered Active Unemployment



Source: Labour Office

The number of job seekers was 784 and the number of new job-seeking applicants was 811 by the end of the fourth quarter of 2019. 759 people were unregistered and 134 were employed by the end of the fourth quarter of 2019. The number of jobseekers has been 694 as of the end of the last quarter of 2019.

Table 2.1: Registered Active Unemployment - Overview (persons)

	2018 Q4	2019 Q1	2019 Q2	2019 Q3	2019 Q4
Jobseekers by the end of the previous period	751	589	819	913	784
Applicants applying for employment during the period	678	897	1072	941	811
Persons employed during the period	115	78	190	203	134
Persons unregistered during the period	725	589	788	867	759
Jobseekers by the end of the period	589	819	913	784	702

Source: Labour Office

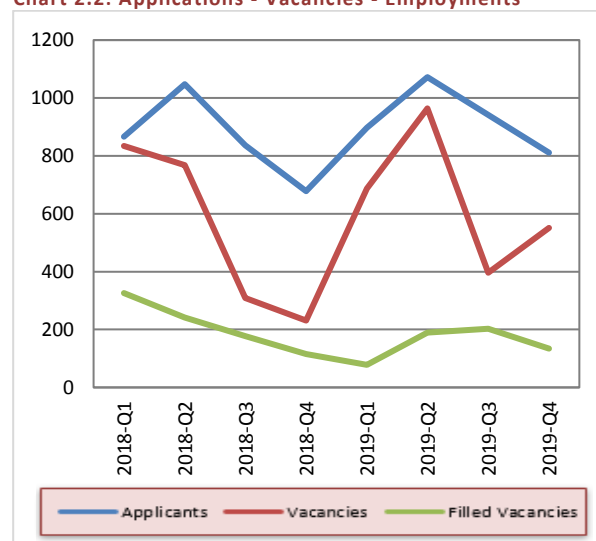
Examining the active vacancy listings, it is seen that 1.607 vacancies were transferred to October as of the third quarter of 2019. 551 new vacancies were opened in the fourth quarter of 2019. In the relevant period, 1.825 vacancies were transferred to the next period as a result of 134 filled and 199 cancelled vacancies.

Table 2.2: Active Vacancy Listings (persons)

	2018 Q4	2019 Q1	2019 Q2	2019 Q3	2019 Q4
Vacancies transferred from the previous period	1,624	721	1,090	1,501	1,607
Vacancies received during the period	231	687	964	396	551
Vacancies filled during the period	115	78	190	203	134
Vacancies cancelled during the period	1,019	240	363	87	199
Vacancies transferred to the next period	721	1,090	1,501	1,607	1,825

Source: Labour Office

Chart 2.2: Applications - Vacancies - Employments



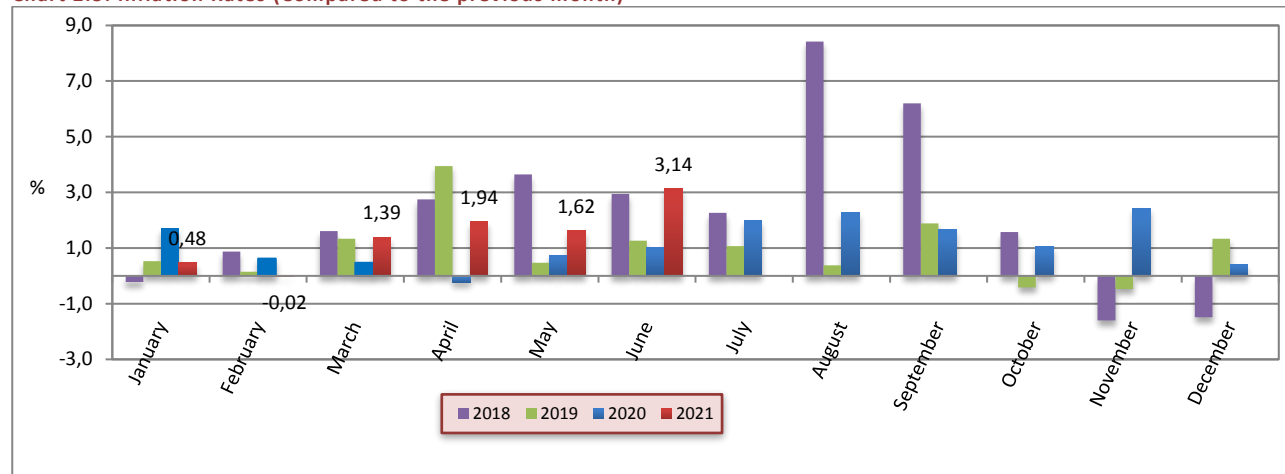
Source: Labour Office

2.2 INFLATION

In the second quarter of 2021, monthly CPI change rates in April, May and June have been 1.94, 1.62, and 3.14 percent, respectively. In the same period of 2020, inflation rates were -0.23, 0.75 and 3.14 percent,

respectively. Inflation rate, which was 0.51 percent in the second quarter of 2020, increased to 2.23 percent in the second quarter of 2021.

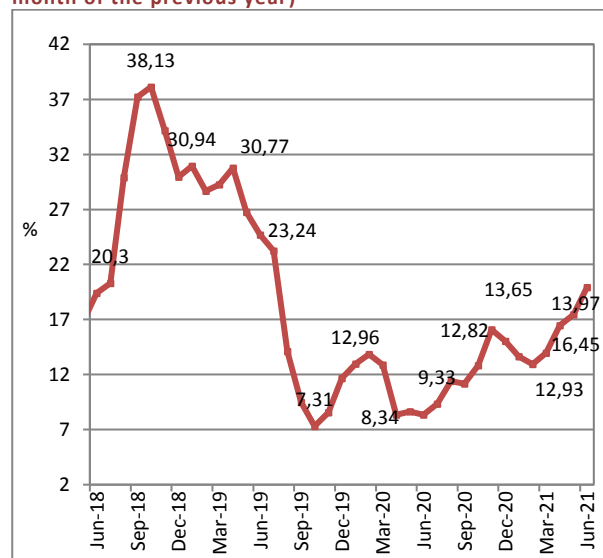
Chart 2.3: Inflation Rates (Compared to the previous month)



Source: TRNC Statistical Institute

In the second quarter of 2021, inflation rates compared to the previous month have been 16.45, 17.46 and 19.93 percent in April, May and June, respectively. In the same period of 2020, inflation rates were 8.34, 8.64 and 8.36 percent, respectively.

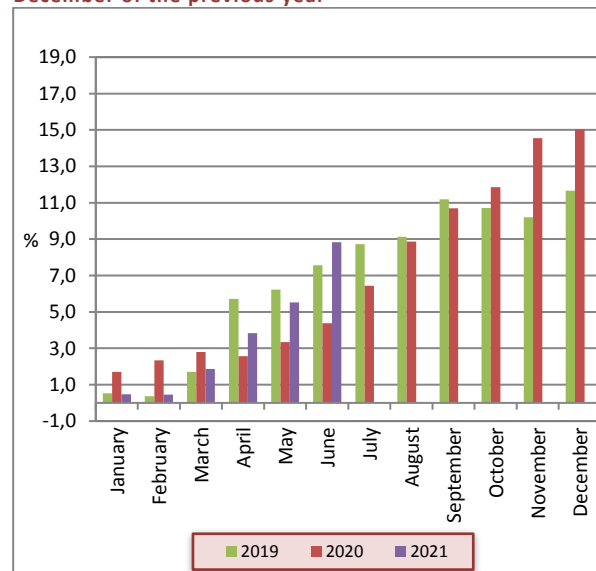
Chart 2.4: Inflation Rates (Compared to the corresponding month of the previous year)



Source: TRNC Statistical Institute

In the second quarter of 2021, inflation rates compared to December of the previous year have been 3.84, 5.52 and 8.83 percent in April, May and June, respectively. In the second quarter of 2020, inflation rates compared to December of the previous year were 2.57, 3.34 and 4.38 percent in the same months, respectively.

Chart 2.5: Cumulative Inflation Rates (Compared to December of the previous year)

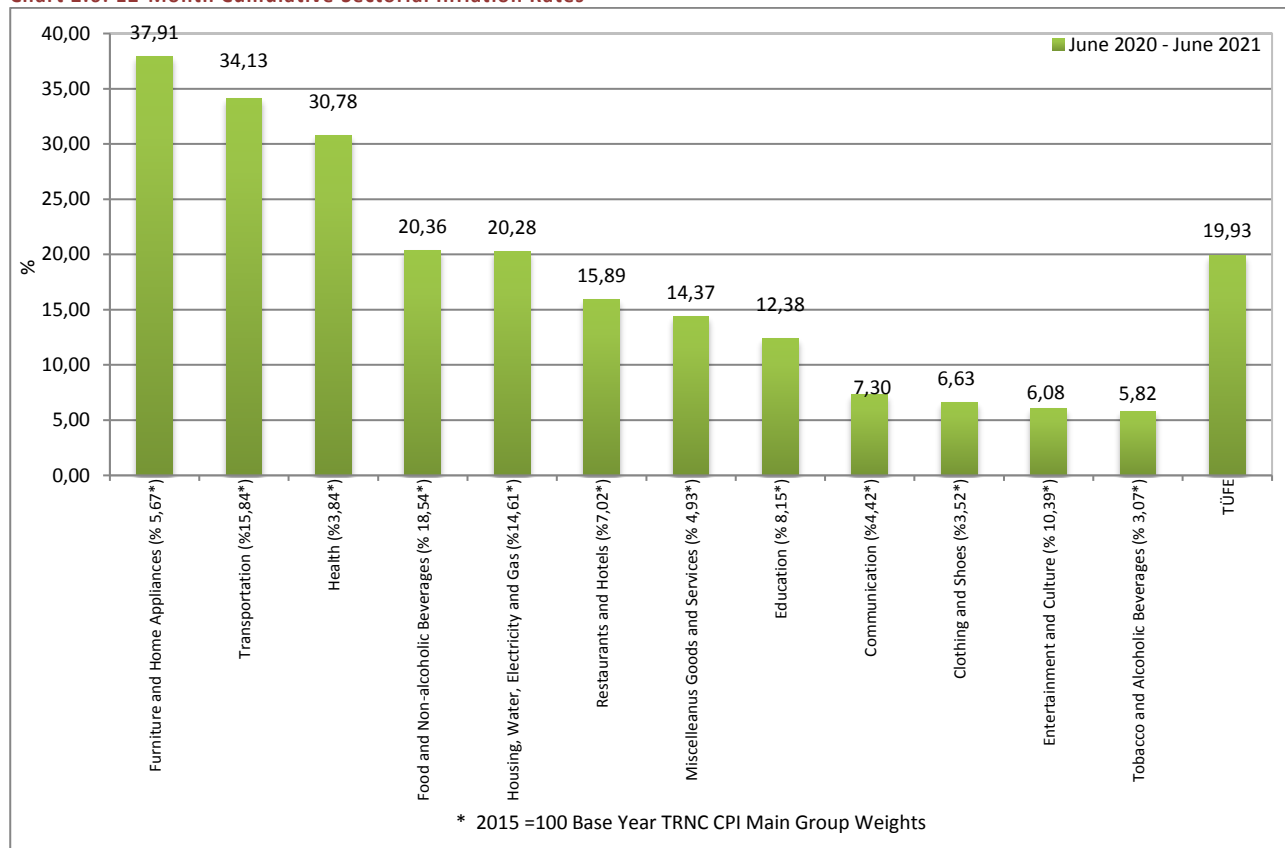


Source: TRNC Statistical Institute

The sectors with the highest price increase at the end of June 2021 are furniture and home appliances with 37.91 percent, transportation with 34.13 percent and, health with 30.78 percent.

As of the end of June 2021, the lowest price increase compared to the same period of the previous year has been alcoholic beverages and tobacco item by 5.82 percent.

Chart 2.6: 12-Month Cumulative Sectorial Inflation Rates



Source: TRNC Statistical Institute

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

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

	Months	Monthly	Compared to the End of the Previous Year	Compared to the Same Period of the Previous Year
2020	January	1.7	1.7	12.96
	February	0.62	2.33	13.84
	March	0.47	2.8	12.87
	April	-0.23	2.57	8.34
	May	0.75	3.34	8.64
	June	1.01	4.38	8.36
	July	1.98	6.44	9.33
	August	2.28	8.87	11.4
	September	1.68	10.7	11.18
	October	1.04	11.86	12.82
	November	2.41	14.55	16.08
	December	0.41	15.03	15.03
2021	January	0.48	0.48	13.65
	February	-0.02	0.46	12.93
	March	1.39	1.86	13.97
	April	1.94	3.84	16.45
	May	1.62	5.52	17.46
	June	3.14	8.83	19.93

Source: TRNC Statistical Institute

3 FOREIGN TRADE AND TOURISM

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

3.1 EXPORTS AND IMPORTS

According to the exports and imports data announced by the Department of Trade, total exports increased by 24 percent in the first quarter of 2021, compared to the same period of the previous year. Examining the export figures of TRNC in the first three months of 2020, total exports was 37.2 million USD, while it has increased to 46.1 million USD in the same period of 2021.

The increase in dairy products, citrus fruits and scrap items made the most important contribution to the rise.

In the first quarter of 2021, total imports decreased by 17 percent, compared to the same period of the previous year. In 2021, imports decreased by 22 percent in January and 28 percent in February, and increased by 6 percent in March, compared to the same month of the previous year.

Table 3.1: Exports and Imports

	Exports (US dollar)			Imports (US dollar)		
	2020	2021	Percentage Change	2020	2021	Percentage Change
January	11,817,646	9,849,495	-17	110,434,030	85,734,004	-22
February	15,155,057	15,494,629	2	117,802,188	84,810,808	-28
March	10,259,962	20,798,033	103	89,076,873	94,314,334	6
Quarter I	37,232,665	46,142,157	24	317,313,091	264,859,146	-17
Total (January - March)	37,232,665	46,142,157	24	317,313,091	264,859,146	-17

Source: Department of Trade

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

Having the second-largest share in imports in the first three months of 2020, the import figure of vehicles had increased to the first rank with 8.26 percent in the total share, although it has decreased by 30.64 percent in the same period of 2021, compared to the previous year. Fuel item, which has the second-highest share in the first quarter of 2021, decreased by 40.88 percent compared to the same period of the previous year. Construction iron item, which has the third-highest share, decreased by 23.04 percent compared to the

same period of the previous year, and its share in the total imports increased from 2.43 to 3.58 percent. The share of ten selected import items within the total was 35.84 percent in the first quarter of 2020. This figure has become 36.15 percent in the same period of 2021. Total import figures of the selected ten items decreased by 15.8 percent in 2021, compared to the previous year.

Table 3.2: Main Import Goods (US dollar)

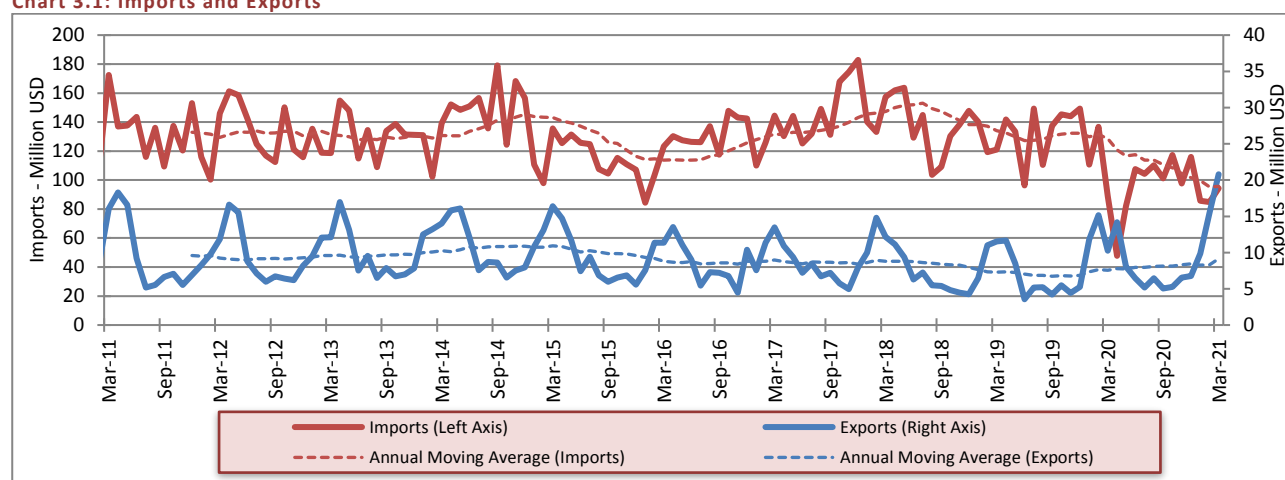
Type of Goods	2020	Share in the Grand Total	2021	Share in the Grand Total	Percentage Change
Vehicles	31.558.783	9,95	21.889.296	8,26	-30,64
Fuel	32.639.947	10,29	19.295.831	7,29	-40,88
Construction Iron	7.700.345	2,43	9.474.447	3,58	23,04
Animal Feeds and Additives	9.685.548	3,05	7.532.951	2,84	-22,22
Telephone Handset	6.430.917	2,03	7.066.579	2,67	9,88
Mobile Phones	5.845.248	1,84	6.619.364	2,5	13,24
Corn	4.207.695	1,33	6.444.979	2,43	53,17
Barley	0	0	6.138.888	2,32	-
Medications	8.839.639	2,79	5.831.668	2,2	-34,03
LPG	6.819.560	2,15	5.462.826	2,06	-19,9
Total	113.727.682	35,84	95.756.829	36,15	-15,80
Grand Total	317.313.091	-	264.859.146	-	-16,53

Source: Department of Trade

Analysing the TRNC exports and imports data for 10 years between the period March 2011 and March 2021, it is observed that the exports volume increased in the first half of each year and dropped in the second half of each year. On the other hand, the annual moving average of total exports displayed a steady upward trend in the period between 2010 and 2014, then it started to decrease and displayed a steady downward trend in the period after May 2015.

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

Chart 3.1: Imports and Exports

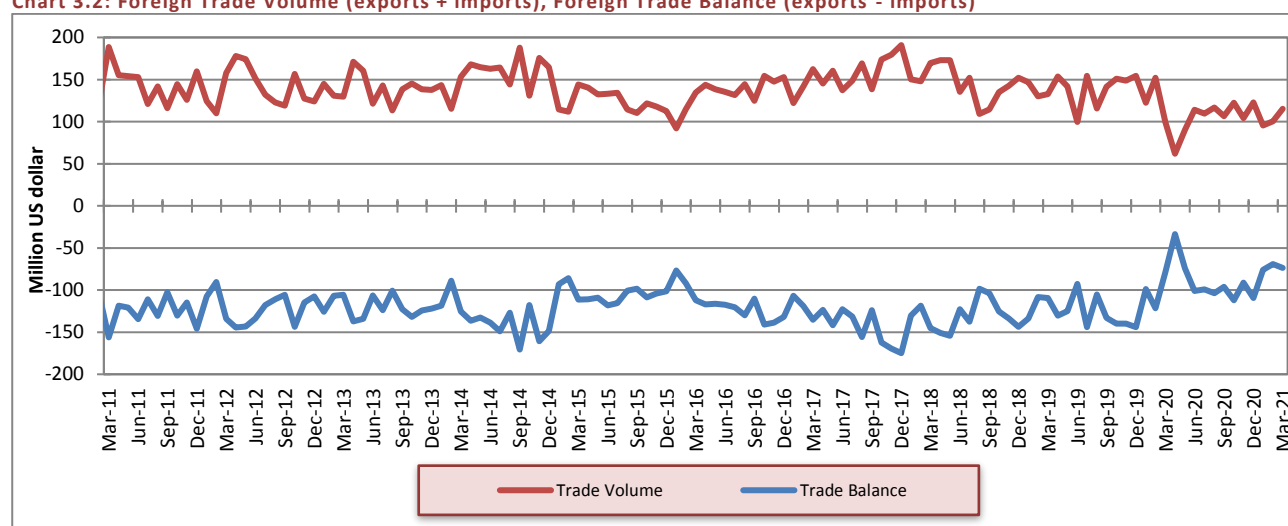


Source: Department of Trade

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. However, a different picture emerged in March 2021 and despite the increase in foreign trade volume the foreign trade deficit decreased, compared to the same month of the previous year. The trade volume, which was 99 million USD in March 2020, has reached 115 million USD in the same period of 2021. In the relevant periods, foreign trade deficit figures are 78.6 million USD and 73.5 million USD, respectively.

The average exports to imports ratio had been 5 percent between 2006 and 2010, then it reached 7.3 percent in the 2011 - 2015 period. Between 2016 and 2020, the average figure was 6.4 percent. In 2020, imports to exports ratio reached 9.29 percent. The ratio has become 17.4 percent in the first three months of 2021, due to the impact of the pandemic on imports.

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



Source: Department of Trade

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

Compared to 2020, exports to Turkey, other EU countries and other countries increased, while exports to EU Countries and the Middle East and Arab Countries decreased in 2021. The share of Turkey, which has the largest share in total exports of TRNC, has been 55 percent by the first quarter of 2021.

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

Years	Turkey	EU Countries	Other EU Countries	Middle Eastern Countries	Other Countries
2006	47.6	15.0	15.1	17.8	4.5
2007	58.4	15.8	8.8	11.6	5.4
2008	49.9	20.5	5.9	17.0	6.7
2009	54.2	18.5	1.7	19.5	6.1
2010	46.4	12.2	3.6	32.3	5.5
2011	53.3	8.3	1.3	32.0	5.1
2012	51.0	7.7	1.0	35.7	4.6
2013	52.2	7.6	2.3	31.9	6.0
2014	60.1	3.7	0.6	31.1	4.5
2015	56.1	5.2	3.2	30.2	5.3
2016	62.5	10.2	0.9	22.7	3.7
2017	60.4	7.9	1.6	21.1	9.0
2018	51.7	10.3	2.5	25.9	9.6
2019	52.3	2.6	2.7	37.0	5.4
2020	49.0	2.0	10.3	31.2	7.5
2021 (January - March)	55.1	0.8	12.3	19.9	11.9

Source: Department of Trade

Referring to the figures for the first three months of 2021, the share of imports from Turkey has been 61.7 percent, while the share of imports from the EU countries has been 15.3 percent. Compared to 2020,

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

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

Years	Turkey	EU Countries	Far Eastern Countries	Other EU Countries	Middle Eastern Countries	Other Countries
2006	68.8	18.0	6.0	1.2	4.8	1.2
2007	67.9	16.1	7.3	2.6	4.3	1.8
2008	69.8	14.0	6.5	4.7	3.4	1.6
2009	69.6	15.5	6.6	2.3	4.0	2.0
2010	70.9	15.6	5.7	1.9	4.3	1.6
2011	68.6	16.8	4.9	2.5	5.2	2.0
2012	72.4	14.5	4.8	1.7	4.8	1.8
2013	66.7	15.8	6.6	3.8	5.4	1.7
2014	64.7	15.5	8.1	4.6	4.9	2.2
2015	64.5	18.1	7.7	3.0	4.7	2.0
2016	60.4	20.9	8.7	3.3	4.5	2.2
2017	58.6	21.7	8.4	3.4	4.9	2.7
2018	58.8	19.6	8.2	4.9	5.5	2.8
2019	58.4	18.1	9.6	5.4	6.0	2.4
2020	59.9	16.9	12.0	3.4	4.7	3.0
2021 (January - March)	61.7	15.3	11.7	3.3	4.6	3.4

Source: Department of Trade

3.2 TOURISM

In the second quarter of 2021, the number of passengers entering the country continued to remain low due to the ongoing measures taken against the Covid-19 outbreak, however, it increased compared to the same period of 2020. The number of passengers arriving in the country by air and sea has been 10,661, 11,054 and 19,116 respectively in April, May and June 2021.

According to these figures, the number of passengers arriving in the country in the second quarter of 2021 increased to 40,831 compared to the same period of 2020, during the complete lockdown. In the second quarter, 28,266 arriving passengers were Turkish citizens, 12,565 were from third countries.

