

CENTRAL BANK OF THE TRNC

QUARTERLY BULLETIN



ISSUE: 2021 / IV



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Issue: 2021/IV

I: FOREWORD

In the World Economic Outlook Update report published by the IMF in January 2022, it is stated that the global economic growth rate will be 4.4 percent in 2022. This downward revision is caused by an expected slowdown in the growth rates of the two major economies, the USA and the People's Republic of China. The relevant report indicates that elevated inflation is expected to persist with ongoing supply chain disruptions and high energy prices in both developing and major economies, especially in the United States. According to the Global Economic Prospects report for January 2022 published by the World Bank, the projected growth rate of the global economy is 4.1 percent in 2022.

After the meetings held in November and December 2021, the CBRT Monetary Policy Committee (MPC) reduced the policy rate, which is the one-week repo rate, by 100 basis points, from 16 percent to 14 percent. Thus, a total of 500 basis points of interest rate cuts were made as of September 2021.

In the last quarter of 2021, TRNC inflation rates compared to the previous month have been 3.23, 5.52 and 15.16 percent in October, November and December, respectively. In the fourth quarter of 2021, annual inflation rates compared to the same month of the previous year have been 23.63, 27.39 and 46.09 percent in October, November and December, respectively. The sectors with the highest price increase at the end of December 2021 are transportation with 77.65 percent, furniture and home appliances with 60.43 percent and, food and non-alcoholic beverages item with 58.21 percent. By the end of December 2021, the lowest price increase is alcoholic beverages and tobacco item with 16.07 percent.

In the fourth quarter of the 2021 fiscal year, budget revenues have become 3,487.6 million TRY and budget expenditures have become 3,817.4 million TRY. Thus, public finance has recorded a 329.8 million TRY deficit in the fourth quarter of 2021. Total budget revenues and budget expenditures amounted to 9,431.4 million TRY and 10,386.1 million TRY in 2021, respectively. Tax revenues item with the largest share in budget revenues increased by 21.8 percent compared to the previous year and amounted to 5,897.4 million TRY in 2021. Donations, grants and loans item, which had the second-highest share in budget revenues, has become 1,839.5 million TRY in 2021. Current transfers and personnel expenditures, the first two items having the largest share in the budget expenditures, reached 4,290.2 million TRY and 3,514.1 million TRY, respectively in 2021. The share of these items in total budget expenditures has been 41.3 percent for current transfers and 33.8 percent for personnel expenditures. In 2020, public finance, which gave a deficit of 536.2 million TRY, has given a deficit of 954.7 million TRY in 2021. Net domestic borrowing of 612.5 million TRY was made during the year to meet the budget deficit in 2021.

According to the foreign trade data announced by the TRNC Department of Trade, the export and import figures for the third quarter of 2021 have been 24.3 million and 587.9 million US dollars, respectively. In the first nine months of 2021, the total export figure was 106.8 USD million and the total import figure was 1,250.8 million TRY. Total exports increased by 29.29 percent in the first nine months of 2021, and total imports increased by 44.46 percent, compared to the same period of the previous year. In the first nine months of 2021, the first three items with the largest share in imports have been fuel with 30.21 percent, vehicles with 7.24 percent and construction iron with 2.88 percent.

In the fourth quarter of 2021, total assets of the banking sector increased by 34.08 percent to 79,643 million TRY. The main reason for this increase is the increased exchange rates in the last quarter. Gross loans and cash and cash equivalents have been the largest shares in the total assets with 52.74 percent and 30.4 percent, respectively.