By the end of the second quarter of 2021, the total number of passengers visiting the country by air and sea decreased by 77.9 percent compared to the same period of 2020.

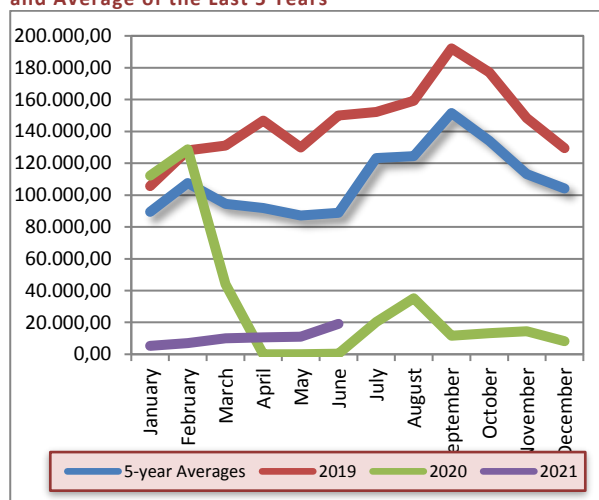
Table 3.5: Number of Visits to the TRNC by Air and Sea

Period	Turkish Citizen			Third Country Citizen			Total		
	2020	2021	Percentage Change	2020	2021	Percentage Change	2020	2021	Percentage Change
January	92,100	3,079	-96.7	20,132	2,216	-89.0	112,232	5,295	-95.3
February	99,746	2,307	-97.7	28,988	4,641	-84.0	128,734	6,948	-94.6
March	34,452	3,639	-89.4	9,655	6,393	-33.8	44,107	10,032	-77.3
Quarter I	226,298	9,025	-96.0	58,775	13,250	-77.5	285,073	22,275	-92.2
April	24	5,688	23,600	43	4,973	11,465.1	67	10,661	15,811.9
May	36	7,686	21,250	1	3,368	336.800	37	11,054	29,775.7
June	169	14,892	8,711.8	308	4,224	1,271.4	477	19,116	3,907.5
Quarter II	229	28,266	12,343.2	352	12,565	3,569.6	581	40,831	6,927.7
Total	226,527	37,291	-83.5	59,127	25,815	-56.3	285,654	63,106	-77.9

Source: Tourism Planning Department

Although the number of passengers arriving in the second quarter of 2021 was low due to the measures taken against the pandemic, it has increased compared to the first quarter of 2021. The figures for the second quarter of 2021 are very low compared to the pre-pandemic periods, bringing the five-year average down.

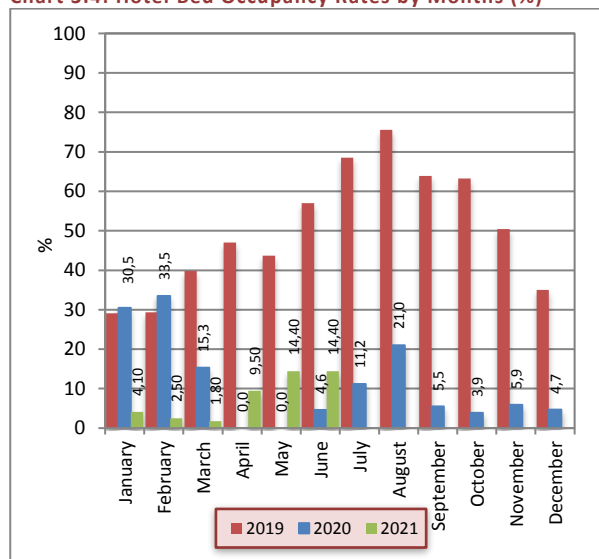
Chart 3.3: Number of Visits in 2021 Compared to 2019, 2020 and Average of the Last 5 Years



Source: Tourism Planning Department

The occupancy rate of touristic facilities in our country has been 9.95 percent in April, 14.4 percent in May and June 2021. In the same period of 2020, these rates were 0 percent in April and May, and 4.6 percent in June due to the lockdowns.

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



Source: Tourism Planning Department

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

It is observed that the total number of hotel beds, which was 25,766 at the end of 2020, has reached 26,088 at the end of the second quarter of 2021. Grown by 0.8 percent in 2020 compared to the end of 2019, total number of hotel beds increased by 1.25 percent in the first six months of 2021, compared to the same period of 2020.

Chart 3.5: Hotel Beds



Source: Tourism Planning Department

It is observed that the border gate entries (excluding TRNC citizens) were 713.754 in the first six months of

2020, while this figure decreased by 79.5 percent to 146,021 during the period January-June 2021.

Table 3.6: Border Gate Entries to TRNC

Nationality	Southern Cyprus		Other Countries		Total	
	2020	2021	2020	2021	2020	2021
January	197,924	134	120,772	959	318,696	1,093
February	182,753	213	124,300	907	307,053	1,120
March	52,878	1,099	33,104	2,484	85,982	3,583
April	17	1,165	547	2,395	564	3,560
May	29	3,729	79	2,916	108	6,645
June	921	90,680	430	39,340	1,351	130,020
Total	434,522	97,020	279,232	49,001	713,754	146,021

Source: Tourism Planning Department

The total number of people staying at the tourist accommodation facilities in the TRNC were 186.924 and 31,547 in the first six-month period of 2020 and 2021, respectively. It is observed that the total bed nights were 563.851 and 106,925 in the same periods, respectively.

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

Table 3.7: Tourist Accommodations and Bednights

	Tourist Accommodations			Bednights		
	2020	2021	Percentage Change	2020	2021	Percentage Change
TR	114,934	17,446	-84.8	289,140	73,248	-74.7
Other	61,537	4,473	-92.7	253,390	13,964	-94.5
TRNC	10,453	9,628	-7.9	21,321	19,713	-7.5
Total	186,924	31,547	-83.1	563,851	106,925	-81.0

Source: Tourism Planning Department

4 BUDGETARY DEVELOPMENTS

4.1 SECOND QUARTER 2021 RESULTS

In the second quarter of fiscal year 2021, TRNC total budget revenues increased by 56.4 percent and total expenditures increased by 33.2 percent, compared to the same period of the previous year. Following these changes, budget revenues and budget expenditures reached 2,081 and 2,309.2 million TRY in the second quarter of 2021. In the second quarter of 2020, public finance, which gave a deficit of 403.1 million TRY, has given a deficit of 228.2 million TRY in the same period of 2021.

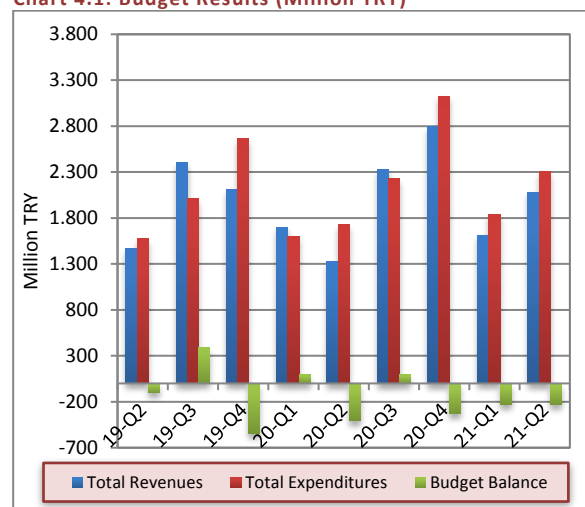
Table 4.1: Budget Balance (Million TRY)

	2020		2021		% Change
	Annual Results	April-June Results	Annual Forecast	April-June Results	
Budget Revenues	8,160.0	1,330.2	9,380.0	2,081.0	56.4
Budget Expenditures	8,696.2	1,733.3	10,210.0	2,309.2	33.2
Budget Balance	-536.2	-403.1	-830.0	-228.2	-43.4

Source: Ministry of Finance

16.3 percent of the total budget revenues of 8.160 million TRY obtained in 2020 were collected in the second quarter. In the same period of 2021, 22.2 percent of the foreseen 9,380 TRY total budget revenues have been collected. In 2021, 22.6 percent of 10,210 million TRY, estimated to be used in the execution of services and activities was used within the second quarter. This rate was 19.9 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 second quarter of fiscal year 2021, budget revenues increased by 750.8 million TRY compared to the same period of the previous year and amounted to 2,081 million TRY. In the second quarter of 2021, tax revenues item with the largest share in budget revenues increased by 37.6 percent compared to the same period of the previous year and amounted to 1,273.4 million TRY. Total tax revenues were 925.3 million TRY in the same period of 2020.

Non-tax revenues item, which has the second-highest share in budget revenues has become 287.8 million TRY in the second quarter of 2021, while it was 261.2 million TRY in the same period of the previous year. In the second quarter of 2021, other revenues item decreased by 97.7 percent compared to the same period of the previous year and reached 3.3 million TRY. In the second quarter of 2021, donations, grants and loans item has been 516.5 million TRY, while no income has been obtained from this item in the same period of 2020.

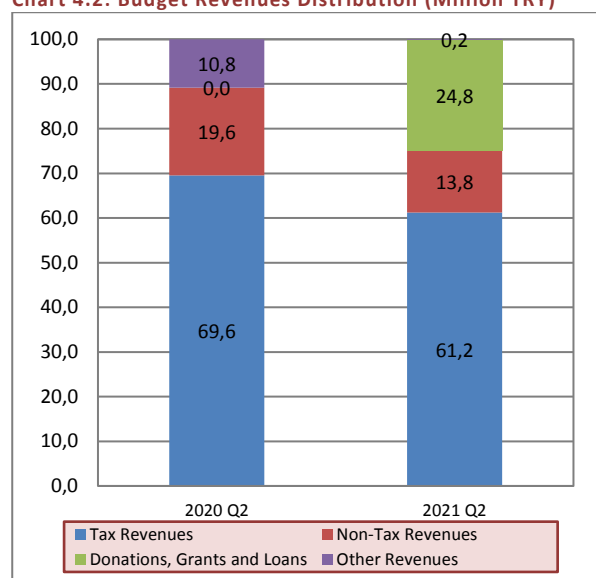
Table 4.2: Budget Revenues (Million TRY)

	2020 April-June	2021 April-June	% Change
Tax Revenues	925.3	1,273.4	37.6
Non-Tax Revenues	261.2	287.8	10.2
Donations, Grants and Loans	-	516.5	-
Other Revenues	143.7	3.3	-97.7
Total	1,330.2	2,081.0	56.4

Source: Ministry of Finance

While the share of tax revenues in total budget revenues was 69.6 percent in the second quarter of 2020, it has declined to 61.2 percent in the same period of 2021. In the second quarter of 2021, the share of non-tax revenues item decreased from 19.6 to 13.8 percent, and the share of other revenues decreased from 10.8 to 0.2 percent, compared to the same period of 2020. On the other hand, the share of donations, grants and loans increased from 0 to 24.8 percent.

Chart 4.2: Budget Revenues Distribution (Million TRY)



Source: Ministry of Finance

4.3 EXPENDITURES

As of the second quarter of 2021, total budget expenditures grew by 33.2 percent compared to the same period of the previous year and increased from 1,733.3 million TRY to 2,309.2 million TRY. In the second quarter of 2021, current transfers, personnel expenditures, capital expenditures and transfers, and goods and service purchase expenditures items increased by 25.7, 22.2, 342.3 and 66.4 percent, respectively, compared to the same period of 2020. Other expenditures item decreased by 7.5 percent.

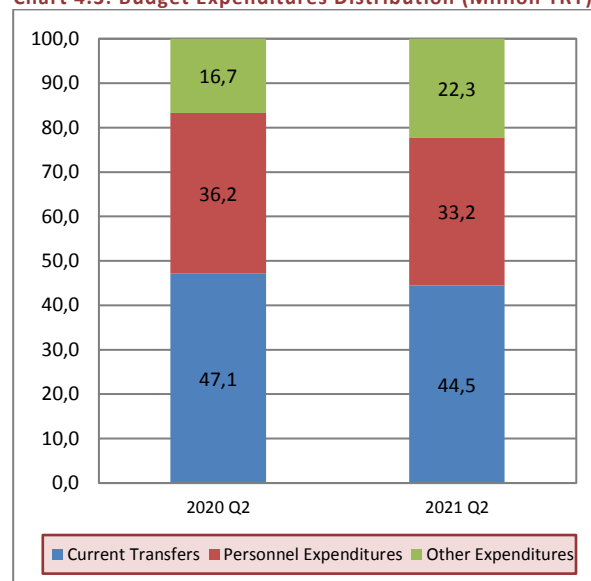
Table 4.3: Budget Expenditures (Million TRY)

	2020 April-June	2021 April-June	% Change
Current Transfers	816.7	1,026.8	25.7
Personnel Expenditures	627.2	766.7	22.2
Capital Expenditures and Transfers	42.8	189.3	342.3
Goods and Service Purchase Expenditures	132.9	221.2	66.4
Other Expenditures	113.7	105.2	-7.5
Total	1,733.3	2,309.2	33.2

Source: Ministry of Finance

The share of personnel expenditures item in total expenditures was 36.2 percent in the second quarter of 2020, while it has reached 33.2 percent in the second quarter of 2021. In the second quarter of 2020, the share of the current transfers constituting 47.1 percent of the total budget expenditures decreased to 44.5 percent in the second quarter of 2021. The share of personnel expenditures and current transfers in budget expenditures was 83.3 percent in the second quarter of 2020 and it has become 77.7 percent in the same period of 2021.

Chart 4.3: Budget Expenditures Distribution (Million TRY)



Source: Ministry of Finance

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

4.4 BUDGET IMPLEMENTATION RESULTS

Total budget expenditures and budget revenues are expected to amount to 10,210 million TRY and 9,380 million TRY in 2021, respectively. Compared to 2020 budget results, budget revenues are foreseen to increase by 15 percent and budget expenditures increased by 17.4 percent in 2021. Tax revenues item, which has the highest share in budget revenues is foreseen to increase by 10.5 percent in 2021 and reach 5,351.8 million TRY, compared to 2020. Non-tax revenues item is projected to decrease by 5.1 percent in 2021 and reach 1,426.2 million TRY, compared to the previous year. While the total donations, grants and loans item was 1,627.3 million TRY in 2020, it has increased by 53.6 percent in 2021 and amounted to 2,500 million TRY, compared to the previous year. Other revenues item is projected to decrease by 45.8 percent and fall to 102 million TRY in 2021, compared to the previous year.

Current transfers item, which had the highest share in budget expenditures in 2020, has increased by 13.9 percent and reached 4,335.6 million TRY in 2021, compared to 2020. Personnel expenditures item, which has the second-highest share in budget expenditures, is projected to increase by 4.7 percent and reached 3,288.6 million TRY. In 2021, the goods

and service expenditures item is foreseen to decline to 353.3 million TRY, decreasing by 46 percent compared to 2020. Goods and service purchase expenditures and other expenditures items are expected to reach 783.4 million TRY and 1,449.1 million TRY, respectively.

Analysing the implementation results for the first six months of 2021, 39.9 percent of the budget revenues expected for 2021 have been collected and 40.7 percent of the expected total budget expenditures have been spent. For the same period of 2020, these rates were 37.2 and 38.4 percent, respectively.

In the first six months of 2020, budget revenues totalled 3,032.3 million TRY, while reaching 3,695.6 million TRY in the same period of 2021. By the end of the first six-month period of 2020, budget revenues totalled 3,336.9 million TRY, while reaching 4,153 million TRY in the same period of 2021. Examining the first six-month data, by the end of the second quarter of 2020, budget balance, which gave a deficit of 304.6 million TRY, has given a deficit of 457.4 million TRY in the same period of 2021.

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

Table 4.4: Budget Implementation Results (Million TRY)

	2020 Results	2021 Forecast	2020-2021 Change (%)	2020 Six-Month Results	2021 Six-Month Results	2020 Six-Month Results (%)	2021 Six-Month Results (%)
Revenues	Tax Revenues	4,842.5	5,351.8	10.52	1,993.8	2,249.6	41.17
	Non-Tax Revenues	1,502.0	1,426.2	-5.05	805.2	776.2	53.61
	Donations, Grants and Loans	1,627.3	2,500.0	53.63	54.0	516.5	3.32
	Other Revenues	188.2	102.0	-45.80	179.3	153.3	95.27
	Grand Total	8,160.0	9,380.0	14.95	3,032.3	3,695.6	37.16
Expenditures	Current Transfers	3,807.4	4,335.6	13.87	1,542.3	1,831.8	40.51
	Personnel Expenditures	3,142.3	3,288.6	4.66	1,258.0	1,474.8	40.03
	Capital Expenditures and Transfers	654.2	353.3	-46.00	59.1	349.0	9.03
	Goods and Service Purchase Expenditures	640.4	783.4	22.33	187.0	298.5	29.20
	Other Expenditures	451.9	1,449.1	220.67	290.5	198.9	64.28
	Grand Total	8,696.2	10,210.0	17.41	3,336.9	4,153.0	38.37
Revenues - Expenditures				-536.2	-830.0	-304.6	-457.4

Source: Ministry of Finance

4.5 FINANCING BALANCE

Financing balance, which is equal to the gap between the total revenues figure (obtained by subtracting the loans extended by Turkey from the budget revenues) and budget expenditures, has had a deficit of 477.6 million TRY in the second quarter of 2021. Total loans extended by Turkey, used as a source of funding to meet the budget deficit have reached 249.4 million TRY in the second quarter of 2021. Loans extended by Turkey were not used in the same period of 2020.

Domestic income item increased by 17.6 percent and reached 1,564.5 million TRY in the second quarter of 2021, compared to the same period of 2019.

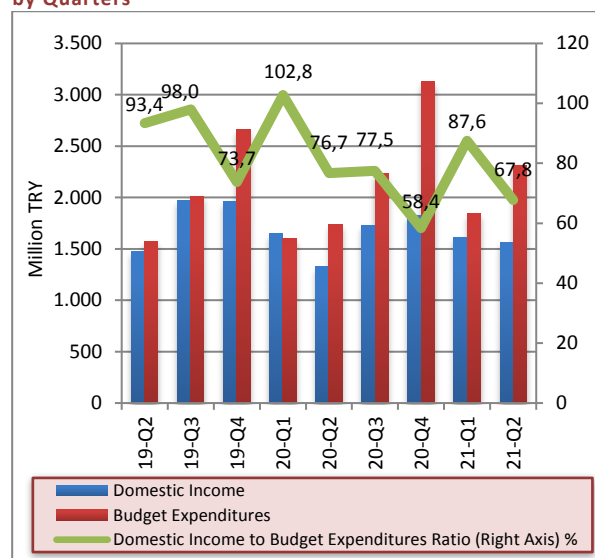
Table 4.5: Financing Balance (Million TRY)

	2020 April – June	2021 April – June
Budget Revenues - Loans Extended by Turkey	1,330.2	1,831.6
1. Domestic Income	1,330.2	1,564.5
Tax Revenues	925.3	1,273.4
Non-Tax Revenues	261.2	287.8
Other Revenues	143.7	3.3
2. Foreign Aids	0.0	267.1
Grants Extended by Turkey	-0.0	267.1
Budget Expenditures	1,733.3	2,309.2
Personnel Expenditures	627.2	766.7
Current Transfers	816.7	1,026.8
Capital Expenditures	42.8	189.3
Other Expenditures	246.6	326.4
Financing Balance	-403.1	-477.6
Financing	0.0	249.4
Loans Extended by Turkey	0.0	249.4

Source: Ministry of Finance

According to the budget figures of the second quarter of 2021, the domestic income to budget expenditures ratio has reached 67.8 percent. The same ratio was 76.7 percent in the second quarter of 2020.

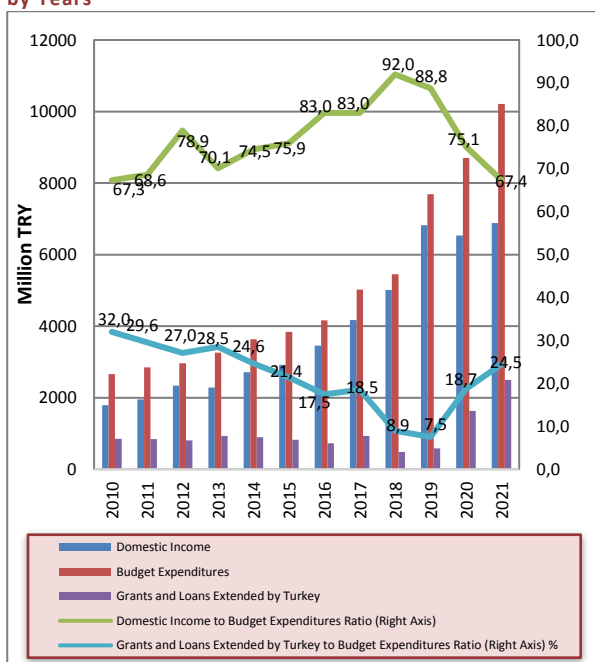
Chart 4.4: Domestic Income to Budget Expenditures Ratio by Quarters



Source: Ministry of Finance

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

Chart 4.5: Domestic Income to Budget Expenditures Ratio by Years



Source: Ministry of Finance

Note: 2021 budget forecast data is used.

In the second quarter of 2021, a total of 203 million TRY was borrowed through the Government Domestic Borrowing Bond (DIBS) tenders and 201.1 million TRY repayments were made. At the end of the second quarter of 2021, the total balance of GDBB stock has been 251 million TRY.

In the second quarter of 2021, in addition to the net borrowing of 1.9 million TRY through GDBB issuances, a Short-Term Advance amounting to 75 million TRY was provided by the Central Bank to the Ministry of Finance. Accordingly, in the second quarter of 2021, the net domestic borrowing of the Ministry of Finance has been 76.9 million TRY.

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

ISIN CODE	KKT 030622T19*	KKB 070921T13
Effective Date	28.05.2021	28.05.2021
Redemption Date	03.06.2022	07.09.2021
Term	371 days	102 days
Amount Tendered	Nom. 92,000,000	160,175,812
Agreed Amount	Nom. 70,000,000	132,963,045
Agreed Interest Rate (%)	Lowest	TLREF+1.75 19.00
	Highest	TLREF+2.55 21.00
	Ave.	TLREF+2.21 20.50
	Average Annual Compound	22.06

Source: Central Bank of TRNC

Nom.: Nominal

Ave.: Average

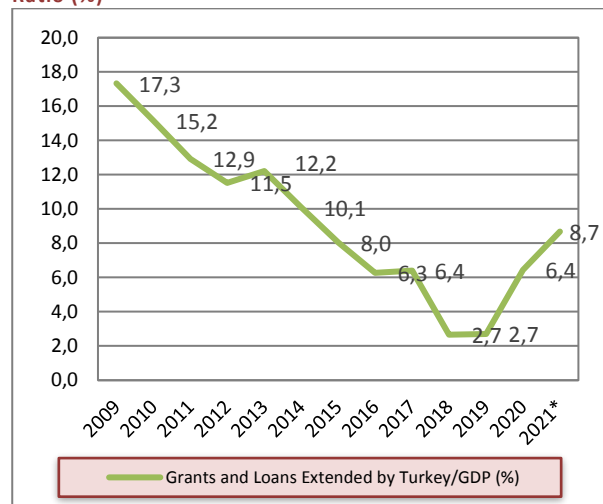
* Government bond issued by the TRNC Ministry of Finance on May 28, 2021, through the Central Bank of the TRNC, with a maturity of 371 days, floating rate, and a semi-annual coupon.

TLREF: Turkish Lira Overnight Reference Interest Rate announced by BIST.
TLREF on 28.05.2021: 18.9673%

2021 Fiscal Year Budget Law envisages covering the budget expenditures by creating a net internal resource of 830 million TRY, in addition to the grants, aid and loans to be received from the Republic of Turkey. Considering the 484.7 million TRY domestic borrowing made in the first two quarters of the year, the total net domestic borrowing that the Ministry of Finance can make in the remaining two quarters of the year is 345.3 million TRY. With the implementation of the precautionary measures not included in the budget against the effects of the Covid-19 outbreak in 2021, it is commented that the 830 million TRY deficit, which is expected for the end of 2021, will be higher and that urgent measures must be taken to finance the budget expenditures that will occur throughout the year. The measures to be taken should increase the budget revenues, decrease the budget expenditures or provide both.

Analysing the total loans extended by Turkey to GDP ratio, used as a source of funding to meet the budget deficit, it is observed that there has been a decrease over the years until 2020. Grants and loans extended by Turkey to GDP ratio, which was 17.3 percent in 2009, was 2.7 percent as of the end of 2019 and has become 6.4 percent as of the end of 2020. Analysing the 2021 fiscal year budget forecast data and the 2021 GDP forecast data, it is estimated that this ratio will be 8.7 percent in 2021.

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



Source: Ministry of Finance, TRNC Statistical Institute

*2021 budget forecast data.

Note: For 2020 and 2021, SPO's Medium Term Plan (2020-2022) GDP target figure is used.

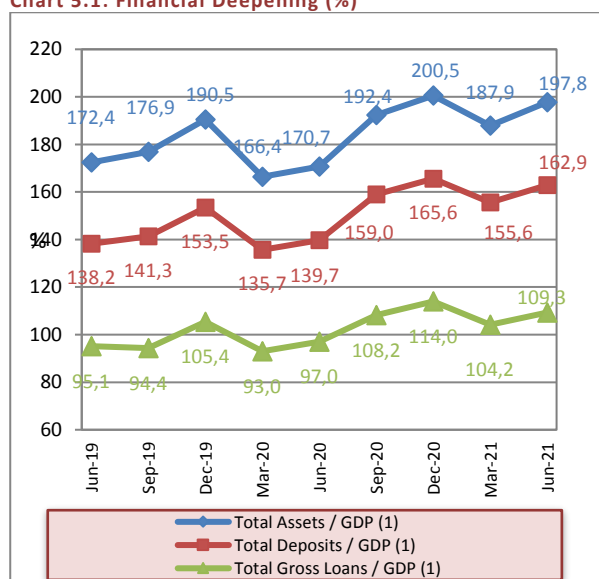
5 MONETARY AND FINANCIAL DEVELOPMENTS

5.1 OVERVIEW OF THE BANKING SECTOR

5.1.1 FINANCIAL DEEPENING

Financial deepening figures for the second quarter of 2021 have increased, compared to the previous quarter. Total gross loans to GDP ratio increased from 104.2 percent to 109.3 percent, total assets to GDP ratio from 187.9 percent to 197.8 percent and total deposits to GDP ratio from 155.6 percent to 162.9 percent.

Chart 5.1: Financial Deepening (%)



Source: Central Bank of the TRNC, SPO

Note: (1) SPO's 2020 - 2021 GDP forecast figures have been used.

5.1.2 PERFORMANCE RATIOS OF THE BANKING SECTOR

In the banking sector, the share of cash and cash equivalents in total assets has decreased from 29.22 to 28.63 percent in the second quarter of 2021, compared to the previous quarter. This rate was 27.39 percent in the same period of the previous year.

CASR (Capital Adequacy Standard Ratio), which was 15.93 percent at the end of March 2021, has increased by 0.38 points to 16.31 percent in the second quarter of 2021.

The share of NPL in gross loans declined from 5.12 to 4.81 percent at the end of June 2021, compared to the previous quarter.

Gross loans to deposits ratio increased by 0.15 percentage points to 67.08 percent in the second quarter of 2021, compared to the previous quarter.

The share of gross loans in total assets, which was 56.83 percent in June 2020, has declined to 55.25 percent in June 2021. It has decreased by 0.2 points, compared to the previous quarter.

Gross loans increased by 4.88 percent in the second quarter of 2021, compared to the previous quarter. Gross loans increased by 4.31 percent in the same period of the previous year.

Deposits increased by 7.15 percent in the first quarter of 2021, and then by 4.66 percent in the second quarter.

The financial leverage ratio, which was 10.43 at the end of March 2021, reached 10.14 in the second quarter of 2021.

Table 5.1: Performance Ratios

	2020			2021	
	Jun.	Sept.	Ara.	Mar.	Jun.
Cash and Cash Equivalents / Total Assets (%)	27.39	27.92	29.17	29.22	28.63
CASR (%)	16.92	15.69	15.91	15.93	16.31
NPL / Gross Loans (%)	6.05	5.48	5.41	5.12	4.81
Gross Loans / Total Deposits (%)	69.47	68.06	68.82	66.93	67.08
Gross Loans / Total Assets (%)	56.83	56.23	56.83	55.45	55.25
Quarterly Growth Rate on Gross Loans (%)	4.31	11.51	5.32	4.21	4.88
Quarterly Growth Rate on Gross Loans (%)	2.93	13.82	4.16	7.15	4.66
Financial Leverage ¹	9.72	10.46	10.33	10.43	10.14

Source: Central Bank of TRNC

Note: (1) Liabilities / Total Shareholders' Equity

5.1.3 CONCENTRATION IN THE BANKING SECTOR

Analysing the concentration in the banking sector, the share of the largest five banks in the sector in terms of asset size in the second quarter of 2021 is 53.91 percent, and the share of the top ten banks in total assets is 80.57 percent.

In terms of the size of gross loans in the same period, share of the first five banks in the sector is 56.16 percent and the share of the top ten banks is 83.09 percent.

In terms of deposit size, the share of the five largest banks in total deposits is 56.2 percent and the share of the top ten banks is 82.52 percent.

Lastly, in terms of the size of the debts to the banks item, share of the first five banks in the sector is 74.92 percent and the share of the top ten banks is 95.22 percent,

In terms of the size of shareholders' equity in the relevant period, share of the first five banks in total shareholders' equity is 54.81 percent, while the share of the top ten banks is 82.17 percent.

Table 5.2: Concentration in the Banking Sector (%)

Shares of the First Five Banks in the Sector	2020			2021	
	June	September	December	March	June
Assets	55.17	54.44	54.21	53.84	53.91
Gross Loans	55.87	55.59	56.62	56.18	56.16
Deposits	56.38	55.81	55.84	55.63	56.20
Debts to Banks	68.65	68.30	69.49	69.75	74.92
Shareholders' Equity	55.36	54.95	54.15	54.83	54.81
Shares of the First Ten Banks in the Sector					
Assets	80.29	80.45	81.10	80.65	80.57
Gross Loans	82.07	82.31	82.94	82.90	83.09
Deposits	81.60	81.84	82.59	82.16	82.52
Debts to Banks	94.15	94.53	94.95	93.11	95.22
Shareholders' Equity	81.65	82.21	82.45	82.80	82.17

Source: Central Bank of TRNC

5.1.4 BANKS, BRANCHES, PERSONNEL AND ATMs

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

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

Table 5.3: Banks

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

Source: Central Bank of TRNC

The number of bank branches in the sector is 215 in the second quarter of 2021. When the distribution of branch numbers based on bank groups is examined, it is

seen that 66.98 percent of the total number of branches belongs to private banks, 18.14 percent to branch banks and 14.88 percent to public banks.

Table 5.4: Branches and Personnel

Number of Branches									
	Jun.19	Sept.19	Dec.19	Mar.20	Jun.20	Sept.20	Dec.20	Mar.21	Jun.21
Public Banks	32	32	32	32	32	32	32	32	32
Private Banks	159	160	160	160	152	152	150	144	144
Branch Banks	39	39	39	39	39	39	39	39	39
Total	231	232	232	232	224	224	222	216	215

Number of Personnel									
	Jun.19	Sept.19	Dec.19	Mar.20	Jun.20	Sept.20	Dec.20	Mar.21	Jun.21
Public Banks	534	528	522	512	508	514	511	508	509
Private Banks	2,078	2,096	2,122	2,120	2,090	2,081	2,071	2,057	2,067
Branch Banks	533	539	549	542	537	538	536	531	528
Total	3,145	3,163	3,193	3,174	3,135	3,133	3,118	3,096	3,104

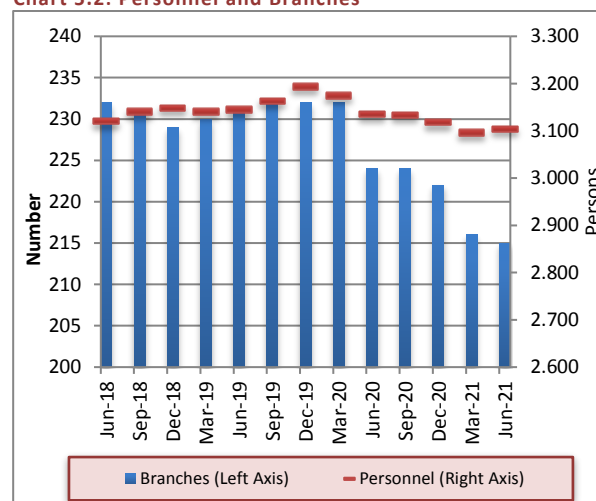
Source: Central Bank of TRNC

The number of personnel employed in the sector increased by 8 persons and reached from 3,096 to 3,104 during March - June 2021 period. 509 of this personnel are working in public banks, 2,067 in private banks and 528 in branch banks. In this period, the number of personnel employed in private banks increased from 2,057 to 2,067, the number of personnel in public banks from 508 to 509, while and the number of personnel in branch banks decreased from 531 to 528.

During June 2020 - June 2021 period, the number of personnel working in the banking sector decreased by 31 persons and declined from 3,135 to 3,104. Analysing the change in the number of personnel based on bank groups in the mentioned period, there was a decrease of 23 persons employed in private banks, 9 person in branch banks, while there was an increase of 1 person in public banks.

In the second quarter of 2021, it is observed that 16.4 percent of the personnel working in the sector belong to the public banks, 66.59 percent belong to the private banks and 17.01 percent belong to the branch banks.

Chart 5.2: Personnel and Branches



Source: Central Bank of TRNC

As of the second quarter of 2021, the number of ATMs has been 520. Analysing the distribution of ATMs by bank groups, branch banks rank first with 234 ATMs. Branch banks are followed by private banks with 229 ATMs and public banks with 57 ATMs. During June 2020 - June 2021 period, number of ATMs increased from 507 to 520.

Table 5.5: ATMs

	Jun.20	Sept.20	Dec.20	Mar.21	Jun.21
Public Banks	57	57	57	57	57
Private Banks	218	219	224	225	229
Branch Banks	232	233	234	234	234
Total	507	509	515	516	520

Source: Central Bank of TRNC

5.2 BANKING SECTOR CONSOLIDATED BALANCE SHEET

Total assets of the banking sector, which was 54.052 million TRY at the end of March 2021, have increased by 5.25 percent at the end of June 2021 and reached 56,892.3 million TRY. In the aforementioned period, cash and cash equivalents increased by 3.14 percent, securities portfolio by 10.74 percent, gross loans by 4.88 percent and other assets by 10.52 percent.

Total assets of the sector increased by 32.03 percent in June 2020 - June 2021 period. In the same period, cash and cash equivalents increased by 38.05, gross loans by 28.36 percent, and securities portfolio by 42.46 percent. In the same period, deposits increased by 32.95 percent and shareholders' equity by 27.12 percent.

Deposits, which is the most important funding source of the sector increased by 4.66 percent and shareholders' equity increased by 8.01 percent in March - June 2021 period.

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

	2020			2021		Percentage Change	
	June	September	December	March	June	03/2021 - 06/2021	06/2020 - 06/2021
Cash and Cash Equivalents	11,800.6	13,556.6	14,761.7	15,794.1	16,290.4	3.14	38.05
Securities Portfolio	3,078.5	3,498.0	3,546.4	3,960.0	4,385.5	10.74	42.46
Total Gross Loans	24,487.2	27,305.2	28,758.3	29,969.3	31,432.4	4.88	28.36
Other Assets	3,724.5	4,196.9	3,534.9	4,328.6	4,784.0	10.52	28.45
Total Assets/Liabilities	43,090.8	48,556.7	50,601.3	54,052.0	56,892.3	5.25	32.03
Deposits	35,247.1	40,117.0	41,787.6	44,774.9	46,859.3	4.66	32.95
Debts to Banks	2,209.9	2,517.5	2,531.0	2,786.7	2,894.9	3.88	31.00
Other Liabilities	1,615.4	1,685.1	1,815.3	1,761.1	2,030.1	15.27	25.67
Shareholders' Equity	4,018.4	4,237.1	4,467.4	4,729.3	5,108.0	8.01	27.12

Source: Central Bank of TRNC

5.2.1 ASSETS AND LIABILITIES STRUCTURE

In the second quarter of 2021, the largest share in the sector's total assets is gross loans with 55.25 percent. Gross loans are followed by cash and cash equivalents with a share of 28.63 percent, other assets with a share of 8.41 percent and securities portfolio with 7.71 percent.

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

As of June 2021, 82.36 percent of the total liabilities are deposits, 8.98 percent is shareholders' equity, 5.09 percent is debts to banks and 3.57 percent is other liabilities.

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

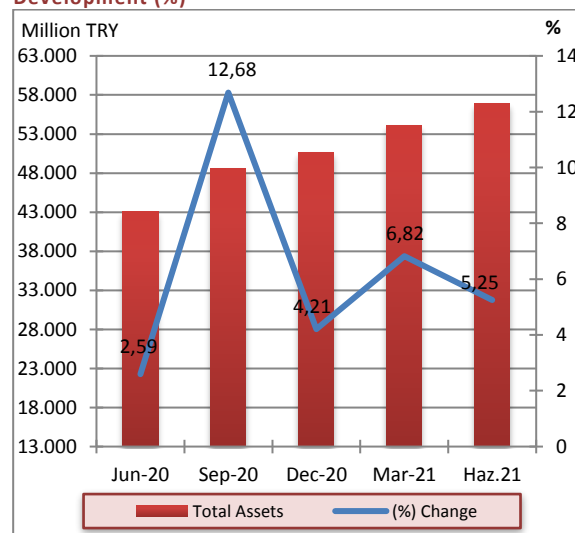
Table 5.7: Structural Percentage Distribution of Banking Sector Assets / Liabilities (%)

Assets	2020			2021	
	June	September	December	March	June
Cash and Cash Equivalents	27.39	27.92	29.17	29.22	28.63
Securities Portfolio	7.14	7.20	7.01	7.33	7.71
Total Gross Loans	56.83	56.23	56.83	55.45	55.25
Other Assets	8.64	8.65	6.99	8.00	8.41
Total	100.00	100.00	100.00	100.00	100.00
Liabilities					
Total Deposits	81.80	82.62	82.58	82.84	82.36
Debts to Banks	5.13	5.18	5.00	5.16	5.09
Other Liabilities	3.75	3.47	3.59	3.25	3.57
Shareholders' Equity	9.32	8.73	8.83	8.75	8.98
Total	100.00	100.00	100.00	100.00	100.00

Source: Central Bank of TRNC

Quarter-on-quarter increase of the banking sector's total assets has been 5.25 percent in June 2021, and 2.59 percent in the same period of 2020. In the period of June 2020 - June 2021, there was an increase of 13,801.5 million TRY in the total assets of the banking sector.

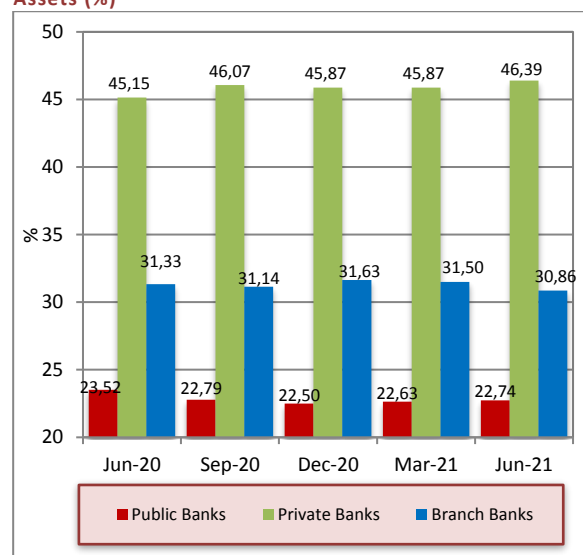
Chart 5.3: Assets of the Banking Sector and Quarterly Development (%)



Source: Central Bank of TRNC

In the second quarter of 2021, sector's total assets increased from 45.87 to 46.39 percent in the private banks group, from 22.63 to 22.74 percent in the public banks group, while decreased from 31.5 to 30.86 percent in the branch banks group. In June 2020 - June 2021 period, there has been downsizing in the group of public banks and branch banks, and a growth in private banks.

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



Source: Central Bank of TRNC

In the second quarter of 2021, public banks' total assets increased by 5.76 percent, private banks' total assets by 6.47 percent and branch banks' total assets by 3.13 percent, compared to the previous quarter. Total assets

increased by 27.65 percent in public banks, by 35.66 percent in private banks and by 30.08 percent in branch banks, compared to the same period of the previous year.

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

	2020			2021		Percentage Change	
	June	September	December	March	June	03/2021-06/2021	06/2020-06/2021
Public Banks	10,135.5	11,064.2	11,386.1	12,233.2	12,937.6	5.76	27.65
Private Banks	19,456.7	22,369.8	23,208.8	24,791.8	26,395.1	6.47	35.66
Branch Banks	13,498.6	15,122.7	16,006.4	17,027.0	17,559.6	3.13	30.08
Total	43,090.8	48,556.7	50,601.3	54,052.0	56,892.3	5.25	32.03

Source: Central Bank of TRNC

Analysing the TRY and FX distribution of gross loans as of June 2021, the share of TRY loans decreased from 45.89 to 44.41 percent compared to the previous quarter, while the share of FX loans increased from 54.11 to 55.59 percent. The share of TRY deposits

decreased from 33.31 percent to 32.58 percent as of June 2021, while the share of FX deposits increased from 66.69 percent to 67.42 percent, compared to the previous quarter.

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

	2020						2021			
	June		September		December		March		June	
	TRY	FX	TRY	FX	TRY	FX	TRY	FX	TRY	FX
Loans	46.60	53.40	46.11	53.89	49.04	50.96	45.89	54.11	44.41	55.59
Deposits	38.08	61.92	35.08	64.92	34.74	65.26	33.31	66.69	32.58	67.42

Source: Central Bank of TRNC

5.2.2 CASH AND CASH EQUIVALENTS

Total of cash assets, receivables from banks, receivables from the Central Bank and receivables from the interbank money market transactions, which constitute the cash and cash equivalents of the banking sector, increased by 3.14 percent in the second quarter of 2021 and reached from 15,794.1 million TRY to 16,290.4 million TRY, compared to the previous quarter.

In this period, a decrease of 84 million TRY in the cash values item, 447.1 million TRY in the receivables from the Central Bank item, 7.3 million TRY in the IMM

transactions item, and 125.9 million TRY in the receivables from banks item was recorded.

Cash and cash equivalents amounting to 11,800.6 million TRY at the end of June 2020 increased to 16,290.4 million TRY by the end of June 2021. In the period, cash assets increased by 45.5 million TRY, receivables from the Central Bank by 1,723 million TRY, receivables from IMM transactions by 2,116 million TRY and receivables from banks by 605.3 million TRY.

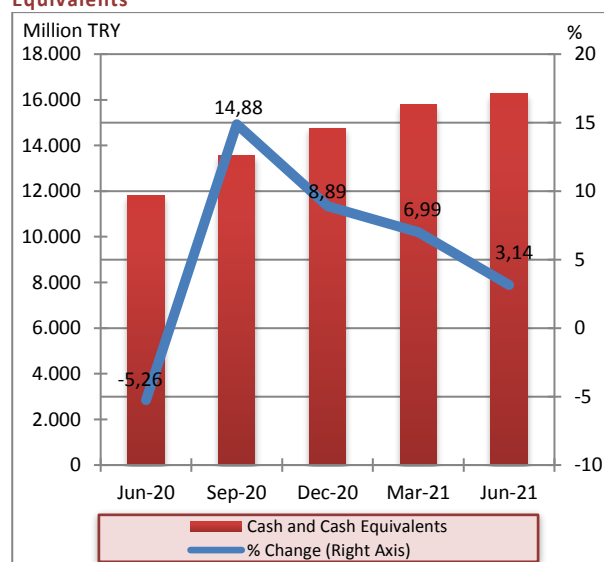
Table 5.10: Development of the Cash and Cash Equivalents (Million TRY)

	2020			2021		Percentage Change 03/2021 - 06/2021
	June	September	December	March	June	
Cash Assets	441.3	503.2	478.6	570.8	486.8	-14.72
Receivables from the Central Bank	4,011.2	4,655.2	5,206.7	5,287.1	5,734.2	8.46
Receivables from IMM Transactions	2,161.4	3,080.0	3,916.7	4,270.1	4,277.4	0.17
Receivables from Banks	5,186.7	5,318.2	5,159.7	5,666.1	5,792.0	2.22
Total	11,800.6	13,556.6	14,761.7	15,794.1	16,290.4	3.14

Source: Central Bank of TRNC

Cash and cash equivalents increased by 3.14 percent in the second quarter of 2021, compared to the previous quarter. From June 2020 to June 2021, there was an increase of 4,489.8 million TRY in the cash and cash equivalents.

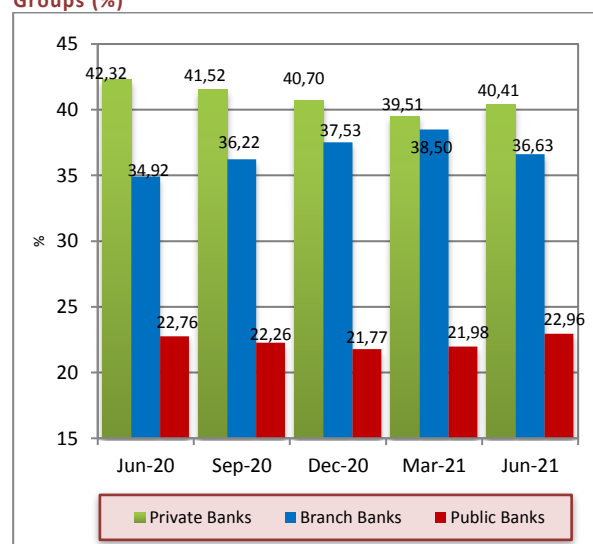
Chart 5.5: Quarterly Percentage Change of Cash and Cash Equivalents



Source: Central Bank of TRNC

In the second quarter of 2021, shares of private and public banks increased, while the share of branch banks decreased. In June 2020 - June 2021 period, there has been downsizing in the group of private banks, and growth in public banks and branch banks.

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



Source: Central Bank of TRNC

5.2.3 LOANS

Business loans, which amounted to 20,909 million TRY as of June 2021, are in the first rank as in the previous periods. They are followed by consumer loans with a total of 6,757.2 million TRY.

During the period from June 2020 to June 2021, business loans increased from 14,815.7 million TRY to 20,909 million TRY and consumer loans increased from 5,629.1 million TRY to 6,757.2 million TRY.

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

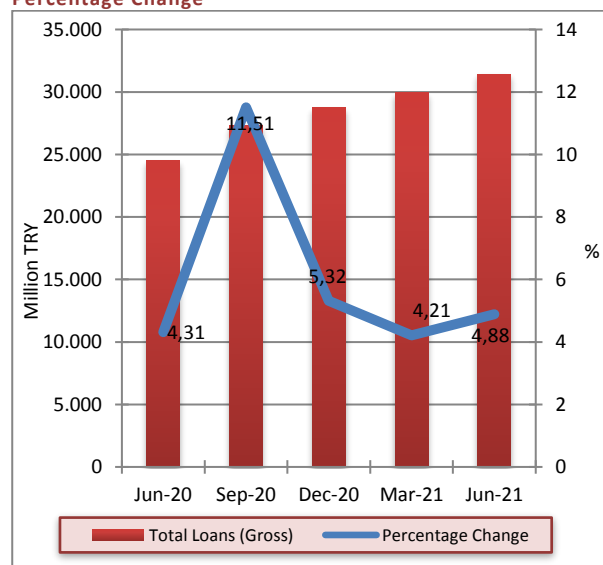
	2020			2021	
	June	September	December	March	June
Business Loans	14,815.7	16,623.8	18,868.7	19,929.9	20,909.0
Consumer Loans	5,629.1	6,288.5	6,329.0	6,512.4	6,757.2
Credit Cards	576.5	639.6	703.4	687.2	837.6
Discount Loans	183.2	217.1	263.3	296.3	335.1
Other Investment Loans	131.2	173.2	208.6	216.5	221.9
Import Loans	4.7	5.2	5.4	5.6	5.7
Loans of Funds Originated	23.6	26.0	24.8	27.3	28.4
Directed Loans	64.8	73.5	87.2	94.3	98.8
Export Loans	0.8	0.3	0.0	0.0	0.0
Loans Extended by Central Bank of the TRNC	0.0	5.3	5.0	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	0.0	0.0	0.0	0.0	0.0
Export Guaranteed Investment Loans	0.0	0.0	73.4	81.8	86.2
Other Loans	1,577.1	1,757.7	633.6	578.4	639.3
Total Loans	23,006.7	25,810.2	27,202.4	28,435.4	29,919.2

Source: Central Bank of TRNC

Note: Non-performing loans are not included.