Total deposits, which have the largest share in the sector's total liabilities, amounted to 66,179.1 million TRY as of the end of December 2021. The share of deposits in total liabilities is 83.09 percent. Business loans, which amounted to 30,433.5 million TRY as of December 2021, are in the first rank. It is followed by consumer loans with a total of 7,472.4 million TRY. Analysing the total deposits of the banking sector according to their types, savings deposits have the largest share with 47,406 million TRY. Looking at the maturity distribution of deposits, 1-month deposits have the largest share with a rate of 49.67 percent. In the banking sector, the loans to deposits ratio decreased by 2.41 points in the fourth quarter of 2021 compared to the previous quarter and reached 63.47 percent. Examining loans to deposits ratio based on bank groups, private banks rank first with 67.17 percent. In the relevant period, the TRY and FX deposits to loans ratio was 99.49 percent and 49.52 percent, respectively. M3 money supply classified as broad money, increased by 57.61 percent in one year and amounted to 71,395.9 million TRY.

The sector's non-performing loans, amounting to 1,539.4 million TRY as of the end of June 2021, increased by 2.98 percent and reached 1,585.2 million TRY as of the end of December 2021.

In the fourth quarter of 2021, the sector's capital adequacy standard ratio decreased by 0.39 points compared to the previous quarter to 16.66 percent, above the legal limit of 10 percent. CASR based on bank groups has been 14.14 percent in public banks, 13.1 percent in private banks and 22.42 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 fourth quarter of 2021, and I hope that it will be beneficial for those interested in the subject.

Regards,



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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
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

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1 INTERNATIONAL DEVELOPMENTS

1.1 OVERVIEW AND CURRENT DEVELOPMENTS

In the World Economic Outlook Update report published by the IMF in January 2022, it is stated that the global economy has entered 2022 in a weaker position than expected and it is predicted that the global economic growth rate will complete 2022 with 4.4 percent. This rate is 1.5 percentage points lower than that rate in 2021, which was 5.9 percent. The forecast for 2022 is lower than the forecast in the World Economic Outlook report published in October 2021. The expected slowdown in the growth rates of the two major economies, the USA and the People's Republic of China, is the main reason for this revision. In 2023, this global economic growth ratio is estimated to decrease to 3.8 percent.

The report indicates that elevated inflation is expected to persist with ongoing supply chain disruptions and high energy prices in both developing and major economies, especially in the United States.

The report projects that the inflation expectations will stay well anchored, inflation should gradually decrease as supply-demand imbalances wane in 2022 and monetary policy in major economies responds. It is also highlighted that, as advanced economies lift policy rates, risks to financial stability and emerging market and developing economies' capital flows, currencies, and fiscal positions—especially with debt levels having increased significantly in the past two years—may emerge.

According to the report, as the pandemic continues, the emphasis on an effective global health strategy is more salient than ever. Worldwide access to vaccines, tests, and treatments is considered essential to reduce the risk of further dangerous COVID-19 variants. It is stated in the report that monetary policy in many countries will need to continue on a tightening path to curb inflation pressures, while fiscal policy—operating with more limited space than earlier in the pandemic—will need to prioritize health and social spending while focusing support on the worst affected.

In the Global Economic Prospects report published by the World Bank in January 2022, it was stated that rebounding to an estimated 5.5 percent in 2021, global growth is expected to decelerate to 4.1 percent in 2022. This is mainly caused by continued COVID-19 flare-ups with new variants, diminished fiscal support, and lingering supply issues. According to the report, the global growth is projected to soften further to 3.2 percent in 2023.

Although output and investment in advanced economies are projected to return to pre-pandemic trends next year, in emerging market and developing economies they will remain markedly below, owing to lower vaccination rates, tighter fiscal and monetary policies, and more persistent scarring from the pandemic. The report also highlights that difficult situations await policy makers in emerging economies, such as limited fiscal space due to the monetary tightening of developed economies, and increasing inflationary pressures.

Table 1.1: GDP Results and Forecasts

	2019	2020	2021 ¹	2021 ²	2022 ¹
IMF	2.8	-3.1	3.4	5.9	4.4
World Bank	2.6	-3.4	2.6	5.5	4.1
OECD	2.8	-3.4	3.3	5.6	4.5

Source: OECD, World Bank, IMF

¹ First projection of the year.