Gross loans increased by 4.88 percent in the second quarter of 2021, compared to the previous quarter. In the period of June 2020 - June 2021, there was an increase of 6,945.2 million TRY in the gross loans.

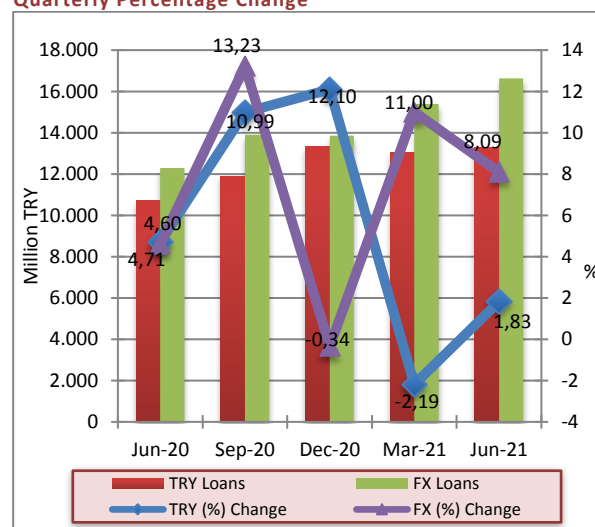
Chart 5.7: Development of Gross Loans and Quarterly Percentage Change



Source: Central Bank of TRNC

In the second quarter of 2021, 13,287.5 million TRY of the loans are in TRY currency and 16,631.7 million TRY are in foreign currency. In the period, there has been an increase of 1.83 percent in TRY loans and 8.09 percent in FX loans, compared to the previous quarter.

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

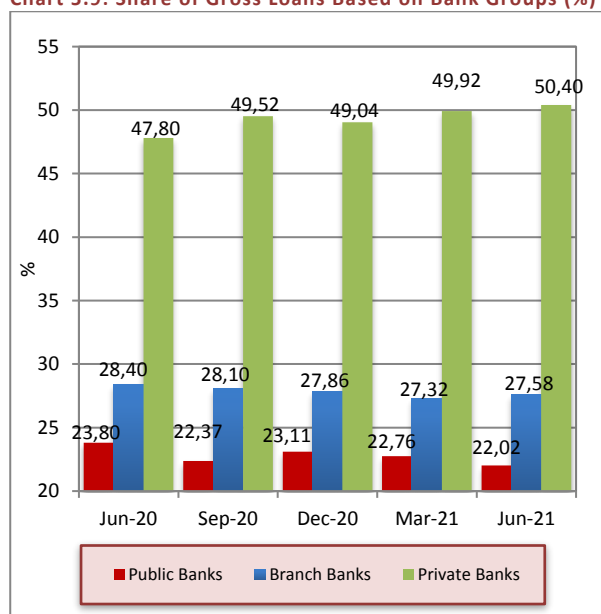


Source: Central Bank of TRNC

Note: Non-performing loans are not included.

Analysing the shares of gross loans by bank groups, the share of public banks decreased from 22.76 to 22.02 percent, while the share of branch banks increased from 27.32 to 27.58 percent, and the share of private banks from 49.92 to 50.4 percent in the second quarter of 2021, compared to the previous quarter. During June 2020 - June 2021 period, the share of private banks in total loans increased, while the share of public banks and branch banks decreased.

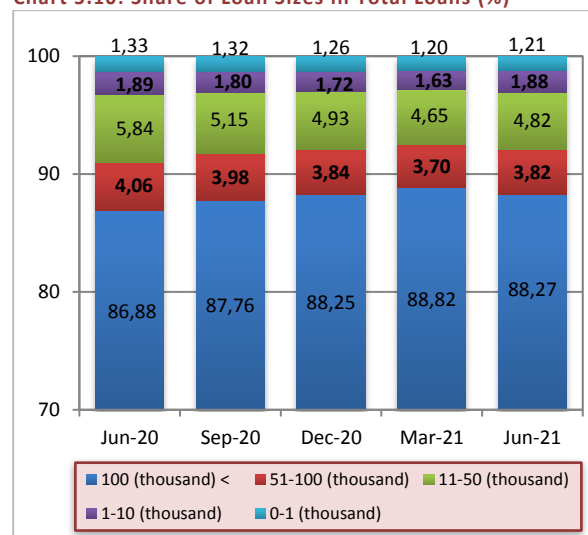
Chart 5.9: Share of Gross Loans Based on Bank Groups (%)



Source: Central Bank of TRNC

By the end of the second quarter of 2021, the share of loans over 100 thousand TRY in total loans has been 88.27 percent. In this period, 11-50 thousand TRY loans take the second place in loan sizes with a share of 4.82 percent. Loans amounting to 51-100 thousand TRY and 1-10 thousand TRY constitute 3.82 and 1.88 percent of the total loans, respectively. The lowest loan use in the sector has been in loans up to 1 thousand TRY with a share of 1.21 percent.

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

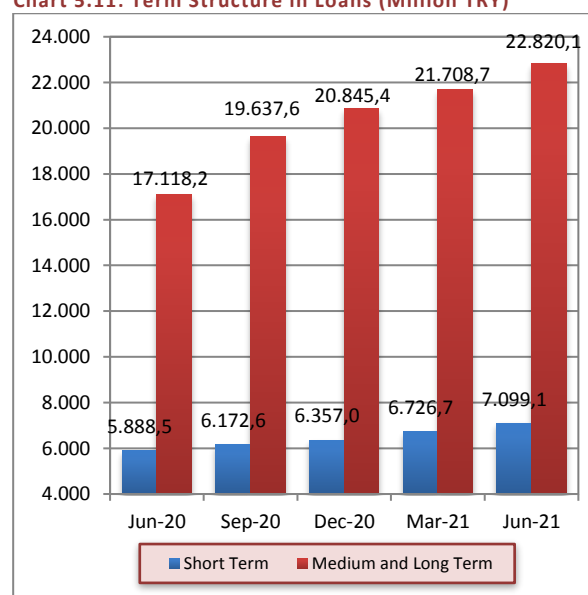


Source: Central Bank of TRNC

Note: Non-performing loans are not included.

In the second quarter of 2021, short-term loans increased from 6,726.7 million TRY to 7,099.1 million TRY, and medium and long-term loans increased from 21,708.7 million TRY to 22,820.1 million TRY. In the June 2020 - June 2021 period, short-term loans increased by 20.56 percent and medium and long-term loans increased by 33.31 percent.

Chart 5.11: Term Structure in Loans (Million TRY)



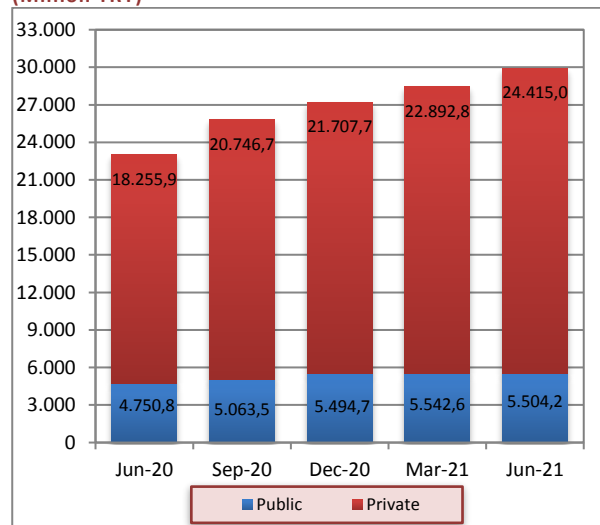
Source: Central Bank of TRNC

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

As of June 2021, 81.6 percent of the banking sector's total loans have been extended to the private sector and 18.4 percent to the public sector. Compared to the previous quarter, the loans used by the public sector decreased from 5,542.6 million TRY to 5,504.2 million TRY while the private sector loans increased from 22,892.8 million TRY to 24,415 million TRY.

In June 2020 - June 2021 period, the increase rate of the loans used by the public has been 15.86 percent and the rate for the loans used by the private sector has increased by 33.74 percent.

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

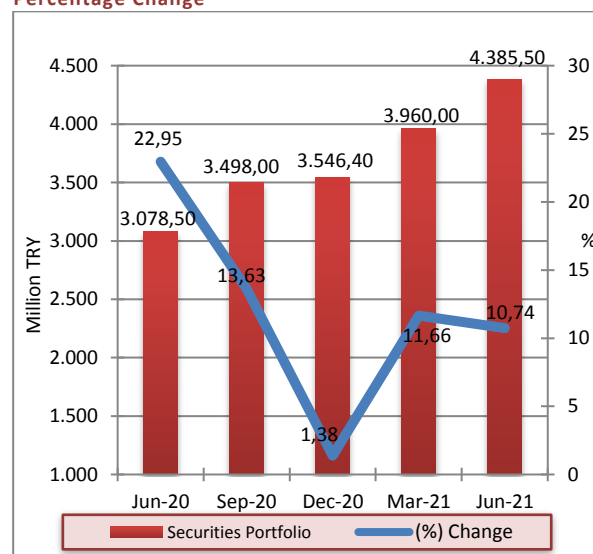


Source: Central Bank of TRNC

5.2.4 SECURITIES PORTFOLIO

Securities portfolio increased by 10.74 percent in June 2021, compared to the previous quarter and by 42.45 percent compared to June 2020.

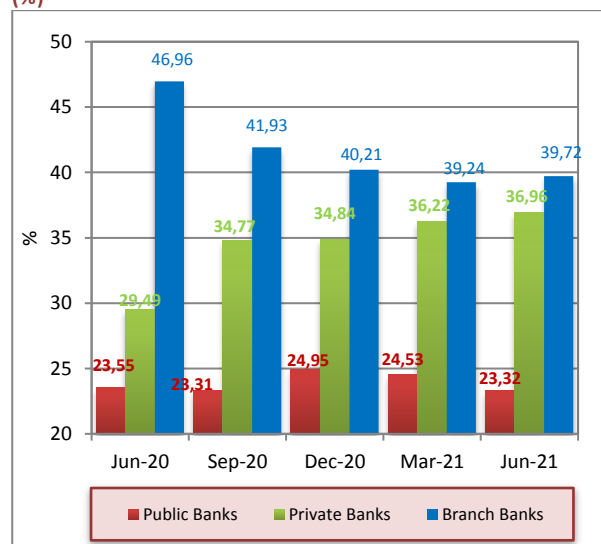
Chart 5.13: Securities Portfolio Totals and Quarterly Percentage Change



Source: Central Bank of TRNC

By the end of the second quarter of 2021, the share of public banks in total SP decreased from 24.53 to 23.32 percent while the share of branch banks increased from 39.24 to 39.72 percent, and the share of private banks from 36.22 to 36.96 percent, compared to the previous quarter. During June 2020 - June 2021 period, the share of public banks and branch in total loans decreased, while the share of private banks increased.

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



Source: Central Bank of TRNC

5.2.5 DEPOSITS

Deposits, which is the most important funding source of the sector increased by 4.66 percent, in the second quarter of 2021. Deposits increased by 32.95 percent in one-year period and amounted to 46,859,3 million TRY at the end of June 2021.

As of the end of June 2021, it is observed that the largest share belongs to savings deposits with 33,980.6 million TRY as it was in the previous periods. This is followed by commercial deposits with 9,092.4 million TRY and official deposits with 2,917.8 million TRY. In June 2020 - June 2021 period, savings deposits increased by 33.86 percent, commercial deposits by 31.13 percent and official deposits by 25.39 percent.

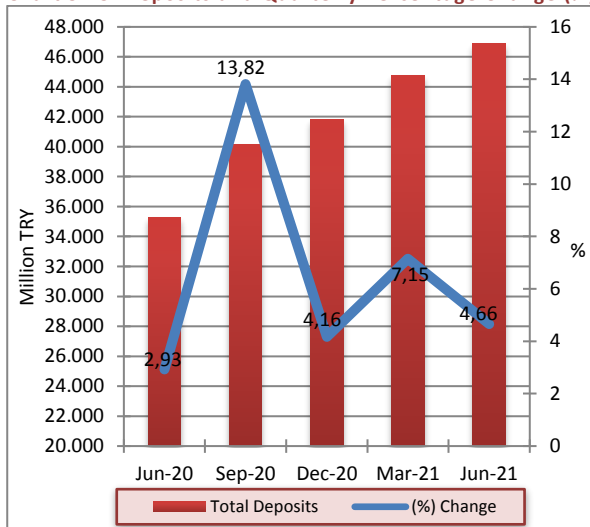
Table 5.12: Development of Deposits by Type (Million TRY)

	2020			2021		Percentage Change	
	June	September	December	March	June	03/2021 – 06/2021	06/2020 – 06/2021
Savings	25,385.3	28,910.3	29,453.4	32,055.9	33,980.6	6.00	33.86
Commercial	6,933.8	7,913.7	8,630.3	8,752.3	9,092.4	3.89	31.13
Official	2,327.0	2,612.3	3,184.6	3,162.6	2,917.8	-7.74	25.39
Other	601.0	680.7	519.3	804.1	868.5	8.01	44.51
Total Deposits	35,247.1	40,117.0	41,787.6	44,774.9	46,859.3	4.66	32.95
Debts to Banks	2,209.9	2,517.5	2,531.0	2,786.7	2,894.9	3.88	31.00
Total Deposits Including Debts to Banks	37,457.0	42,634.5	44,318.6	47,561.6	49,754.2	4.61	32.83

Source: Central Bank of TRNC

In 2021, total deposits increased by 4.66 percent in the second quarter, compared to the previous quarter. In the period of June 2020 - June 2021, there was an increase of 11,612.2 million TRY in the deposits.

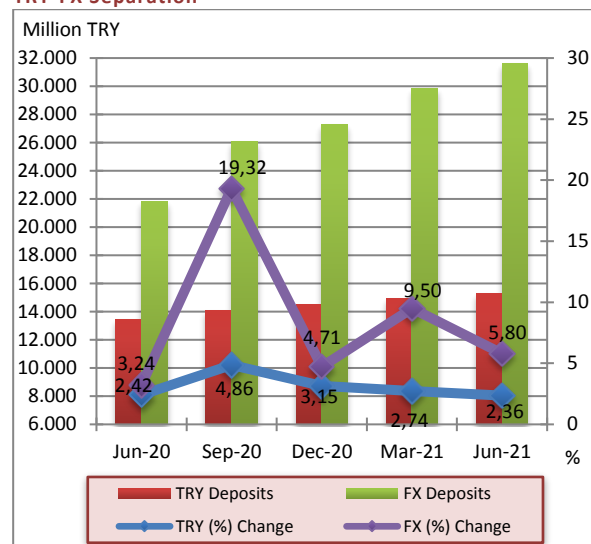
Chart 5.15: Deposits and Quarterly Percentage Change (%)



Source: Central Bank of TRNC

In the second quarter of 2021, it is observed that deposits amounted to 15,266.7 million TRY in Turkish Lira currency and 31,592.6 million TRY in foreign currency. In this period, TRY deposits increased by 2.36 percent and FX deposits increased by 5.8 percent, compared to the previous quarter.

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



Source: Central Bank of TRNC

At the end of June 2021, compared to the previous quarter, TRY deposits of public banks increased by 4 percent and FX deposits increased by 6.16 percent, private banks' TRY deposits increased by 5.65 percent and FX deposits increased by 5.67 percent. In the same period, branch banks' TRY deposits increased by 2.82 percent and FX deposits increased by 5.79 percent.

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

	March 2021			June 2021			Percentage Change 03/2021 - 06/2021		
	TRY	FX	Total	TRY	FX	Total	TRY	FX	Total
Public Banks	4,790.0	6,109.4	10,899.4	4,981.5	6,486.0	11,467.5	4.00	6.16	5.21
Private Banks	5,260.4	16,238.4	21,498.8	5,557.6	17,159.6	22,717.2	5.65	5.67	5.67
Branch Banks	4,864.8	7,511.9	12,376.7	4,727.6	7,947.0	12,674.6	-2.82	5.79	2.41
Total Deposits	14,915.2	29,859.7	44,774.9	15,266.7	31,592.6	46,859.3	2.36	5.80	4.66

Source: Central Bank of TRNC

As in previous periods, maturity concentration of the banking sector deposits belongs to 1-month deposits with a share of 51.56 percent in June 2021. 1-month deposits are followed by 3-month deposits with a share of 18.18 percent, demand deposits with a share of 16.85 percent, 1-year deposits with a share of 10.04 percent and 6-month deposits with a share of 3.37 percent.

Comparing the maturity distribution of deposits to the previous quarter, there has been an increase of 0.34 points in demand deposits, 0.16 points in 3-month deposits, 0.05 points in 6-month deposits by, 0.21 points in 1-year deposits, while 1-month deposits decreased by 0.76 points.

During June 2020 - June 2021 period, the share of 1-month deposits increased by 0.76 points, while demand, 3-month, 6-month and 1-year deposits decreased by 0.01, 0.02, 0.62 and 0.15 points, respectively.

Table 5.14: Maturity Distribution of Deposits (%)

	2020			2021		Change (Points)	
	June	September	December	March	June	03/2021-06/2021	06/2020-06/2021
Demand	16.86	17.24	18.57	16.51	16.85	0.34	-0.01
1-Month	50.80	49.65	49.61	52.32	51.56	-0.76	0.76
3-Month	18.16	18.40	18.03	18.02	18.18	0.16	-0.02
6-Month	3.99	4.06	3.54	3.32	3.37	0.05	-0.62
1-Year	10.19	10.65	10.25	9.83	10.04	0.21	-0.15
Total	100.00	100.00	100.00	100.00	100.00		

Source: Central Bank of TRNC

Analysing the distribution of deposits in the banking sector by their size, 0-5 thousand TRY decreased from 346.4 million TRY to 342 million TRY, 5-10 thousand TRY deposits from 405.9 million TRY to 387.4 million TRY, 50-100 thousand TRY deposits from 3,346.8 to 3,248.1 million TRY, while 10-50 thousand TRY deposits increased from 2,732.4 million TRY to 2,772.7 million

TRY, and deposits over 100 thousand TRY deposits increased from 37,943.4 million TRY to 40,109.1 million TRY as of the end of June 2021, compared to the previous quarter. In the second quarter of 2021, the share of deposits over 100 thousand TRY has been 85.59 percent, and deposits of 50-100 thousand TRY has had a share of 6.93 percent.

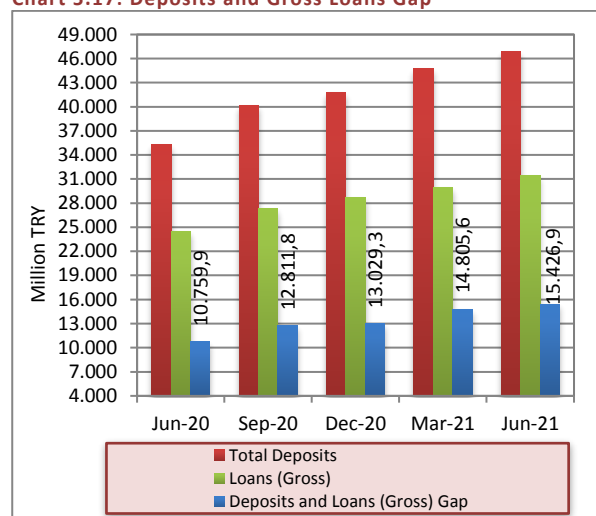
Table 5.15: Distribution of Deposits by Size (Million TRY)

	2020			2021	
	June	September	December	March	June
0-5 thousand TRY	345.4	341.0	349.9	346.4	342.0
5-10 thousand TRY	422.3	410.9	422.4	405.9	387.4
10-50 thousand TRY	2,739.1	2,712.0	2,787.5	2,732.4	2,772.7
50-100 thousand TRY	3,517.8	3,390.6	3,367.7	3,346.8	3,248.1
Over 100 thousand TRY	28,222.5	33,262.5	34,860.1	37,943.4	40,109.1
Total Deposits	35,247.1	40,117.0	41,787.6	44,774.9	46,859.3

Source: Central Bank of TRNC

The difference between total deposits and gross loans, which was 14,805.6 million TRY at the end of March 2021, has increased by 621,3 million TRY and rose to 15,426.9 million TRY by the end of June 2021.

Chart 5.17: Deposits and Gross Loans Gap

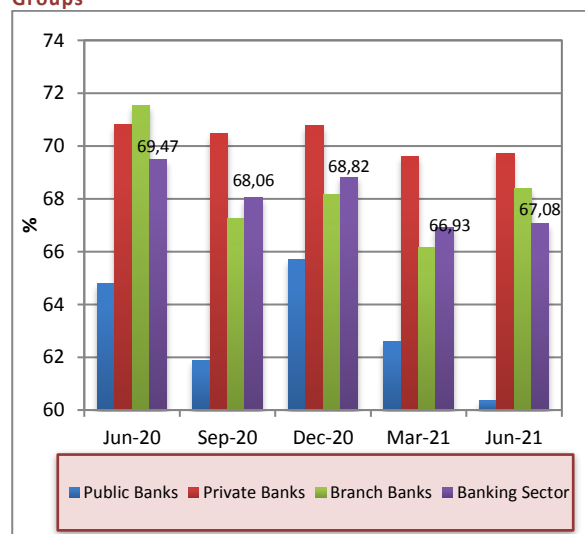


Source: Central Bank of TRNC

Loans to total deposits ratio, which is one of the indicators of the banking sector's depth and intermediary function, was 66.93 percent at the end of March 2021, afterwards, it has increased to 67.08 percent at the end of June 2021. Loans to total deposits ratio decreased by 2.39 points in one-year period.

Examining loans to deposits ratio at the end of June 2021 on the basis of bank groups, private banks rank first with 69.73 percent. Private banks are followed by branch banks with a rate of 68.4 percent. Public banks have a conversion rate of 60.36 percent.

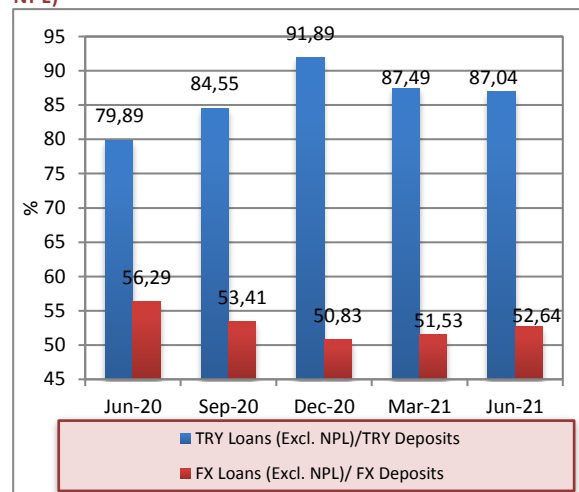
Chart 5.18: Deposits to Loans (Gross) Ratio Based on Bank Groups



Source: Central Bank of TRNC

TRY deposits to TRY loans ratio (excluding NPL) decreased from 87.49 to 87.04 percent as of June 2021 compared to the previous quarter, while FX deposits to FX loans ratio (excluding NPL) increased from 51.53 to 52.64 percent. TRY and FX deposits to loans ratio was 79.89 percent and 56.29 percent, respectively, in June 2020.

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



Source: Central Bank of TRNC

5.2.6 SHAREHOLDERS' EQUITY

Shareholders' equity, which is of great importance in terms of stability and healthy development of the sector, increased by 8.01 percent, compared to the previous quarter and reached 5,108 million TRY at the end of the second quarter of 2021.

It increased by 27.12 percent in June 2020 - June 2021 period. In the one-year period, the paid-in capital of the sector increased by 107.2 million TRY and reserve requirements increased by 635.3 million TRY.

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

	2020			2021	
	June	Sept.	Dec.	March	June
Paid-in Capital	1,398.9	1,401.4	1,470.7	1,492.6	1,506.1
Legal Reserve	1,207.3	1,366.6	1,369.1	1,693.2	1,842.6
Fixed Asset Revaluation Fund	3.0	3.6	10.4	10.4	10.4
Securities Value Increment Fund	181.0	215.0	220.1	256.9	262.5
Period Profit (Loss)	329.1	513.0	671.2	301.7	639.7
Accumulated Profit (Loss)	899.1	737.5	725.9	974.5	846.7
Total	4,018.4	4,237.1	4,467.4	4,729.3	5,108.0

Source: Central Bank of TRNC

5.3 MONEY SUPPLY

Money supply classified as narrow money, M1, increased by 7.3 percent at the end of June 2021 compared to March 2021 and rose from 10,491.4 million TRY to 11,257.1 million TRY. M1 increased by 31.98 percent in one-year period.

Money supply qualified as M2, which amounted to 45,118.5 million TRY at the end of March 2021, increased by 5.63 percent in the second quarter of 2021 and reached 47,658.2 million TRY. M2 increased by 32.98 percent in one-year period.

M3 money supply classified as broad money, which is estimated by adding official deposits and other deposits within the Central Bank of the TRNC to the M2, increased by 4.14 percent in the second quarter of 2021 compared to the previous quarter and rose from 48,624.9 million TRY to 50,639.9 million TRY. The increase rate of M3 is 32.24 percent, compared to the same period of the previous year.

Table 5.17: Money Supply (Million TRY)

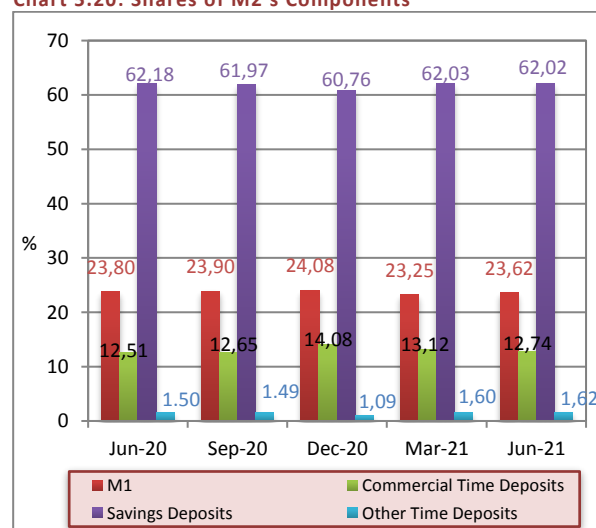
Years	Period	M1	Annual Percentage Change	M2	Annual Percentage Change	M3	Annual Percentage Change
2017	II	3,906.7	31.23	18,670.5	27.70	20,066.2	28.69
	III	4,126.2	30.66	19,847.4	29.85	21,240.3	30.16
	IV	4,403.3	24.24	21,181.5	24.99	22,789.8	26.63
2018	I	4,826.2	28.53	22,844.7	26.78	24,492.6	27.50
	II	5,342.4	36.75	24,489.5	31.17	26,341.2	31.27
	III	6,244.7	51.34	28,565.7	43.93	30,698.9	44.53
2019	IV	5,726.7	30.05	26,846.9	26.75	28,868.4	26.67
	I	6,297.8	30.49	29,051.7	27.17	31,226.9	27.50
	II	6,581.7	23.20	30,066.1	22.77	32,390.9	22.97
2020	III	6,775.1	8.49	30,109.1	5.40	33,243.7	8.29
	IV	7,386.0	28.97	33,164.4	23.53	35,890.4	24.32
	I	7,872.2	25.00	34,635.5	19.22	37,612.4	20.45
2021	II	8,529.4	29.59	35,839.0	19.20	38,294.3	18.23
	III	9,724.8	43.54	40,684.0	35.12	43,787.2	31.72
	IV	10,077.1	36.44	41,842.8	26.17	45,299.2	26.22
2021	I	10,491.4	33.27	45,118.5	30.27	48,624.9	29.28
	II	11,257.1	31.98	47,658.2	32.98	50,639.9	32.24

Source: Central Bank of TRNC

As in previous periods, the largest share in M2 is 62.02 percent with the savings deposits as of June 2021. This is followed by M1 with a share of 23.62 percent, commercial time deposits with 12.74 percent and other time deposits with a ratio of 1.62 percent.

Savings time deposits, which constitute the largest share of the structure of M2, decreased by 0.16 points from 62.18 to 62.02 percent in June 2020 - June 2021 period. In the mentioned period, M1, one of the other subcomponents of M2, decreased from 23.8 to 23.62 percent, while commercial time deposits increased from 12.51 to 12.74 percent, and other time deposits from 1.5 to 1.62 percent.

Chart 5.20: Shares of M2's Components



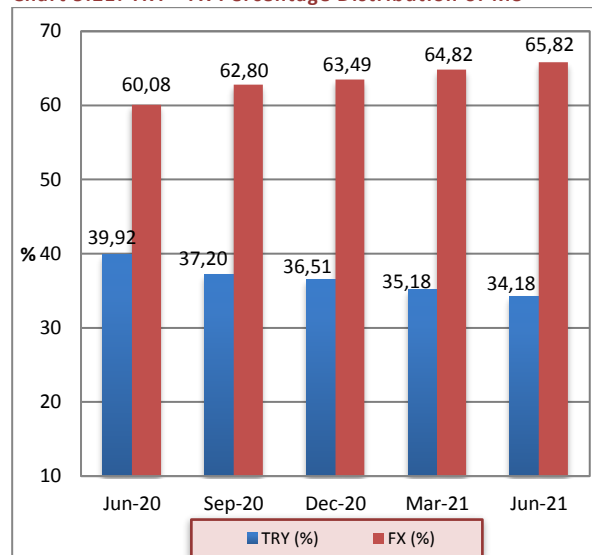
Source: Central Bank of TRNC

Analysing the TRY-FX percentage distribution of M3 as of June 2021, it is observed that the share of TRY deposits in M3 is 34.18 percent and the share of FX deposits is 65.82 percent. These shares were 39.92 percent in TRY and 60.08 percent in FX at the end of June 2020.

5.4 OVERVIEW OF INTERBANK MONEY MARKET

As of the second quarter of 2021, there have been 769 transactions in TRY, 623 transactions in USD, 280 transactions in EUR and 525 transactions in GBP currency, within the interbank money market operating under the Central Bank of the TRNC. In this period, transactions of 58,101 million TRY in Turkish Lira currency, 3,694 million USD, 6,169 million EUR and 8,923 million GBP in foreign currency were made.

Chart 5.21: TRY - FX Percentage Distribution of M3



Source: Central Bank of TRNC

Table 5.18: Transaction Volume (x 1.000) and Amount

	TRY		\$		€		£	
	Number	Volume	Number	Volume	Number	Volume	Number	Volume
2020 - Q2	752	42,667,500	539	1,440,375	211	5,633,725	423	3,850,000
2020 - Q3	787	59,058,150	675	2,272,575	252	3,157,825	479	5,112,275
2020 - Q4	870	47,981,400	707	3,993,200	303	5,356,100	427	8,130,350
2021- Q1	760	65,818,400	622	3,028,600	275	5,397,300	452	7,728,650
2021- Q2	769	58,101,100	623	3,694,425	280	6,168,850	525	8,923,100

Source: Central Bank of TRNC

Looking at the volume distributions of overnight transactions made in the second quarter of 2021, it is observed that the shares are 99.97 percent in TRY, 99.88 percent in USD, and 100 percent in EUR and GBP. In the same period, the share one-week transactions

was 1 per ten thousand in TRY, the share of one-month transactions was 2 per ten thousand in TRY and 9 per ten thousand in USD. In the same period, the share 3-month transactions was 3 per ten thousand in USD.

Table 5.19: Transaction Volume (x 1.000)

	TRY		\$		€		£	
	Volume	Share (%)	Volume	Share (%)	Volume	Share (%)	Volume	Share (%)
2020 Q2	42,667,500		1,440,375		5,633,725		3,850,000	
ON	42,667,000	100.00	1,440,375	100.00	5,608,500	99.55	3,846,050	99.90
1W					150	0.00		
2W								
3W								
1M	500	0.00			25,000	0.44	3,950	0.10
3M					75	0.00		
2020 Q3	59,058,150		2,272,575		3,157,825		5,112,275	
ON	59,053,650	99.99	2,270,575	99.91	3,121,600	98.85	5,112,275	100.00
1W								
2W								
3W								
1M	4,500	0.01	2,000	0.09	34,225	1.08		
3M					2,000	0.06		
2020 Q4	47,981,400		3,993,200		5,356,100		8,130,350	
ON	47,912,900	99.86	3,992,225	99.98	5,312,800	99.19	8,130,350	100.00
1W	50,000	0.10			25			
2W								
3W								
1M	18,500	0.04	975,000	0.02	43,275	0.81		
3M								
2021 Q1	65,818,400		3,028,600		5,397,300		7,728,650	
ON	65,807,400	99.98	3,028,600	100.00	5,376,900	99.62	7,728,650	100.00
1W	4,000	0.01						
2W								
3W								
1M	7,000	0.01			20,400	0.38		
3M								
2021 Q2	58,101,100		3,694,425		6,168,850		8,923,100	
ON	58,083,100	99.97	3,689,925	99.88	6,168,850	100.00	8,923,100	100.00
1W	6,000	0.01						
2W								
3W								
1M	12,000	0.02	3,500	0.09				
3M			1,000	0.03				

Source: Central Bank of TRNC

ON: Overnight
W: Week
M: Month

Average interest rates for overnight transactions made in the second quarter of 2021 have been 15.73 percent in TRY, 0.6 percent in USD, 0.25 percent in EUR, and 0.35 percent in GBP. Average interest rate for one-

week transactions has been 18 percent in TRY, the rates for one-month transactions have been 18.5 percent in TRY, and 1.13 percent in USD, while the rate for 3-month transactions has been 1.5 percent in USD.

Table 5.20: Average Interest Rates (%)

		2020			2021	
		Q2	Q3	Q4	Q1	Q2
TRY	ON	5.75	6.14	10.43	14.25	15.73
	1W			14.43	16.50	18.00
	2W					
	1M	7.00	9.50	13.28	16.80	18.50
	3M					
\$	ON	0.50	0.54	0.75	0.67	0.60
	1W					
	2W					
	3W					
	1M		0.60	2.11		1.13
	3M					1.50
€	ON	0.07	0.13	0.30	0.28	0.25
	1W	1.25		1.25		
	2W					
	3W					
	1M	0.29	0.36	0.55	0.58	
£	3M	1.50	1.30			
	ON	0.20	0.28	0.40	0.37	0.35
	1W					
	2W					
	3W					
	1M	0.32				

Source: Central Bank of TRNC

ON: Overnight

W: Week

M: Month

5.5 CREDIT CARDS MAXIMUM INTEREST RATES

“Law on Bank Cards and Credit Cards” No. 58/2014, which was enacted and published in the Official Gazette dated November 20, 2014, delegated the duty and authority of determining the monthly maximum

contractual and default interest rates to be applied in credit card transactions to the Central Bank of the TRNC.

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

Table 5.21: Credit Cards Maximum Interest Rates (%)

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

Source: Central Bank of TRNC

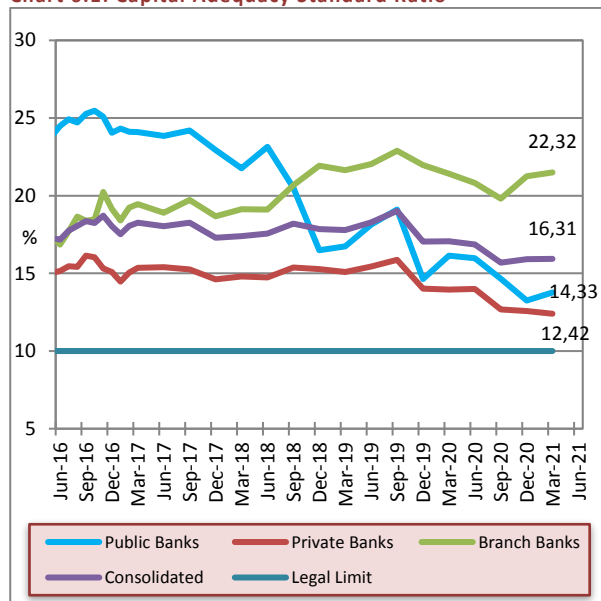
6 FINANCIAL STABILITY ANALYSIS

6.1 CAPITAL ADEQUACY

In the second quarter of 2021, the sector's capital adequacy standard ratio increased by 0.38 points compared to the previous quarter and reached 16.31 percent, above the legal limit of 10 percent.

As of June 2021, CASR based on bank groups has been 14.33 percent in public banks, 12.42 percent in private banks and 22.32 percent in branch banks. As of March 2021, these ratios were 13.76, 12.40 and 21.50 percent, respectively. Compared to the same period of the previous year, CASR decreased by 1.64 points in public banks and by 1.71 points in private banks and while it increased by 1.51 points in branch banks as of June 2021.

Chart 6.1: Capital Adequacy Standard Ratio



Source: Central Bank of TRNC

Comparing the risk-weighted assets at the end of June 2021 to the end of March 2021, assets with 0 percent risk weight increased by 8.2 percent, assets with 20 percent risk weight by 3.2 percent, assets with 50 percent risk weight by 4.5 percent, and assets with 100 percent risk weight increased by 5.7 percent. In the period, the total of market risk and operational risk increased by 144.6 million TRY and reached 6,096.1 million TRY, compared to the previous period. Total market risk and operational risk of the sector increased by 1,108.8 million TRY in one-year period (June 2020 - June 2021).

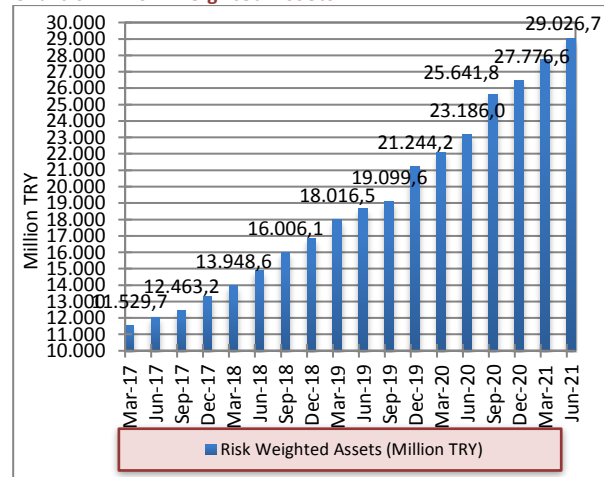
Table 6.1: Risk-Weighted Assets (Million TRY)

	Jun.20	Sept.20	Dec.20	Mar.21	Jun.21	% Change (03/21-06/21)
0%	15,357.5	18,330.9	19,681.3	21,040.7	22,765.8	8.2
20%	8,327.3	8,202.0	8,555.1	9,336.5	9,636.0	3.2
50%	11,725.3	13,527.5	14,099.7	15,446.9	16,138.6	4.5
100%	10,670.7	11,995.1	11,979.5	12,234.3	12,934.1	5.7
Market Risk + Operational Risk	4,987.3	5,242.5	5,737.1	5,951.5	6,096.1	2.4

Source: Central Bank of TRNC

In the second quarter of 2021, risk-weighted assets increased by 4.5 percent, compared to the previous quarter. The weighted sum of risk-weighted assets, which amounted to 27,776.6 million TRY as of March 2021, increased by 1,250.1 million TRY at the end of June 2021 and reached 29,026.7 million TRY. Risk-weighted assets of the sector increased by 25.2 percent in June 2020 - June 2021 period.

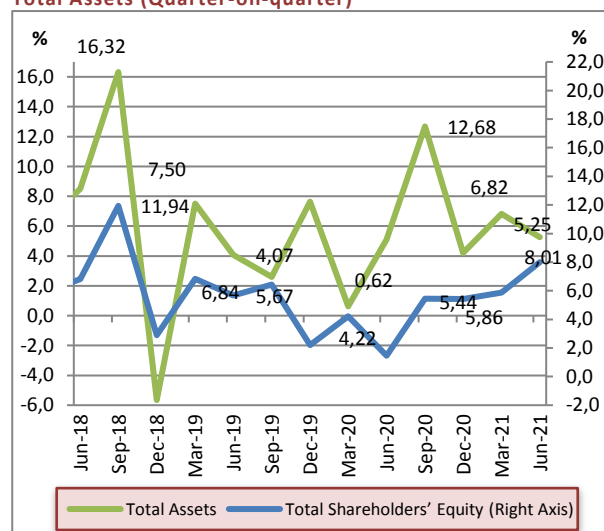
Chart 6.2: Risk-Weighted Assets



Source: Central Bank of TRNC

As of the end of June 2021, total assets increased by 5.25 percent and total shareholders' equity increased by 8.01 percent, compared to March 2021. Total assets and shareholders' equity increased by 32.03 percent and 27.11 percent, respectively, compared to the same period of the previous year.

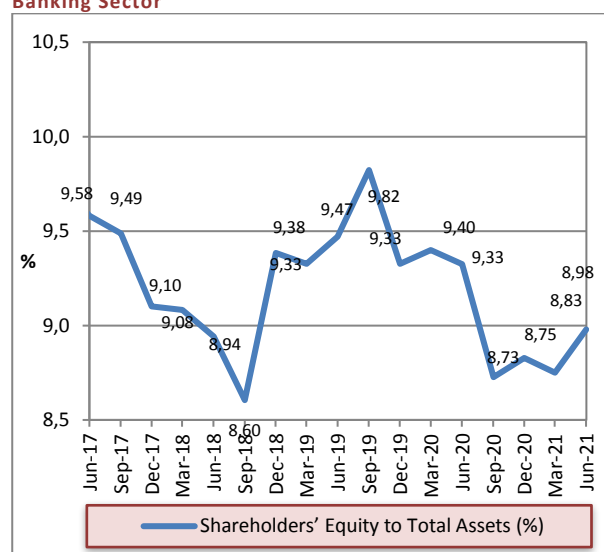
Chart 6.3: Increase Rates in Total Shareholders' Equity and Total Assets (Quarter-on-quarter)



Source: Central Bank of TRNC

The ratio of total shareholders' equity to total assets in the banking sector, which had increased to 9.4 in the first quarter of 2020, declined in the second and third quarter of 2020. The ratio of total shareholders' equity to total assets, which was 8.75 percent in the first quarter of 2021, reached 8.98 percent in the second of 2020.

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

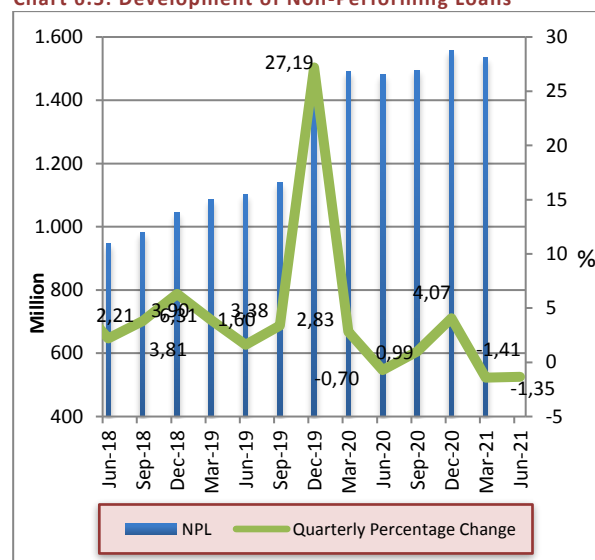


Source: Central Bank of TRNC

6.2 NON-PERFORMING LOANS

Sector's non-performing loans amounted to 1,533.9 million TRY as of the end of March 2021 and decreased by 1.35 percent to 1,513.2 million TRY as of the end of June 2021. Non-performing loans increased by 2.21 percent, compared to the same period of the previous year.

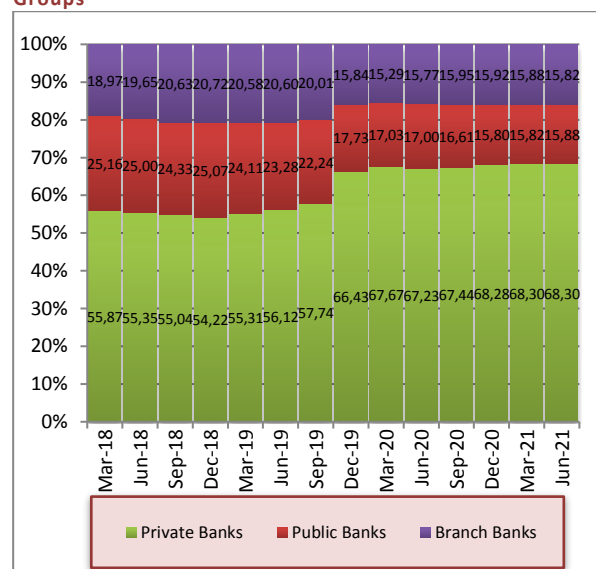
Chart 6.5: Development of Non-Performing Loans



Source: Central Bank of TRNC

As of the end of the second quarter of 2021, it is seen that the share of public banks in total NPL increased, while the share of private banks and branch banks increased, compared to the previous quarter. Accordingly, in March 2021 - June 2021 period, the share of public banks in total NPL increased from 15.82 to 15.88 percent, the share of private banks remained unchanged at 68.3 percent, while the share of branch banks decreased from 15.88 to 15.82 percent. In June 2020 - June 2021 period, the share of private banks in total NPL increased from 67.23 to 68.3 percent, the share of branch banks from 15.77 to 15.82 percent, while the share of public banks decreased from 17 to 15.88 percent.

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



Source: Central Bank of TRNC

In the second quarter of 2021, total assets amounted to 56,892.3 million TRY, total gross loans amounted to 31,432.36 million TRY, NPL amounted to 1,513.2 million TRY and provisions for non-performing loans amounted to 865.79 million TRY. Analysed by bank groups, as of June 2021, total assets in public banks are 12,937.63 million TRY, total gross loans are 6,922.05 million TRY, non-performing loans are 242.02 million TRY and provisions for non-performing loans are 218.32 million TRY.

In the private banks, total assets amounted to 26,395.07 million TRY, total gross loans to 15,840.36 million TRY, non-performing loans to 1,029.4 million TRY and provisions for non-performing loans to 454.44 million TRY. Branch banks have total assets of 17,559.95 million TRY, total gross loans of 8,669.95 million TRY, non-performing loans of 241.8 million TRY and provisions for non-performing loans of 193.03 million TRY.