² Last projection of the year.

³ Last projection before Covid-19 outbreak.

⁴ Last projection after Covid-19 outbreak.

In the Global Economic Prospects report, it is mentioned that debt stocks, which are already high in many emerging economies despite tight budget policies, are likely to increase further owing to sustained revenue weakness. Over the longer term, EMDEs will need to buttress growth by pursuing decisive policy actions, including reforms that mitigate vulnerabilities to commodity shocks, reduce income and gender inequality, and enhance preparedness for health and climate-related crises.

1.2 ECONOMIC AND FINANCIAL OUTLOOK

1.2.1 GROWTH

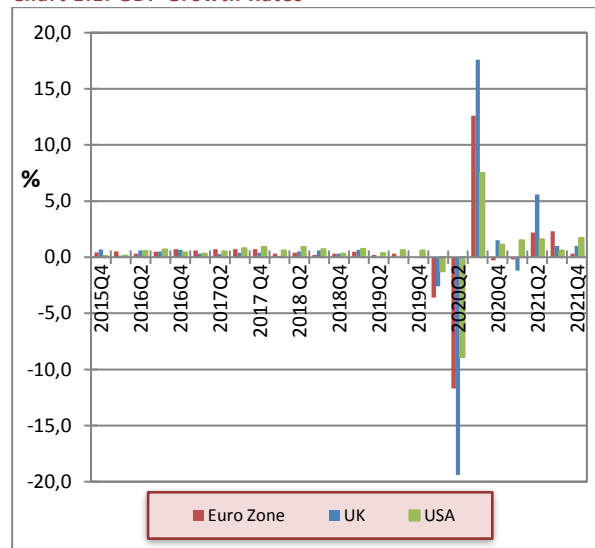
According to the primary data announced by the US Bureau of Economic Analysis, the US economy, grew by 6.9 percent in the last quarter of 2021 annually. The annual growth rate of the US economy, which was announced as 2.0 percent for the third quarter of 2021, was revised and increased to 2.3 percent. The US economy's annual GDP growth in 2021 was 5.7 percent. The increase in US GDP in 2021 reflects increases in private stock investment, exports, personal consumption expenditures and non-residential fixed investments. It was observed that there was a decrease in federal government expenditures and state and local government expenditures.

The UK's economic growth in the third quarter of 2021, which was previously announced as 1.3 percent based on the chained volume index by the United Kingdom's Office for National Statistics (ONS), was revised downwards and announced as 1.0 percent. According to the chained volume index data for the second fourth of 2021, the UK economy has grown by 1 percent, compared to the previous quarter. After the 9.4 percent annual contraction in GDP in 2020, the UK economy grew by 7.5 percent on an annual basis in 2021.

According to the data released by EUROSTAT, the Eurozone economy grew by 0.3 percent in the fourth quarter of 2021 compared to the previous quarter and by 4.6 percent on an annual basis, according to seasonally adjusted data. The quarterly economic growth rate announced for the third quarter of 2021 in the Eurozone was revised upwards by 0.1 percentage points to 2.3 percent, while the growth rate compared to the same quarter of the previous year was revised upwards by 0.2 points to 3.9 percent.

In the fourth quarter of 2021, GDP increased by 9.1 percent based on the chained volume index, compared to the same period of the previous year. According to seasonally adjusted GDP data, GDP has increased 1.5 percent in the fourth quarter compared to the previous quarter.

Chart 1.1: GDP Growth Rates



Source: OECD

Examining the activities that make up the GDP in the Turkish economy in 2021, the total value added of service activities increased by 21.1 percent, other services by 20.3 percent, information and communication activities by 20.2 percent, professional, administrative and support service activities by 17.3 percent, industry, public administration, education, human health and social service activities increased by 7 percent and real estate activities increased by 3.5 percent, while finance and insurance activities decreased by 9 percent, agriculture sector by 2.2 percent, and construction sector by 0.9 percent.