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

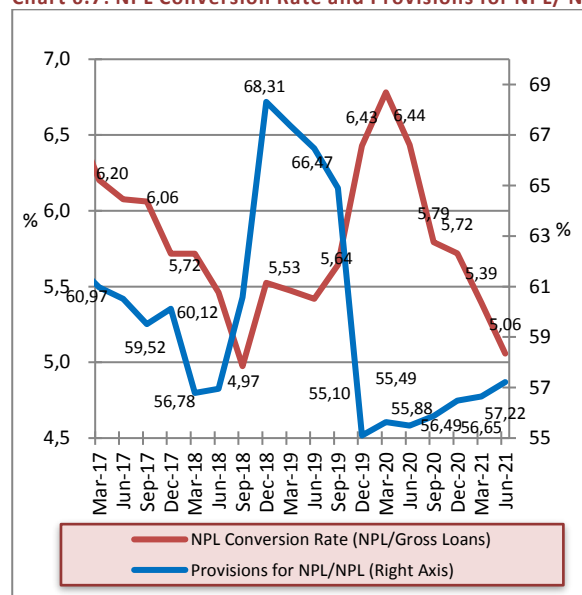
	Total Assets			Total Gross Loans			NPL			Provisions for NPL		
	Dec.20	Mar.21	Jun.21	Dec.20	Mar.21	Jun.21	Dec.20	Mar.21	Jun.21	Dec.20	Mar.21	Jun.21
Public Banks	11,386.11	12,233.23	12,937.63	6,645.20	6,821.67	6,922.05	245.85	242.65	242.02	222.87	219.66	218.32
Private Banks	23,208.78	24,791.81	26,395.07	14,102.11	14,961.44	15,840.36	1,062.29	1,047.65	1,029.4	458.26	454.93	454.44
Branch Banks	16,006.37	17,026.95	17,559.60	8,010.96	8,186.19	8,669.95	247.76	243.65	241.80	197.85	194.42	193.03
Total	50,601.26	54,051.99	56,892.30	28,758.27	29,969.29	31,432.36	1,555.90	1,533.95	1,513.2	878.98	869.01	865.79

Source: Central Bank of TRNC

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

While the ratio of provisions for NPL to total NPL had been 55.6 percent by the end of March 2020, it decreased by 0.1 points to 55.5 percent in June 2019 and then it increased by 0.3 points to 55.8 percent in September. In December, it increased by 0.6 points to 56.5. Continuing to climb 2021, the ratio of provisions for NPL to total NPL increased by 0.16 points to 56.65 percent in March, and by 0.57 points to 57.22 percent in June.

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



Source: Central Bank of TRNC

6.3 RETURN ON ASSETS AND RETURN ON EQUITY

Sector's return on assets, which was 1.64 percent at the end of March 2021, increased to 1.91 percent, return on equity, which was 18.35 percent, increased to 21.57 percent and net interest margin increased from 3.48 percent to 3.62 percent in the second quarter of 2021. In the period of June 2020 - June 2021, return on assets of the sector increased from 1.54 percent to 1.91 percent, return on equity from 16.72 percent to 21.57 percent, and net interest margin from 3.25 percent to 6.62 percent.

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

Description	2020			2021	
	Jun.	Sept.	Dec.	Mar.	Jun.
Return on Assets ¹	1.54	1.34	1.47	1.64	1.91
Return on Equity ²	16.72	15.56	16.32	18.35	21.57
Net Interest Margin ³	3.25	3.2	3.3	3.48	3.62

Source: Central Bank of TRNC

¹ Return on Assets: Net Profit / Total Assets

² Return on Equity: Net Profit / Total Shareholders' Equity

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

Net Profit: 12-month cumulative total

Total Assets: 12-month average

Total Shareholders' Equity: 12-month average

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

ANNEX A. ECONOMIC DECISIONS

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

Title	Notifications, Notices and Executive Board Decisions Published in the Official Gazette		Official Gazette	
	Date	Number	Date	Number
Turkish Lira Deposit and Reserve Requirement Accounts Interest Rates and Turkish Lira Rediscount, Discount and Advance Interest Rate Change	01.04.2021	1190	02.04.2021	75
Notification on Accounting Systems and Document Storage (Amendment)	21.04.2021	1193	26.04.2021	94
Notification on International Banking Units (Amendment)	06.05.2021	1200	21.05.2021	110
Credit Cards Monthly Maximum Contractual and Default Interest Rates Change			30.06.2021	145
Notification on the Risks Undertaken (Amendment)	01.07.2021	1212	01.07.2021	146
Notification on the Consumer Loans (Amendment)	01.07.2021	1212	01.07.2021	146

Table A.2: Economic Decisions - Legislative Regulations

Title	Law/Draft Law/Bill		Official Gazette	
	Date	Number	Date	Number
Statutory Decrees				
Statutory Decree on the Repeal of the Statutory Decree on Compulsory Insurance Guarantee Fund	09.06.2021	E.S.(K-I)721-2021	15.06.2021	132
Statutory Decree Amending the Statutory Decree on Debt Restructuring	30.06.2021	E.S(K-I) 859-2021	30.06.2021	145
Statutory Decree on Amendment to the Statutory Decree on Collection of Partially or Fully Unpaid Public Receivables in Objectionable or Finalized Taxes Despite the Settlement and Payment Period	28.06.2021	E.S(K-I) 850-2021	30.06.2021	145
Regulations				
Regulation on Promoting Local Labour Employment (Amendment No. 4)	21.04.2021	E.S.(K-I)507-2021	23.04.2021	90
Regulation on Promoting Local Labour Employment (Amendment No. 5)	09.06.2021	E.S(K-I) 731-2021	11.06.2021	127

ANNEX B. STATISTICAL DATA

Table B.1: Selected Balance Items (TRY)

Date	Liquid Assets	Loans	Other Assets	Total Assets	Shareholders' Equity	Deposits	Reserve Requirements	Other Liabilities	Total Liabilities
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 Jun. 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	8,118,080,496	114,227,729	3,260,499	8,235,568,724	384,891,701	2,681,914,710	1,729,000,717	3,574,231,898	8,370,039,032
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
30 Jun. 2018	9,341,542,297	155,660,857	2,673,006	9,499,876,160	439,621,419	3,105,622,819	1,993,912,015	3,960,719,907	9,499,876,160
30 Sept. 2018	11,073,132,669	172,557,057	2,684,160	11,248,373,886	445,771,689	3,717,146,751	2,052,867,163	5,032,588,283	11,248,373,886
31 Dec. 2018	10,499,595,834	61,335,607	294,637,228	10,855,568,669	480,942,598	3,917,979,147	1,885,311,620	4,571,335,304	10,855,568,669
31 Mar.2019	10,833,216,002	188,417,441	12,142,380	11,033,775,823	565,586,996	4,040,009,260	2,011,711,161	4,416,468,406	11,033,775,823
30 Jun. 2019	11,423,695,382	198,753,741	4,705,193	11,627,154,316	569,937,350	4,264,704,130	2,101,571,020	4,690,941,816	11,627,154,316
30 Sept. 2019	12,024,932,318	188,602,841	99,806,315	12,313,341,474	574,939,219	4,069,005,293	2,134,892,647	5,534,504,315	12,313,341,474
31 Dec. 2019	12,816,365,963	50,103,991	612,537,467	13,479,007,421	589,827,556	4,568,214,697	2,350,769,024	5,970,196,144	13,479,007,421
31 Mar.2020	12,962,190,610	46,763,724	495,989,949	13,504,944,283	678,679,012	4,579,477,472	2,700,672,024	5,546,115,775	13,504,944,283
30 Jun. 2020	12,855,700,190	46,763,724	19,401,356	12,921,865,270	681,402,724	4,289,003,090	2,889,007,202	5,062,452,254	12,921,865,270
30 Sept. 2020	15,359,430,508	52,012,879	34,655,533	15,446,098,920	682,771,674	5,397,934,136	3,183,661,686	6,181,731,424	15,446,098,920
31 Dec. 2020	16,353,005,072	51,791,967	279,486,590	16,684,283,629	719,302,337	5,468,896,150	2,930,655,027	7,565,430,115	16,684,283,629
31 Mar. 2021	16,798,728,605	248,862,975	346,890,300	17,394,481,880	805,485,172	5,526,562,169	3,175,733,887	7,886,700,652	17,394,481,880
30 Jun. 2021	17,830,514,206	503,423,458	229,660,370	18,563,598,034	809,107,488	5,967,117,859	3,375,004,675	8,412,368,012	18,563,598,034

Source: Central Bank of TRNC

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

Table B.2: Liquid Assets (TRY)

Date	Cash Assets	Gold Deposit	Bank Deposits (TRY)	Bank Deposits (FX)	Foreign Banks	Securities Portfolio	Total
31 Mar. 2017	165,588,687	3,440,019	2,101,326,259	4,030,683,635	0	463,534,800	6,869,132,807
30 Jun. 2017	171,906,834	3,440,019	1,823,606,608	4,299,854,053	0	683,099,050	6,981,906,564
30 Sept. 2017	275,459,595	3,440,019	1,842,387,496	4,739,760,510	0	768,996,350	7,630,043,970
31 Dec. 2017	257,360,230	3,997,999	1,728,967,292	5,187,178,813	0	903,656,300	8,081,160,634
31 Mar. 2018	382,362,841	3,997,999	1,705,665,243	5,630,492,210	0	822,904,675	8,545,422,968
30 Jun. 2018	281,516,845	3,997,999	1,845,209,663	6,467,950,290	0	742,867,500	9,341,542,297
30 Sept. 2018	701,495,845	3,997,999	2,827,946,391	7,539,692,434	0	0	11,073,132,669
31 Dec. 2018	596,636,956	5,503,526	2,886,583,754	6,838,280,699	0	172,590,899	10,499,595,834
31 Mar. 2019	703,356,751	5,503,326	2,788,997,426	7,087,363,508	727,800	247,266,991	10,833,216,002
30 Jun. 2019	684,254,253	5,503,526	2,956,877,407	7,386,165,087	731,140	390,163,969	11,423,695,382
30 Sept. 2019	695,057,549	5,503,526	3,258,721,464	7,319,698,436	90,233,033	655,718,310	12,024,932,318
31 Dec. 2019	604,203,296	7,318,980	3,647,687,308	7,510,965,029	332,867,787	713,323,563	12,816,365,963
31 Mar. 2020	426,840,059	7,318,980	3,537,260,461	7,670,737,329	178,859,125	1,141,174,656	12,962,190,610
30 Jun. 2020	851,174,116	7,318,980	3,480,507,658	6,506,580,011	849,420	2,009,270,005	12,855,700,190
30 Sept. 2020	1,090,478,693	7,318,980	4,181,981,541	6,350,544,980	974,190	3,728,132,124	15,359,430,508
31 Dec. 2020	1,202,513,929	11,245,022	3,875,374,944	6,892,833,367	2,774,707	4,368,263,103	16,353,005,072
31 Mar. 2021	1,367,010,884	11,245,022	3,287,712,637	7,456,678,273	1,126,369	4,674,955,420	16,798,728,605
30 Jun. 2021	1,227,874,023	11,245,022	2,901,751,435	8,723,829,175	1,805,527	4,964,009,024	17,830,514,206

Source: Central Bank of 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 Mar. 2017								-
30 Jun. 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
30 Jun. 2018							6,912,450	6,912,450
30 Sept. 2018							9,112,800	9,112,800
31 Dec. 2018							7,933,350	7,933,350
31 Mar. 2019							8,313,450	8,313,450
30 Jun. 2019							8,649,750	8,649,750
30 Sept. 2019							8,498,850	8,498,850
31 Dec. 2019								-
31 Mar.2020								-
30 Jun. 2020								-
30 Sept. 2020							5,348,480	5,348,480
31 Dec. 2020							5,028,243	5,028,243
31 Mar. 2021							5,439,517	5,439,517
30 Jun. 2021								-

Source: Central Bank of TRNC

Note: Interest revenue rediscounts are included in the figures.

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

Date	Public Deposits		Banks				Other		Total
			A-Deposits		B-Reserve Requirements				
	TRY	FX	TRY	FX	TRY	FX	TRY	FX	
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 Jun. 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
30 Jun.2018	91,040,695	30,311,907	417,186,670	2,414,035,090	768,010,729	1,225,901,286	985,662	152,062,795	5,099,534,834
30 Sept. 2018	62,415,658	80,786,260	405,694,465	3,028,839,065	704,301,812	1,348,565,351	843,643	138,567,660	5,770,013,914
31 Dec. 2018	51,246,900	52,306,160	706,945,906	2,976,986,010	707,399,584	1,177,912,036	1,128,634	129,365,537	5,803,290,767
31 Mar.2019	21,273,436	50,459,675	494,142,152	3,283,867,588	730,743,668	1,280,967,493	902,785	189,363,624	6,051,720,421
30 Jun. 2019	19,926,492	44,079,068	379,912,114	3,621,457,724	748,007,362	1,353,563,658	905,629	198,423,103	6,366,275,150
30 Sept. 2019	355,937,954	80,590,555	352,615,354	3,112,598,004	789,935,711	1,344,956,936	1,011,763	166,251,663	6,203,897,940
31 Dec. 2019	61,510,327	60,554,852	766,047,422	3,522,339,747	853,421,489	1,497,347,535	1,737,248	156,025,101	6,918,983,721
31 Mar.2020	107,123,252	51,809,876	678,036,718	3,591,165,501	994,608,788	1,706,063,236	659,161	150,682,964	7,280,149,496
30 Jun. 2020	77,668,999	56,092,776	515,562,626	3,480,903,245	1,013,971,938	1,875,035,264	1,701,088	157,074,356	7,178,010,292
30 Sept. 2020	608,951,094	106,926,073	444,078,224	4,005,388,538	1,035,786,158	2,147,875,528	9,859,691	222,730,516	8,581,595,822
31 Dec. 2020	163,030,306	119,763,224	531,265,922	4,415,759,693	719,232,331	2,211,422,696	1,610,324	237,466,681	8,399,551,177
31 Mar. 2021	255,979,686	127,402,881	285,791,270	4,623,867,268	771,146,280	2,404,587,607	1,089,834	232,431,230	8,702,296,056
30 Jun. 2021	261,056,741	35,972,553	394,225,884	5,059,854,514	748,207,492	2,626,797,183	980,548	215,027,619	9,342,122,534

Source: Central Bank of TRNC

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

Years	Months	USD		EURO		GBP	
		Buying	Selling	Buying	Selling	Buying	Selling
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		5.2609	5.2704	6.0280	6.0388	6.6528	6.6875
2019		5.9402	5.9509	6.6506	6.6625	7.7765	7.8171
2020		7.3405	7.3537	9.0079	9.0241	9.9438	9.9957
2021	1	7.3216	7.3348	8.8718	8.8878	10.0100	10.0622
	2	7.3708	7.3841	8.9420	8.9581	10.2477	10.3012
	3	8.3260	8.3410	9.7741	9.7917	11.4324	11.4920
	4	8.1753	8.1900	9.9090	9.9269	11.3852	11.4445
	5	8.5496	8.5651	10.4147	10.4334	12.1068	12.1699
	6	8.7052	8.7208	10.3645	10.3832	12.0343	12.0971
	7						
	8						
	9						
	10						
	11						
	12						

Source: Central Bank of TRNC

Table B.6: Cross Rates

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

Source: Central Bank of TRNC

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

Effective Date	Currency				Board Decision		Official Gazette	
	TRY	\$	€	£	Date	Number	Date	Number
	Demand	Demand	Demand	Demand				
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
05.06.2018	11.00	0.40	0.25	0.50	04.06.2018	998	11.06.2018	89
25.06.2018	11.00	0.75	0.25	0.50	21.06.2018	1001	02.07.2018	102
24.09.2018	17.25	1.00	0.25	0.50	20.09.2018	1014	26.09.2018	140
29.07.2019	13.25	1.00	0.125	0.25	26.07.2019	1046	29.07.2019	107
16.09.2019	10.00	1.00	0.125	0.25	12.09.2019	1054	16.09.2019	128
28.10.2019	8.50	1.00	0.125	0.25	25.10.2019	1059	28.10.2019	153
16.12.2019	7.25	0.75	0.05	0.125	13.12.2019	1069	16.12.2019	178
20.01.2020	6.75	0.50	0.05	0.125	17.01.2020	1076	20.01.2020	12
24.02.2020	6.50	0.50	0.05	0.125	20.02.2020	1081	24.02.2020	29
11.03.2020	6.50	0.25	0.05	0.125	10.03.2020	1087	11.03.2020	37
04.05.2020	5.00	0.25	0.05	0.125	30.04.2020	1099	04.05.2020	77
24.08.2020	6.75	0.40	0.15	0.25	20.08.2020	1125	24.08.2020	158
01.10.2020	8.25	0.60	0.25	0.30	30.09.2020	1143	01.10.2020	188
20.11.2020	11.50	0.60	0.25	0.30	19.11.2020	1158	20.11.2020	214
25.12.2020	13.75	0.60	0.25	0.30	24.12.2020	1168	25.12.2020	235
19.02.2021	13.75	0.40	0.15	0.20	17.02.2021	1178	19.02.2021	40
02.04.2021	15.25	0.40	0.15	0.20	01.04.2021	1190	02.04.2021	75

Source: Central Bank of TRNC

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

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

Effective Date	Currency				Board Decision		Official Gazette	
	TRY	\$	€	£	Date	Number	Date	Number
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
05.06.2018	7.50	0.20	0.125	0.25	04.06.2018	998	11.06.2018	89
25.06.2018	7.50	0.40	0.125	0.25	21.06.2018	1001	02.07.2018	102
15.08.2018	9.00	0.40	0.125	0.25	14.08.2018	1004	31.08.2018	127
24.09.2018	13.00	0.65	0.125	0.25	20.09.2018	1014	26.09.2018	140
29.07.2019	9.00	0.65	0.00	0.125	26.07.2019	1046	29.07.2019	107
16.09.2019	5.75	0.50	0.00	0.125	12.09.2019	1054	16.09.2019	128
28.10.2019	3.25	0.50	0.00	0.125	25.10.2019	1059	28.10.2019	153
16.12.2019	2.50	0.25	0.00	0.05	13.12.2019	1069	16.12.2019	178
24.02.2020	2.25	0.25	0.00	0.05	20.02.2020	1081	24.02.2020	29
11.03.2020	2.25	0.125	0.00	0.05	10.03.2020	1087	11.03.2020	37
04.05.2020	1.00	0.125	0.00	0.05	30.04.2020	1099	04.05.2020	77
24.08.2020	2.75	0.20	0.05	0.10	20.08.2020	1125	24.08.2020	158
01.10.2020	3.50	0.25	0.10	0.15	30.09.2020	1143	01.10.2020	188
20.11.2020	6.00	0.25	0.10	0.15	19.11.2020	1158	20.11.2020	214
25.12.2020	8.00	0.25	0.10	0.15	24.12.2020	1168	25.12.2020	235
19.02.2021	8.0	0.20	0.05	0.10	17.02.2021	1178	19.02.2021	40
02.04.2021	9.0	0.20	0.05	0.10	01.04.2021	1190	02.04.2021	75

Source: Central Bank of TRNC

Table B.9: Rediscount Interest Rates (%)

Currency																	
Effective Date	TRY					\$				€				£			
	Trade	Ind. Tourism Agri. Edu.	Exp.	Small Business	Advances Against FX	Trade	Ind. Tourism Edu.	Exp.	Advances Against FX	Trade	Ind. Tourism Edu.	Exp.	Advances Against FX	Trade.	Ind. Tourism Edu.	Exp.	Advances Against FX
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
05.06.18	17.5	14.5	14.5	13.5	13.5	4	4	4	4	4	4	4	4	4	4	4	4
24.09.18	23.75	20.75	20.75	19.75	19.75	4	4	4	4	4	4	4	4	4	4	4	4
29.07.19	19.50	16.50	16.50	15.50	15.50	4	4	4	4	4	4	4	4	4	4	4	4
16.09.19	16.50	13.50	13.50	12.50	12.50	4	4	4	4	4	4	4	4	4	4	4	4
28.10.19	15.00	12.00	12.00	11.00	11.00	4	4	4	4	4	4	4	4	4	4	4	4
16.12.19	13.00	10.00	10.00	9.00	10.50	4	4	4	4	4	4	4	4	4	4	4	4
20.01.20	12.50	9.50	9.50	8.50	10.00	4	4	4	4	4	4	4	4	4	4	4	4
24.02.20	12.25	9.25	9.25	8.25	9.75	4	4	4	4	4	4	4	4	4	4	4	4
04.05.20	10.75	8.00	8.00	7.00	8.25	4	4	4	4	4	4	4	4	4	4	4	4
24.08.20	12.75	10.00	10.00	9.00	10.50	4	4	4	4	4	4	4	4	4	4	4	4
20.11.20	17.75	15.00	15.00	14.00	14.00	4	4	4	4	4	4	4	4	4	4	4	4
25.12.20	20.00	17.25	17.25	16.25	16.50	4	4	4	4	4	4	4	4	4	4	4	4
02.04.21	21.50	18.75	18.75	17.75	18.00	4	4	4	4	4	4	4	4	4	4	4	4

Source: Central Bank of TRNC

Table B.10: Reserve Requirements Ratios (%)

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

Source: Central Bank of TRNC

Table B.11: Dishonoured Cheques

Years	Months	People Restrained from Using Cheque Books (Number of persons)	
		Monthly Total	Cumulative Total
2012			3,842
2013			2,910
2014			3,366
2015			3,699
2016			2,977
2017			2,469
2018			2,374
2019			2,166
2020			1,633
2021	1	123	123
	2	70	193
	3	124	317
	4	138	455
	5	108	563
	6	110	673
	7		
	8		
	9		
	10		
	11		
	12		

Source: Central Bank of TRNC

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

Date	Cash and Cash Equivalents	Securities Portfolio	Reserve Ratio on Deposits	Gross Loans	Provisions for Non-Performing Loans	Other	Total Assets	Deposits	Other	Shareholders' Equity	Total Liabilities
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
30 Jun. 2018	8,021.5	2,140.2	1,983.5	17,330.4	-539.1	1,115.4	30,051.9	24,131.2	3,233.5	2,687.2	30,051.9
30 Sept. 2018	9,661.8	2,611.7	2,019.9	19,752.4	-595.3	1,506	34,956.5	28,163.1	3,785.3	3,008.1	34,956.5
31 Dec. 2018	9,940.9	2,043.4	1,886.4	18,906.1	-713.5	916.9	32,980.2	26,441.8	3,443.3	3,095.1	32,980.2
31 Mar. 2019	10,792.8	2,255.0	2,017.1	19,823.9	-731.1	1,295.1	35,452.8	28,449.2	3,699.9	3,303.7	35,452.8
30 Jun. 2019	11,354.1	2,184.8	2,093.5	20,347.3	-733.0	1,647.8	36,894.5	29,572.1	3,828.3	3,494.1	36,894.5
30 Sept. 2019	12,151.4	2,223.0	2,120.9	20,200.3	-740.0	1,899.8	37,855.4	30,224.8	3,912.1	3,718.5	37,855.4
31 Dec. 2019	13,277.3	2,124.5	2,348.6	22,557.9	-799.0	1,239.2	40,748.5	32,837.3	4,110.8	3,800.4	40,748.5
31 Mar. 2020	12,455.7	2,503.8	2,755.9	23,475.6	-829.5	1,639.7	42,001.2	34,244.8	3,947.9	3,808.5	42,001.2
30 Jun. 2020	11,800.6	3,078.5	2,871.9	24,487.2	-821.6	1,674.2	43,090.8	35,247.1	4,018.5	3,825.2	43,090.8
30 Sept. 2020	13,556.6	3,498.0	3,215.1	27,305.2	-835.4	1,817.2	48,556.7	40,117.0	4,237.1	4,202.6	48,556.7
31 Dec. 2020	14,761.7	3,546.4	2,953.0	28,758.3	-879.0	1,460.9	50,601.3	41,787.6	4,467.4	4,346.3	50,601.3
31 Mar. 2021	15,794.1	3,960.0	3,261.0	29,969.3	-869.0	1,936.6	54,052.0	44,774.9	4,547.8	4,729.3	54,052.0
30 Jun. 2021	16,290.4	4,385.5	3,356.2	31,432.4	-865.8	2,293.6	56,892.3	46,859.3	4,925.0	5,108.0	56,892.3