Compared to the same period of the previous year, in the last quarter of 2021, exports of goods and services increased by 24.9 percent and imports by 2.0 percent, based on the chained volume index. Exports of goods and services increased by 20.7 percent and imports by 2.6 percent in the fourth quarter of 2021 compared to the same quarter of the previous year.

1.2.2 INFLATION

In the USA, annual CPI increased by 7 percent and reached the highest level of the last 40 years in December 2021. In the related period, the CPI in the US increased by 0.5 percent on a monthly basis. Annual CPI increase rates in October and November 2021 have been 0.9 and 0.8 percent, respectively.

According to the data released by ONS, the annual CPI increase in the United Kingdom in October, November and December 2021 was 3.8 percent, 4.6 percent and

4.8 percent, respectively. In the United Kingdom, the biggest contribution to the annual increase in price levels in December 2021 came from housing and household services item with 1.31 percentage points and transportation item with 1.29 points. The sub-sectors that contributed the most to the transportation sector were motor fuels and second-hand cars.

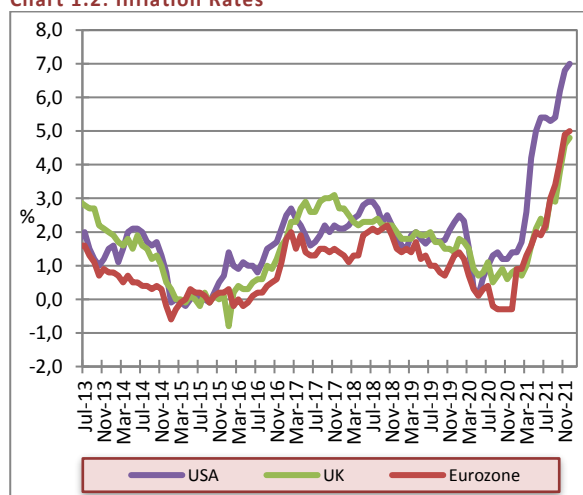
According to EUROSTAT data, the harmonized annual CPI rates in the Eurozone increased by 4.9 and 5.0 percent in November and December 2021. In December 2021, the biggest contribution to the annual CPI change was energy with 2.46 points, the services sector with 1.02 points, energy prices with 0.78 points, industrial goods and food, alcoholic beverages and tobacco items with 0.71 points.

According to the data announced by the Turkish Statistical Institute (TUIK), the monthly CPI increase in December 2021 was 13.58 percent. In the last month of 2021, the monthly rate of increase in D-PPI was 19.08 percent, the highest monthly increase in more than 27 years.

In December 2021, the annual CPI change reached the highest level of the last 19 years with 36.08 percent due to the record increases experienced on a monthly basis in the relevant period. The annual D-PPI also continued to rise and changed by 79.89 percent, the highest increase observed after February 2002.

Analysed by main expenditure groups, the highest annual price increase was in the transportation group with 53.66 percent. This group was followed by the food group with an annual price increase of 43.8 percent and the housing group with an increase of 28.57 percent.