Source: Central Bank of TRNC

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

Date	Discount Loans	Exports 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
30 Sept. 2017	178.0	6.9	3.5	0.0	111.2	7,598.6	16.7	15.9	3,815.2	391.6	0.1	5.4	0.0	1,034.9	13,178.0
31 Dec. 2017	195.0	6.1	3.6	0.0	111.9	8,406.5	21.2	17.1	4,152.0	394.7	0.1	5.7	0.0	1,116.3	14,431.3
31 Mar. 2018	206.2	5.2	4.2	0.0	102.9	8,907.5	22.1	17.0	4,255.4	392.4	0.2	0.0	0.0	1,356.4	15,269.5
30 Jun. 2018	220.3	6.9	4.2	0.0	104.1	9,710.9	16.3	18.4	4,462.5	421.6	0.5	6.9	0.0	1,411.3	16,383.9
30 Sept. 2018	248.1	4.9	4.7	0.0	109.5	11,604.2	15.1	22.4	4,946.8	444.7	0.7	9.1	0.0	1,359.6	18,769.8
31 Dec. 2018	236.6	2.9	3.8	0.0	98.0	11,285.8	32.7	19.2	4,524.6	457.3	0.5	7.9	0.0	1,192.2	17,861.5
31 Mar. 2019	254.5	2.4	3.9	0.0	100.6	11,896.4	38.4	20.2	4,672.6	452.9	0.4	8.3	0.0	1,288.0	18,738.6
30 Jun. 2019	250.3	0.9	4.2	0.0	96.9	12,364.5	37.2	20.8	4,685.9	493.2	0.3	8.7	0.0	1,281.7	19,244.6
30 Sept. 2019	243.0	1.9	3.8	0.0	89.5	12,274.1	32.8	20.7	4,631.6	541.6	0.0	8.4	0.0	1,212.9	19,060.3
31 Dec. 2019	268.4	1.7	4.2	0.0	124.7	13,782.8	40.6	21.5	5,075.2	556.6	0.1	0.0	0.0	1,232.0	21,107.8
31 Mar. 2020	293.9	1.3	4.5	0.0	126.5	14,145.7	43.3	23.1	5,353.7	508.8	0.0	0.0	0.0	1,483.8	21,984.6
30 Jun. 2020	183.2	0.7	4.7	0.0	131.2	14,815.7	64.8	23.7	5,629.1	576.5	0.0	0.0	0.0	1,577.1	23,006.7
30 Sept. 2020	217.1	0.3	5.2	0.0	173.2	16,623.8	73.5	26.0	6,288.5	639.6	0.0	5.4	0.0	1,757.7	25,810.2
31 Ara 2020	263.3	0.0	5.4	73.4	208.6	18,868.7	87.2	24.8	6,329.0	703.4	0.0	5.0	0.0	633.6	27,202.4
31 Mar. 2021	296.3	0.0	5.6	81.8	216.4	19,929.9	94.2	27.3	6,512.4	687.2	0.2	5.7	0.0	578.4	28,435.4
30 Jun. 2021	335.1	0.0	5.7	86.2	221.9	20,909.0	98.8	28.4	6,757.2	837.6	0.0	0.0	0.0	639.3	29,919.2

Source: Central Bank of TRNC

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

Date	Discount Loans	Export Loans	Import Loans	Export Guaranteed Investment Loans	Other Investment Loans	Business Loans	Directed Loans	Loans of Funds Originated	Consumer Loans	Credit Cards	Loans to Purchase Security for Customers	Loans Extended by Central Bank of the TRNC	Loans Extended Through Central Bank of the TRNC	Other Loans	Total
30 Sept. 2017	135.3	6.9	0.2	0.0	74.4	3,631.2	16.7	5.3	2,457.6	389.1	0.1	0.0	0.0	684.7	7,401.6
31 Dec. 2017	140.4	6.1	0.1	0.0	75.9	3,918.0	21.2	5.9	2,627.5	392.6	0.1	0.0	0.0	698.4	7,886.4
31 Mar. 2018	149.1	5.2	0.5	0.0	69.3	3,973.9	22.1	5.8	2,566.2	390.3	0.2	0.0	0.0	840.8	8,023.4
30 Jun. 2018	156.9	6.9	0.1	0.0	68.3	4,053.6	16.3	5.5	2,640.4	419.1	0.5	0.0	0.0	875.4	8,243.1
30 Sept. 2018	166.2	4.9	0.1	0.0	62.5	4,130.1	15.1	5.7	2,617.2	441.9	0.7	0.0	0.0	700.0	8,144.4
31 Dec. 2018	170.5	2.9	0.1	0.0	58.5	4,700.1	32.7	4.3	2,548.2	454.4	0.4	0.0	0.0	670.9	8,643.1
31 Mar. 2019	168.7	2.4	0.1	0.0	59.6	4,753.7	38.4	4.3	2,567.0	450.1	0.3	0.0	0.0	772.6	8,817.2
30 Jun. 2019	158.7	0.9	0.1	0.0	56.4	4,873.0	37.2	4.5	2,608.4	489.7	0.3	0.0	0.0	762.3	8,991.5
30 Sept. 2019	151.5	1.9	0.1	0.0	51.3	4,915.3	32.8	4.8	2,666.9	537.7	0.0	0.0	0.0	746.1	9,108.4
31 Dec. 2019	172.3	1.7	0.1	0.0	46.6	5,580.3	40.6	4.7	2,906.8	552.0	0.1	0.0	0.0	667.6	9,972.8
31 Mar. 2020	182.0	1.3	0.1	0.0	42.6	5,537.4	43.3	4.5	3,156.0	506.1	0.0	0.0	0.0	766.5	10,239.8
30 Jun. 2020	96.6	0.8	0.1	0.0	40.9	5,738.4	64.8	4.3	3,326.6	574.8	0.0	0.0	0.0	874.6	10,721.9
30 Sept. 2020	121.9	0.3	0.1	0.0	36.9	6,332.7	73.5	4.0	3,702.6	637.1	0.0	0.0	0.0	991.5	11,900.6
31 Dec. 2020	156.8	0.0	0.0	0.0	32.2	8,155.9	87.2	4.0	3,808.2	701.4	0.0	0.0	0.0	394.9	13,340.6
31 Mar. 2021	166.6	0.0	0.0	0.0	28.6	7,999.3	94.2	3.8	3,762.6	685.1	0.2	0.0	0.0	308.9	13,049.3
30 Jun. 2021	192.2	0.0	0.0	0.0	26.3	7,978.6	98.8	3.8	3,830.0	834.4	0.0	0.0	0.0	323.3	13,287.4

Source: Central Bank of TRNC

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

Date	Discount Loans	Export Loans	Import Loans	Export Guaranteed Investment Loans	Other Investment Loans	Business Loans	Directed Loans	Loans of Funds Originated	Consumer Loans	Credit Cards	Loans to Purchase Security for Customers	Loans Extended by Central Bank of the TRNC	Loans Extended Through Central Bank of the TRNC	Other Loans	Total
30 Sept. 2017	42.7	0.0	3.3	0.0	36.8	3,967.3	0.0	10.6	1,357.6	2.5	0.0	5.4	0.0	350.2	5,776.4
31 Dec. 2017	54.5	0.0	3.6	0.0	36.0	4,488.4	0.0	11.1	1,525.4	2.1	0.0	5.7	0.0	417.8	6,544.8
31 Mar. 2018	57.1	0.0	3.7	0.0	33.6	4,933.6	0.0	11.2	1,689.3	2.1	0.0	0	0.0	515.5	7,246.1
30 Jun. 2018	63.4	0.0	4.1	0.0	35.7	5,657.2	0.0	12.9	1,822.1	2.5	0.0	6.9	0.0	535.9	8,140.8
30 Sept. 2018	81.9	0.0	4.6	0.0	47.0	7,474.0	0.0	16.8	2,329.6	2.8	0.0	9.1	0.0	659.6	10,625.4
31 Dec. 2018	66.1	0.0	3.7	0.0	39.5	6,585.7	0.0	14.9	1,976.4	2.9	0.0	7.9	0.0	521.2	9,218.3
31.Mar.2019	85.7	0.0	3.8	0.0	40.9	7,142.7	0.0	15.8	2,105.5	2.8	0.0	8.3	0.0	515.5	9,921.4
30 Jun. 2019	91.6	0.0	4.2	0.0	40.5	7,491.4	0.0	16.2	2,077.5	3.5	0.0	8.6	0.0	519.4	10,253.1
30 Sept. 2019	91.4	0.0	3.7	0.0	38.3	7,358.8	0.0	15.9	1,964.7	3.9	0.0	8.5	0.0	466.7	9,951.9
31 Dec. 2019	96.1	0.0	4.2	0.0	78.1	8,202.4	0.0	16.8	2,168.4	4.6	0.0	0.0	0.0	564.4	11,135.0
31 Mar. 2020	111.9	0.0	4.4	0.0	83.9	8,608.4	0.0	18.6	2,197.7	2.7	0.0	0.0	0.0	717.2	11,744.8
30 Jun. 2020	86.6	0.0	4.6	0.0	90.2	9,077.3	0.0	19.4	2,302.5	1.7	0.0	0.0	0.0	702.5	12,284.8
30 Sept. 2020	95.2	0.0	5.2	0.0	136.3	10,291.1	0.0	22.0	2,585.9	2.5	0.0	5.3	0.0	766.1	13,909.6
31 Dec. 2020	106.5	0.0	5.3	73.4	176.4	10,712.7	0.0	20.9	2,520.8	2.0	0.0	5.0	0.0	238.7	13,861.7
31 Mar. 2021	129.7	0.0	5.6	81.8	187.8	11,930.6	0.0	23.5	2,749.8	2.1	0.0	5.7	0.0	269.5	15,386.1
30 Jun. 2021	142.9	0.0	5.7	86.2	195.6	12,930.4	0.0	24.6	2,927.2	3.2	0.0	0.0	0.0	316.0	16,631.8

Source: Central Bank of TRNC

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

Date	Short-Term Loans	Quarter-on-quarter Percentage Change	Medium and Long-Term Loans	Quarter-on-quarter Percentage Change	Total	Quarter-on-quarter Percentage Change
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
30 Jun. 2018	4,416.5	10.51	11,967.4	6.16	16,383.9	7.30
30 Sept. 2018	5,213.6	18.05	13,556.2	13.28	18,769.8	14.56
31 Dec. 2018	5,000.9	-4.08	12,860.6	-5.13	17,861.5	-4.84
31 Mar. 2019	5,294.3	5.86	13,444.2	4.53	18,738.6	4.91
30 Jun. 2019	5,588.7	5.56	13,655.9	1.57	19,244.6	2.70
30 Sept. 2019	5,575.4	-0.23	13,484.9	-1.25	19,060.3	-0.96
31 Dec. 2019	5,969.9	7.07	15,137.9	12.26	21,107.8	10.74
31 Mar. 2020	6,074.6	1.75	15,910.0	5.10	21,984.6	4.15
30 Jun. 2020	5,888.5	-3.06	17,118.2	7.59	23,006.7	4.65
30 Sept. 2020	6,172.6	4.82	19,637.6	14.72	25,810.2	12.19
31 Dec. 2020	6,357.0	2.99	20,845.4	6.15	27,202.4	5.39
31 Mar. 2021	6,726.7	5.82	21,708.7	4.14	28,435.4	4.53
30 Jun. 2021	7,099.1	5.54	22,820.1	5.12	29,919.2	5.22

Source: Central Bank of TRNC

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

Date	Public Loans	Quarter-on-quarter Percentage Change	Private Loans	Quarter-on-quarter Percentage Change	Total	Quarter-on-quarter Percentage Change
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
30 Jun. 2018	3,322.8	2.93	13,061.1	8.47	16,383.9	7.30
30 Sept. 2018	3,639.5	9.53	15,130.3	15.84	18,769.8	14.56
31 Dec. 2018	4,035.0	10.87	13,826.5	-8.62	17,861.5	-4.84
31 Mar. 2019	4,118.0	2.05	14,620.6	5.74	18,738.6	4.91
30 Jun. 2019	4,186.5	1.66	15,058.1	2.99	19,244.6	2.70
30 Sept. 2019	4,159.5	-0.64	14,900.8	-1.04	19,060.3	-0.96
31 Dec. 2019	4,850.4	16.61	16,257.4	9.1	21,107.8	10.74
31 Mar. 2020	4,905.1	1.13	17,079.5	5.06	21,984.6	4.15
30 Jun. 2020	4,750.8	-3.15	18,255.9	6.89	23,006.7	4.65
30 Sept. 2020	5,063.4	6.58	20,746.8	13.64	25,810.2	12.19
31 Dec. 2020	5,494.7	8.52	21,707.7	4.63	27,202.4	5.39
31 Mar. 2021	5,542.6	0.87	22,892.8	5.46	28,435.4	4.53
30 Jun. 2021	5,504.3	-0.69	24,414.9	6.65	29,919.2	5.22

Source: Central Bank of TRNC

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

Date	> 100 Thousand TRY	51-100 Thousand TRY	11-50 Thousand TRY	1 - 10 Thousand TRY	< 1 Thousand TRY	Grand Total
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
30 Jun. 2018	14,083.6	874.0	1,020.5	380.7	25.1	16,383.9
30 Sept. 2018	16,499.8	855.7	1,010.4	379.5	24.4	18,769.8
31 Dec. 2018	15,221.9	803.4	1,195.9	423.3	217.0	17,861.5
31 Mar. 2019	16,081.0	804.7	1,189.0	432.4	231.4	18,738.6
30 Jun. 2019	16,543.1	814.6	1,208.1	432.7	246.1	19,244.6
30 Sept. 2019	16,298.2	842.4	1,210.5	454.9	254.3	19,060.3
31 Dec. 2019	18,237.2	895.8	1,282.0	439.6	253.2	21,107.8
31 Mar. 2020	19,072.6	759.7	1,283.8	597.1	271.4	21,984.6
30 Jun. 2020	19,988.8	934.7	1,343.2	434.5	305.5	23,006.7
30 Sept. 2020	22,650.8	1,026.7	1,328.8	464.1	339.8	25,810.2
31 Dec. 2020	24,007.0	1,044.9	1,341.5	466.4	342.6	27,202.4
31 Mar. 2021	25,257.5	1,052.7	1,321.6	463.4	340.2	28,435.4
30 Jun. 2021	26,408.3	1,143.1	1,443.2	563.1	361.5	29,919.2

Source: Central Bank of TRNC

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

Date	Paid-in Capital	Legal Reserve	Fixed Asset Rev. Fund	Securities Value Increment Fund	Period Profit (Loss)	Accumulated Profit (Loss)	Total
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
30 Jun. 2018	1,180.3	616.8	0.9	124.0	316.1	449.1	2,687.2
30 Sept. 2018	1,181.6	618.7	0.9	163.5	596.2	447.2	3,008.1
31 Dec. 2018	1,262.4	593.9	0.9	140.7	689.8	407.4	3,095.1
31 Mar. 2019	1,265.6	795.8	1.7	158.4	235.9	849.3	3,306.7
30 Jun. 2019	1,315.3	923.6	2.0	158.4	518.1	576.7	3,494.1
30 Sept. 2019	1,329.1	923.6	2.2	150.1	749.2	564.3	3,718.5
31 Dec. 2019	1,332.3	929.0	3.0	168.4	808.9	558.8	3,800.4
31 Mar. 2020	1,332.7	1,088.4	3.0	173.8	183.5	1,166.5	3,947.9
30 Jun. 2020	1,398.9	1,207.3	3.0	181.0	329.2	899.1	4,018.5
30 Sept. 2020	1,401.4	1,366.6	3.6	215.0	513.0	737.5	4,237.1
31 Dec. 2020	1,470.7	1,369.1	10.4	220.2	671.1	725.9	4,467.4
31 Mar. 2021	1,492.6	1,693.2	10.4	256.9	301.7	974.5	4,729.3
30 Jun. 2021	1,506.1	1,842.6	10.4	262.5	639.7	846.7	5,108.0

Source: Central Bank of TRNC

Table B.20: Capital Adequacy Ratio (%)

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

Source: Central Bank of TRNC

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

Date	Interest Revenues	Interest Expenditures	Non-Interest Revenues	Non-Interest Expenditures	Net Profit / Loss
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
30 Jun. 2018	1,191.7	689.8	226.4	373.1	316.1
30 Sept. 2018	2,048.5	1,165.0	353.3	580.3	596.2
31 Dec. 2018	2,999.4	1,762.5	500.3	823.5	689.8
31 Mar.2019	982.5	611.8	161.0	230.4	235.9
30 Jun.2019	2,016.4	1,256.0	320.2	480.4	518.1
30 Sept. 2019	3,009.6	1,893.7	481.1	734.8	749.2
31 Dec. 2019	3,862.6	2,437.9	674.3	1,057.0	808.9
31 Mar. 2020	800.2	449.8	153.9	278.2	183.4
30 Jun. 2020	1,534.2	822.1	280.1	557.7	329.2
30 Sept. 2020	2,364.0	1,227.2	445.7	826.3	513.0
31 Dec. 2020	3,303.4	1,715.8	636.8	1,154.5	671.2
31 Mar. 2021	1,143.6	626.0	156.4	295.6	301.7
30 Jun. 2021	2,398.6	1,327.8	350.3	618.0	639.7

Source: Central Bank of TRNC

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

Date	Demand	1-Month	3-Month	6-Month	1-Year	Total
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
30 Jun. 2018	3,580.7	11,979.8	5,082.1	961.5	2,527.1	24,131.2
30 Sept. 2018	4,201.9	13,615.9	6,006.3	1,166.1	3,172.9	28,163.1
31 Dec. 2018	3,698.4	13,742.5	4,950.1	1,282.7	2,768.1	26,441.8
31 Mar. 2019	3,866.9	13,793.4	6,513.5	1,252.6	3,022.6	28,449.2
30 Jun. 2019	4,145.1	14,244.0	6,921.1	1,181.2	3,101.0	29,572.1
30 Sept. 2019	4,434.0	15,666.3	5,869.5	1,266.9	2,988.1	30,224.8
31 Dec. 2019	4,708.0	16,982.2	6,462.1	1,279.5	3,405.5	32,837.3
31 Mar. 2020	5,137.6	17,532.5	6,497.2	1,455.7	3,621.8	34,244.8
30 Jun. 2020	5,941.1	17,907.7	6,401.0	1,404.7	3,592.6	35,247.1
30 Sept. 2020	6,915.4	19,916.4	7,380.5	1,630.5	4,274.2	40,117.0
31 Dec. 2020	7,760.1	20,730.7	7,533.1	1,478.6	4,285.1	41,787.6
31 Mar. 2021	7,393.7	23,427.2	8,068.0	1,486.6	4,399.4	44,774.9
30 Jun. 2021	7,894.5	24,161.5	8,521.6	1,576.9	4,704.8	46,859.3

Source: Central Bank of TRNC

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

Date	Demand	1-Month	3-Month	6-Month	1-Year	Total
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
30 Jun. 2018	1,409.7	5,495.6	2,261.4	383.8	292.9	9,843.4
30 Sept. 2018	1,418.0	5,669.1	2,512.3	314.7	269.3	10,183.4
31 Dec. 2018	1,427.2	6,123.7	2,315.6	449.6	288.4	10,604.5
31 Mar. 2019	1,445.6	5,624.1	3,000.2	383.9	274.6	10,728.4
30 Jun. 2019	1,544.0	5,856.2	3,249.2	310.3	378.3	11,338.0
30 Sept. 2019	1,706.6	7,007.0	2,710.2	382.1	365.3	12,171.2
31 Dec. 2019	1,886.9	7,486.7	2,881.9	333.9	424.9	13,014.3
31 Mar. 2020	1,851.9	7,453.7	2,959.1	406.0	433.9	13,104.6
30 Jun. 2020	2,234.8	7,703.7	2,804.3	381.3	297.5	13,421.6
30 Sept. 2020	2,330.6	7,876.7	3,235.2	260.3	371.6	14,074.4
31 Dec. 2020	2,855.1	8,032.8	3,111.7	188.3	329.7	14,517.6
31 Mar. 2021	2,331.7	9,052.9	3,127.0	211.8	191.8	14,915.2
30 Jun. 2021	2,322.3	9,098.3	3,374.6	251.3	220.2	15,266.7

Source: Central Bank of TRNC

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

Date	Demand	1-Month	3-Month	6-Month	1-Year	Total
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
30 Jun. 2018	2,171.0	6,484.2	2,820.7	577.7	2,234.2	14,287.8
30 Sept. 2018	2,783.9	7,946.8	3,494.0	851.4	2,903.6	17,979.7
31 Dec. 2018	2,271.3	7,618.8	2,634.6	833.0	2,479.7	15,837.4
31 Mar. 2019	2,421.3	8,169.3	3,513.4	868.7	2,748.1	17,720.8
30 Jun. 2019	2,601.2	8,367.8	3,671.9	870.9	2,722.4	18,234.2
30 Sept. 2019	2,727.4	8,659.3	3,159.3	884.8	2,622.8	18,053.6
31 Dec. 2019	2,821.1	9,495.5	3,580.1	945.6	2,980.6	19,822.9
31 Mar. 2020	3,285.7	10,078.8	3,538.1	1,049.7	3,187.9	21,140.2
30 Jun. 2020	3,706.3	10,203.9	3,596.8	1,023.4	3,295.1	21,825.5
30 Sept. 2020	4,584.9	12,039.7	4,145.3	1,370.2	3,902.5	26,042.6
31 Dec. 2020	4,905.0	12,698.0	4,421.3	1,290.3	3,955.4	27,270.0
31 Mar. 2021	5,062.0	14,374.3	4,941.0	1,274.8	4,207.6	29,859.7
30 Jun. 2021	5,572.3	15,063.2	5,147.0	1,325.5	4,484.6	31,592.6

Source: Central Bank of TRNC

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

Date	Official	Commercial	Savings	Other	Banks	Total
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
30 Jun. 2018	1,730.4	4,686.0	17,357.3	357.5	2,004.8	26,136.0
30 Sept. 2018	1,990.1	5,620.5	20,093.4	459.1	2,328.1	30,491.2
31 Dec. 2018	1,917.8	4,922.5	19,010.8	590.7	2,028.6	28,470.4
31 Mar. 2019	2,103.5	5,251.0	20,574.6	520.1	2,163.6	30,612.9
30 Jun. 2019	2,260.8	5,434.1	21,290.5	586.7	2,190.3	31,762.4
30 Sept. 2019	2,860.6	5,626.8	21,283.5	453.9	2,270.1	32,494.9
31 Dec. 2019	2,624.6	6,457.5	23,316.5	438.7	2,436.6	35,273.9
31 Mar. 2020	2,686.8	6,658.6	24,349.3	550.2	2,218.6	36,463.5
30 Jun. 2020	2,327.0	6,933.8	25,385.3	601.0	2,209.9	37,457.0
30 Sept. 2020	2,612.3	7,913.7	28,910.3	680.7	2,517.5	42,634.5
31 Dec. 2020	3,184.6	8,630.3	29,453.4	519.3	2,531.0	44,318.6
31 Mar. 2021	3,162.6	8,752.3	32,055.9	804.1	2,786.7	47,561.4
30 Jun. 2021	2,917.8	9,092.3	33,980.6	868.5	2,894.9	49,754.1

Source: Central Bank of TRNC

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

Date	Official	Commercial	Savings	Other	Banks	Total
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
30 Jun. 2018	1,298.4	1,506.7	6,909.0	129.2	404.0	10,247.3
30 Sept. 2018	1,394.1	1,622.1	7,021.3	145.9	420.4	10,603.8
31 Dec. 2018	1,421.0	1,577.0	7,382.8	223.6	390.5	10,994.9
31 Mar. 2019	1,437.6	1,533.1	7,517.8	239.9	478.2	11,206.7
30 Jun. 2019	1,602.7	1,681.0	7,783.8	270.4	302.4	11,640.3
30 Sept. 2019	2,215.4	1,769.8	8,062.0	124.0	257.1	12,428.3
31 Dec. 2019	2,026.4	2,129.7	8,712.8	145.4	378.2	13,392.5
31 Mar. 2020	2,037.2	2,199.8	8,710.8	156.8	244.7	13,349.3
30 Jun. 2020	1,635.3	2,404.5	9,110.0	271.8	243.5	13,665.1
30 Sept. 2020	1,806.1	2,651.4	9,299.9	317.0	322.2	14,396.6
31 Dec. 2020	2,400.8	2,603.7	9,203.5	309.6	345.2	14,862.8
31 Mar. 2021	2,292.6	2,474.6	9,801.4	346.5	340.0	15,255.1
30 Jun. 2021	2,004.8	2,673.4	10,208.5	380.0	122.6	15,389.3

Source: Central Bank of TRNC

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

Date	Official	Commercial	Savings	Other	Banks	Total
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
30 Jun. 2018	432.0	3,179.4	10,448.2	228.2	1,600.9	15,888.7
30 Sept. 2018	596.0	3,998.4	13,072.1	313.2	1,907.7	19,887.4
31 Dec. 2018	496.8	3,345.6	11,628.0	367.0	1,638.1	17,475.5
31 Mar. 2019	665.9	3,717.8	13,056.9	280.2	1,685.4	19,406.2
30 Jun. 2019	658.1	3,753.1	13,506.7	316.2	1,887.9	20,122.1
30 Sept. 2019	645.1	3,857.0	13,221.5	329.9	2,013.0	20,066.5
31 Dec. 2019	598.2	4,327.8	14,603.6	293.4	2,058.3	21,881.3
31 Mar. 2020	649.6	4,458.8	15,638.5	393.4	1,973.9	23,114.2
30 Jun. 2020	691.7	4,529.3	16,275.3	329.1	1,966.4	23,791.8
30 Sept. 2020	806.2	5,262.2	19,610.4	363.7	2,195.3	28,237.8
31 Dec. 2020	783.9	6,026.6	20,249.9	209.7	2,185.7	29,455.8
31 Mar. 2021	870.0	6,277.7	22,254.5	457.6	2,446.7	32,306.5
30 Jun. 2021	913.0	6,419.0	23,772.0	488.6	2,772.2	34,364.8

Source: Central Bank of TRNC

Table B.28: Money Supply (Million TRY)

Year	Quarter	M1	% Change Compared to the Same Period of Previous Year	M2	% Change Compared to the Same Period of Previous Year	M3	% Change Compared to the Same Period of Previous Year
2017	I	3,754.8	34.20	18,019.6	25.66	19,209.2	26.53
	II	3,906.7	31.23	18,670.5	27.70	20,066.2	28.69
	III	4,126.2	30.66	19,847.4	29.85	21,240.3	30.16
	IV	4,403.3	24.24	21,181.5	24.99	22,789.8	26.63
2018	I	4,826.2	28.53	22,844.7	26.78	24,492.6	27.50
	II	5,342.4	36.75	24,489.5	31.17	26,341.2	31.27
	III	6,244.7	51.34	28,565.7	43.93	30,698.9	44.53
	IV	5,726.7	30.05	26,846.9	26.75	28,868.4	26.67
2019	I	6,297.8	30.49	29,051.7	27.17	31,226.9	27.50
	II	6,581.7	23.20	30,066.1	22.77	32,390.9	22.97
	III	6,775.1	8.49	30,109.1	5.40	33,243.7	8.29
	IV	7,386.0	28.97	33,164.4	23.53	35,890.4	24.32
2020	I	7,872.2	25.00	34,635.5	19.22	37,612.4	20.45
	II	8,529.4	29.59	35,839.0	19.20	38,294.3	18.23
	III	9,724.8	43.54	40,684.0	35.12	43,787.2	31.72
	IV	10,077.1	36.44	41,842.8	26.17	45,299.2	26.22
2021	I	10,461.4	32.89	45,118.5	30.27	48,624.9	29.28
	II	11,257.1	31.98	47,658.2	32.98	50,639.9	32.24

Source: Central Bank of TRNC

Table B.29: Licensed Banks

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

Source: Central Bank of TRNC

Table B.30: Main Economic and Social Indicators

	2013	2014	2015	2016	2017	2018	2019	2020	2021
GNP (Current Prices, Million TRY)	7,606.9	8,858.5	10,222.4	11,601.2	14,544.8	18,324.2	21,395.4	25.237,3 ^(T)	28.769,8 ^(T)
GNP (Million USD)	3,983.9	4,040.2	3,749.0	3,837.9	3,983.8	3,790.8	3,766.8	4.025,1 ^(T)	4.157,5 ^(T)
GNP per capita (Current Prices, TRY)	29,216.8	33,127.8	37,413	42,022	51,799	64,178	71,851.4		
GNP per capita (USD)	15,301.6	15,109	13,721	13,902	14,187	13,277	12,649	13.212 ^(T)	13.367,3 ^(T)
Inflation Rate (%)	10.2	6.5	7.8	10.2	14.7	29.9	11.6	15.0	19.93*
Exports (Million USD) (1)	120.7	134.0	118.1	105.5	105.6	100.9	82.5	101.1	46.1**
Imports (Million USD)	1,699.4	1,538.8	1,500.6	1,557.2	1,778.4	1,816.4	1,587.9	1,220.6	264.9**
Foreign Trade Balance (Million USD)	-1,578.7	-1,404.8	-1,382.5	-1,415.2	-1,672.8	-1,715.5	-1,505.4	-1,119.5	-218.8**
Exports / Imports (%)	7.1	7.5	7.9	6.9	5.9	5.6	5.2	8.3	17.4**
Number of Arriving Tourists	1,232,753	1,366,007	1,483,244	1,577,073	1,734,330	1,759,625	1,749,979	388,837	63,106***
a) Turkey	923,308	1,020,577	1,110,795	1,218,232	1,324,248	1,359,420	1,358,465	307,717	37,291***
b) Other	309,445	345,430	372,449	358,841	410,082	400,205	391,514	81,120	25,815***
Net Tourism Income (Million USD)	613.4	691.6	697.7	714.4	864.9	912.4	954.5	1.017,2 ^(T)	1.066,0 ^(T)
Employment	97,867	103,149	112,811	118,387	120,999	132,411	138,438	132.885 ^(F)	148.872 ^(T)
Number of Unemployed	8,929	9,320	9,043	8,075	7,452	9,872	9,317	14.950 ^(F)	9.101 ^(T)
Unemployment Rate (%)	8.4	8.3	7.4	6.4	5.8	6.9	6.3	10,1 ^(F)	5,8 ^(T)
Non-institutional Population (2)	277,031	289,252	299,514	307,255	314,169	347,340	357,216	289.348 ^(F)	299.599 ^(T)
Population (Projection) (3)	306.368	320.884	331.432	339.478	351.965	372.486	n.a	n.a	n.a
Annual Population Growth (%)	3,3	3,8	3,9	2,9	3.1 ^(F)	n.a	n.a	n.a	n.a

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

^(F) Forecast ^(T) Target

* Annual inflation rate for June.

** January-March data.

*** January-June data.

1) Exports to the Southern Cyprus are not included.

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

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

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

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

Sectors	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 ^(T)	2021 ^(T)
1. Agriculture	330.3	366.4	386.5	405.0	489.3	552.5	647.6	658.8	1,139.4	1,171.2	1,517.0	1,925.3
2. Industry	552.4	558.5	587.1	636.6	779.7	937.7	1,064.7	1,413.3	1,537.9	1,675.7	2,178.9	2,459.2
3. Construction	312.1	408.5	335.8	370.7	370.2	480.5	511.6	836.4	1,081.4	1,235.1	1,287.9	1,464.1
4. Trade - Tourism	900.0	1,216.8	1,385.3	1,527.9	1,829.1	2,012.9	2,280.6	2,921.8	3,814.5	4,746.7	5,866.5	6,846.0
5. Transportation - Communication	525.2	553.1	642.9	711.4	788.0	896.6	965.3	1,156.6	1,339.0	1,564.7	1,861.9	2,132.6
6. Financial Institutions	404.4	472.6	506.0	579.7	637.4	719.4	887.6	1,007.7	1,486.4	1,717.3	1,897.7	2,040.1
7. Housing Income	220.6	274.4	305.8	358.2	398.9	456.2	535.3	655.6	896.3	1,102.4	1,301.1	1,521.3
8. Self-Employment and Services	652.3	727.5	801.8	891.6	1,026.1	1,422.6	1,679.9	2,289.8	2,889.9	2,819.4	3,789.1	4,404.9
9. Public Services	1,180.1	1,294.3	1,294.9	1,349.9	1,603.6	1,715.2	1,850.1	2,193	2,461.1	3,441.7	3,296.9	3,416.5
10. Import Taxes	536.3	637.0	709.1	775.9	936.4	971.8	1,178.3	1,411.5	1,678.1	1,921.2	2,240.3	2,559.8
11. GDP	5,614.1	6,509.0	6,955.1	7,606.9	8,858.6	10,222.5	11,601.2	14,544.8	18,324.1	21,395.4	25,237.3	28,769.8
12. Net Factor Income from Abroad	35.4	50.2	-39.3	-27.5	-18.2	-11.7	4.2	6.9	10.6	13.7	16.6	19.4
GNP	5,649.5	6,559.2	6,915.8	7,579.4	8,840.4	10,210.7	11,605.5	14,551.8	18,334.8	21,409.1	25,253.9	28,789.2

Source: SPO, TRNC Statistical Institute

^(T) Target

Table B.32: Percentage Distribution of Gross Domestic Product

Sectors	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 ^(F)	2021 ^(F)
1. Agriculture	5.9	5.6	5.6	5.3	5.5	6.0	5.6	4.5	6.2	5.5	6.0	6.7
2. Industry	9.8	8.6	8.4	8.4	8.8	9.2	9.2	9.7	8.4	7.8	8.6	8.5
2.1. Quarrying	0.6	0.7	0.6	0.6	0.5	0.7	0.7	0.9	1.0	0.9	-	-
2.2. Manufacturing Industry	2.3	2.5	2.8	2.9	3.1	3.7	3.7	3.3	3.0	2.8	-	-
2.3. Electricity-Water	6.9	5.3	5.1	4.8	5.1	4.8	4.8	5.5	4.4	4.1	-	-
3. Construction	5.6	6.3	4.8	4.9	4.2	4.7	4.4	5.8	5.9	5.8	5.1	5.1
4. Trade - Tourism	16.0	18.7	19.9	20.1	20.6	19.7	19.7	20.1	20.8	22.2	23.2	23.8
4.1. Wholesale and Retail Trade	10.7	11.1	11.4	11.2	12.3	10.7	11.0	11.1	11.2	10.5	17.4	17.8
4.2. Hotel and Restaurant Management	5.4	7.6	8.5	8.9	8.3	9.0	8.7	9.0	9.6	11.7	5.8	5.9
5. Transportation - Communication	9.4	8.5	9.3	9.4	8.9	8.8	8.3	8.0	7.3	7.3	7.4	7.4
6. Financial Institutions	7.2	7.2	7.3	7.6	7.2	7.0	7.6	6.9	8.1	8.0	7.5	7.1
7. Housing Ownership	3.9	4.2	4.4	4.7	4.5	4.4	4.6	4.5	4.9	5.2	5.2	5.3
8. Self-Employment and Services	11.6	11.2	11.5	11.7	11.6	13.9	14.5	15.7	15.8	13.2	15.0	15.3
9. Public Services	21.0	19.9	18.6	17.7	18.1	16.8	15.9	15.1	13.4	16.1	13.1	11.9
10. Import Taxes	9.6	9.8	10.2	10.2	10.6	9.5	10.2	9.7	9.2	9.0	8.9	8.9
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, TRNC Statistical Institute

^(F) Forecast

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019 ^(F)	2020 ^(T)	2021 ^(T)
1. Total Resources	6,065.0	6,849.7	7,141.1	7,664.8	8,866.0	9,470.2	10,499.0	13,476.9	17,697.2	19,221.6	21,910.4	25,081.4
2. Total Investments	1,049.6	1,266.5	1,175.5	1,147.8	1,276.7	1,598.5	1,791.2	2,836.0	4,013.6	3,229.4	3,814.5	4,451.1
3. Total Consumption	5,015.4	5,583.1	5,965.6	6,516.9	7,589.3	7,871.7	8,707.8	10,640.9	13,913.1	15,992.2	18,096.0	20,630.2
4. Public Disposable Income	962.2	1,059.2	1,491.8	1,341.3	1,688.9	2,123.1	2,317.2	3,451.1	4,099.3	4,888.3	5,383.8	5,957.8
5. Private Disposable Income	4,687.3	5,449.9	5,424.0	6,238.1	7,151.5	8,087.7	8,962.7	11,100.7	14,521.8	16,992.5	19,870.1	22,831.5
6. Private Savings Ratio (%)	26.0	28.0	20.8	25.0	23.3	29.8	29.4	29.0	28.1	26.7	29.5	30.1
7. Total Domestic Savings	634.1	976.1	950.3	1,062.5	1,251.0	2,339.0	2,572.1	3,910.9	4,708.0	5,888.6	7,158.0	8,159.0

Source: SPO

^(F) Forecast

^(T) Target

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

Sectors	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 ^(T)	2021 ^(T)
1. Agriculture	10.0	10.8	3.7	-1.6	4.8	14.5	-7.3	4.9	2.6	2.7	-0.9	-5.5
2. Industry	-0.2	3.4	-0.7	1.7	8.5	19.5	7.3	4.4	-12.4	-14.7	3.5	2.2
3. Construction	3.8	3.3	-16.0	-0.3	-4.5	6.5	5.7	10.6	7.6	7.6	2.7	6.0
4. Trade-Tourism	18.3	6.0	6.1	1.4	8.5	-0.8	4.8	9.0	0.4	0.4	3.4	1.4
5. Transportation-Communication	-20.0	-4.3	5.7	2.0	3.2	5.7	1.8	6.9	3.5	3.5	2.3	2.3
6. Financial Institutions	0.3	1.4	8.1	7.5	0.8	1.6	2.0	3.1	2.7	1.2	2.5	2.7
7. Housing Ownership	4.0	3.9	3.7	3.2	2.6	3.0	3.5	3.8	4.6	5.0	0.8	1.0
8. Self-Employment and Services	-5.3	4.3	1.5	2.3	8.8	9.5	3.6	7.7	5.3	1.3	2.9	6.5
9. Public Services	0.4	2.8	1.9	1.4	-0.1	0.1	-0.2	-0.8	1.3	3.7	0.2	3.5
10. Import Taxes	18.6	3.9	8.9	-2.1	7.9	-9.6	9.0	0.5	2.4	3.6	4.7	3.5
11. GDP	3.7	3.9	1.8	1.1	4.8	4.0	3.6	5.4	1.3	0.2	2.5	2.7
12. Net Factor Income from Abroad	-9.8	27.1	-174.5	35.3	40.5	41.9	133.0	-38.4	23.3	10.9	-0.7	2.6
GNP	3.6	4.0	0.5	1.3	4.9	4.1	3.8	5.5	1.3	0.2	2.5	2.7

Source: SPO, TRNC Statistical Institute

^(F) Forecast

^(T) Target

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020 ⁽⁷⁾	2021 ⁽⁷⁾
1. Current Accounts Balance	-275.8	-173.1	-125.1	-44.7	-11.7	271.6	287.6	294.4	215.9	221.3	533.3	535.8
2. Balance of Capital Movements	438.5	326.5	346.2	259.7	186.9	168.9	71.4	131.4	73.1	154.9	119.7	122.6
3. Reserve Movements (- Increase, + Decrease)	-94.4	-47.3	-340.8	-219.9	-176.7	-75.8	-79.4	-826.6	+69.1	-290.3	-654.1	-666.8
4. Net Errors and Omissions	-68.3	-106.1	119.7	4.9	1.5	-364.7	-279.6	400.8	-358.1	-85.9	1.2	8.4

Source: SPO, TRNC Statistical Institute

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

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

Source: SPO, TRNC Statistical Institute

Table B.37: TRNC and TR Inflation Rates

Years	TRNC	TR	Years	TRNC	TR	Years	TRNC	TC
1984	70.7	49.7	1998	66.5	69.7	2012	3.60	6.16
1985	43.0	44.2	1999	55.3	68.8	2013	10.22	7.40
1986	48.1	30.7	2000	53.2	39.0	2014	6.49	8.17
1987	43.0	55.1	2001	76.8	68.5	2015	7.78	8.81
1988	62.6	77.1	2002	24.5	29.8	2016	10.19	8.53
1989	51.8	64.3	2003	12.6	18.4	2017	14.68	11.92
1990	69.4	60.4	2004	11.6	9.3	2018	29.96	20.30
1991	46.3	71.1	2005	2.7	7.7	2019	11.66	11.84
1992	63.4	66.0	2006	19.2	9.7	2020	15.03	14.60
1993	61.2	71.1	2007	9.4	8.4	2021*	19.93	17.53
1994	215.0	125.5	2008	14.5	10.1			
1995	72.2	76.1	2009	5.7	6.5			
1996	87.5	79.8	2010	3.2	6.4			
1997	81.7	99.1	2011	14.7	10.4			

Source: SPO, CBRT, TRNC Statistical Institute

* Based on annual inflation data for June.

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

Change Rates of Main Goods and Services Groups Compared to the Previous Month												
Main Groups	2020											
	1	2	3	4	5	6	7	8	9	10	11	12
1. Food and Non-Alcoholic Beverages	1.05	2.33	1.15	1.62	-0.09	1.16						
2. Alcoholic Beverages and Tobacco	0.17	1.33	0.05	0.35	0.67	1.24						
3. Clothing and Shoes	0.61	-6.64	-4.79	6.67	12.09	0.91						
4. Housing, Water, Electricity, Gas and Other Fuels	-0.59	-0.44	2.96	1.41	0.70	1.36						
5. Furniture, Home Appliances and Home Maintenance Services	6.56	-0.15	1.78	1.58	0.41	5.96						
6. Health	0.40	3.74	1.92	1.10	3.50	4.64						
7. Transportation	-0.75	-1.37	2.03	3.46	3.42	7.68						
8. Communication	0.16	-0.02	0.70	0.82	0.84	1.39						
9. Entertainment and Culture	-0.61	-0.09	0.64	1.38	0.29	0.76						
10. Education	-1.07	-1.08	1.10	1.99	0.82	0.95						
11. Restaurants and Hotels	-0.13	-0.54	1.83	1.68	2.89	8.00						
12. Miscellaneous Goods and Services	2.52	-0.65	1.44	1.36	2.06	0.37						
General	0.48	-0.02	1.39	1.94	1.62	3.14						

Source: SPO, TRNC Statistical Institute

Table B.39: Minimum Wage

Years	Minimum Wage (TRY)	Exercise Date
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	01.06.2005
2006	780	01.01.2006
2006	860	01.08.2006
2007	950	01.02.2007
2008	1,060	01.01.2008
2008	1,190	01.09.2008
2009	1,237	01.10.2009
2011	1,300	01.01.2011
2013	1,415	01.01.2013
2014	1,560	01.01.2014
2014	1,675	01.11.2014
2015	1,730	01.09.2015
2016	1,834	01.07.2016
2017	2,020	01.02.2017
2017	2,175	01.07.2017
2018	2,365	01.03.2018
2018	2,620	01.09.2018
2019	3,150	01.02.2019
2019	3,400	01.08.2019
2020	3,820	01.02.2020
2021	4,400	01.02.2021

Source: SPO

Note: As of 2005, 6 zeros have been removed from TRY.

Table B.40: Fuel Retail Prices

Date	Unleaded Gas		Euro Diesel	Diesel	Petroleum
	95 Octane	97 Octane			
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
03.05.2018	4.30	4.48	4.13	4.13	3.91
10.07.2018	4.32	4.50	4.13	4.13	4.01
31.07.2018	4.42	4.60	4.18	4.18	4.11
28.08.2018	4.97	5.16	4.76	4.76	4.65
20.09.2018	5.81	6.01	5.76	5.76	5.59
01.11.2018	5.61	5.71	5.55	5.76	5.46
22.11.2018	5.21	5.31	5.15	-	5.06
13.12.2018	5.06	5.16	4.95	-	4.86
10.01.2019	5.00	5.10	4.85	-	4.78
21.02.2019	5.06	5.16	4.91	-	4.75
14.03.2019	5.06	5.16	4.91	-	4.85
04.04.2019	5.41	5.51	5.01	-	4.95
08.08.2019	5.36	5.46	4.96	-	4.90
05.05.2020	4.96	5.06	4.56	-	4.50
18.06.2020	5.40	5.50	4.94	-	4.94
09.07.2020	5.78	5.88	5.32	-	5.29
08.05.2021	6.07	6.17	5.61	5.61	5.58
29.05.2021	6.51	6.64	6.04	5.61	5.95
13.07.2021	7.45	7.60	6.91	-	6.67

Source: Ministry of Economy and Energy

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

Years	Turkey	EU Countries	Other EU Countries	Middle Eastern Countries	Other Countries	Total Exports
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	8,362,779	1,681,343	22,247,673	9,505,787	105,615,988
2018	52,127,770	10,376,400	2,536,815	26,110,465	9,700,495	100,851,945
2019	43,130,122	2,129,943	2,236,897	30,490,266	4,448,151	82,465,379
2020	49,500,656	2,041,116	10,440,836	31,554,011	7,570,755	101,107,374
2021 (January-March)	25,422,783	348,233	5,692,131	9,181,951	5,497,059	46,142,157

Source: Department of Trade

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

Years	Turkey	EU Countries	Far Eastern Countries	Other EU Countries	Middle Eastern Countries	Other Countries	Total Imports
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	1,043,002,512	387,506,424	150,130,828	61,166,015	87,668,520	48,929,706	1,778,404,005
2018	1,068,509,898	356,271,158	149,333,076	90,732,549	100,527,838	50,989,832	1,816,364,351
2019	927,163,386	287,971,697	152,984,913	85,855,064	95,200,820	38,744,575	1,587,920,455
2020	731,570,571	206,235,045	146,838,698	41,325,190	57,643,361	36,967,972	1,220,580,837
2021 (January-March)	163,369,406	40,533,415	30,864,918	8,810,734	12,088,304	9,192,369	264,859,146

Source: Department of Trade

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

Years	Ercan	Kyrenia	Famagusta	Karpasia	Total
2015	1,693,694	60,733	19,196	342	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	1,968,345	84,974	26,260	382	2,079,961
2019	1,973,844	70,097	24,575	476	2,068,992
2020	426,545	35,766	5,312	24	467,647
2021 (January-June)	64,566	7,737	246	10	72,559

Source: Tourism Planning Department

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

Nationality	TRNC		Southern Cyprus		Other Countries		Total	
	2020	2021	2020	2021	2020	2021	2020	2021
January	166,644	10,058	197,924	134	120,770	959	485,340	11,151
February	177,777	16,030	182,753	213	124,300	907	484,830	17,150
March	50,937	42,395	52,878	1,099	33,104	2,484	136,919	45,978
April	633	44,288	17	1,165	547	2,395	1,197	47,848
May	948	45,687	29	3,729	79	2,916	1,056	52,332
June	12,707	88,718	921	90,680	430	39,340	14,058	218,738
July	46,741		9,951		3,628		60,320	
August	38,557		13,979		4,675		57,211	
September	58,787		14,461		6,135		79,383	
October	59,505		15,596		7,467		82,568	
November	53,330		10,412		6,842		70,584	
December	32,104		5,469		3,967		41,540	
Total	698,670	247,176	504,390	97,020	311,946	49,001	1,515,006	393,197

Source: Tourism Planning Department

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

Countries	2014	2015	2016	2017	2018	2019	2020	2021 (January-March)
Turkey	529,908	588,045	621,819	710,889	776,428	773,936	155,329	17,446
TRNC	49,598	52,335	53,224	55,613	49,344	50,560	46,263	9,628
Other	224,881	235,661	249,079	348,471	317,434	336,184	43,022	4,473
Grand Total	713,901	804,387	876,041	924,122	1,114,973	1,143,206	1,160,680	31,547

Source: Tourism Planning Department

ANNEX C. NOTES

Money Supply

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

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

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

M2= M1 + Time Deposits in the Banks

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

Deposits and Loans

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

prepared on the last day of each calendar month and show the balance sheet status of the banks as of that day. However, since the Central Bank may request amendments to certain items of these balance sheets as a result of some examinations, these balance sheets are considered 'Temporary'.

Bank

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

Other Points Related to the Bulletin

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

Banking Sector

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

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

Monetary Data of the Banking Sector

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