Chart 1.2: Inflation Rates



Source: OECD

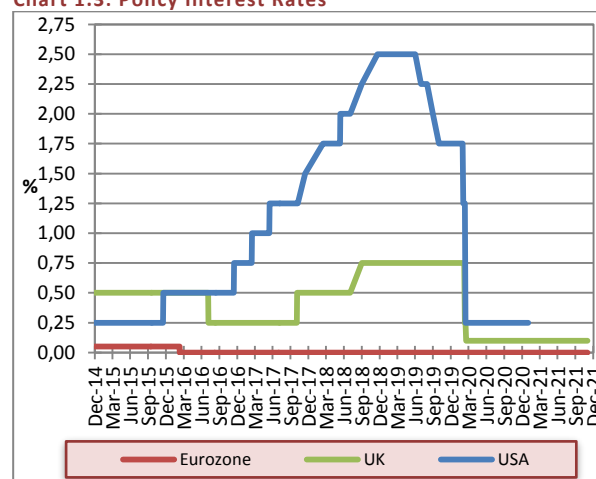
1.2.3 POLICY INTEREST RATES

The Fed did not change its policy rate at the Federal Open Market Committee Meeting (FOMC) held in January 2022, keeping it at the 0.00 - 0.25 percent band. The Fed stated that with inflation well above 2 percent and a strong labour market, the Committee expects it will soon be appropriate to raise the target range for the federal funds rate. The Committee also decided to continue to reduce the monthly pace of its net asset purchases, bringing them to an end in March 2022. In the Fed's meeting notes, it was mentioned that the central bank balance sheet, which is approximately 9 trillion USD, will shrink after the interest rate hike.

The Bank of England (BoE), at its last meeting in 2021, increased interest rates for the first time in three years, raising the policy rate from 0.1 percent to 0.25 percent. Thus, the BoE has become the first central bank to raise interest rates worldwide since the start of the Covid-19 pandemic. BoE increased its policy rate by 25 basis points to 0.5 percent after its meeting held in February 2022. Thus, for the first time since 2004, interest rates have been increased two times, consecutively. BoE stated that they expect inflation rates in the UK to display a downward trend after reaching 7 percent in the second quarter of 2022. The bond purchase program remained unchanged at 895 billion GBP.

After its meeting held on December 16, 2021, the ECB decided to keep the policy rate constant. The ECB also announced that net Pandemic Emergency Purchase Programme (PEPP) purchases would be made at a slower pace in the first quarter of 2022 and they would be terminated in March 2022.

Chart 1.3: Policy Interest Rates



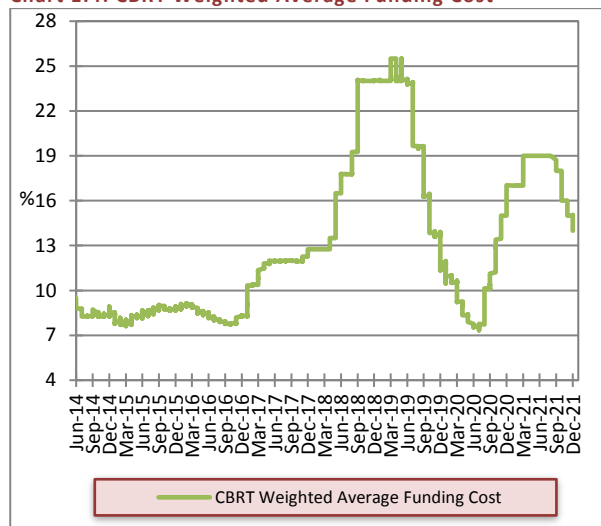
Source: FED, ECB, BoE

After its November 2021 meeting, the Monetary Policy Committee of CBRT decided to decrease the policy rate by 100 points to 15 percent. After the last meeting of the year which was held on December 16, 2021, the ECB decided to decrease the policy rate by 100 points to 14 percent. Thus, a total of 500 basis points of interest rate cuts were made in four consecutive meetings as of September. The Committee decided to complete the use of the limited room implied by transitory effects of supply-side factors and other factors beyond monetary policy's control on price increases and reduced the policy rate by 100 basis points.

After the first meeting of 2022 which was held on April 20, the MPC decided to keep the policy rate constant at 14 percent, in line with the expectations. The summary of the Monetary Policy Committee Meeting states that the cumulative impacts of the recent policy decisions are closely monitored and to create a foundation for sustainable price stability, a comprehensive policy framework review is being conducted to prioritize Turkish lira in all policy tools of the CBRT.

At the CBRT MPC meeting held on February 17, 2022, the policy interest rate was kept constant at 14 percent, as in the previous meeting.

Chart 1.4: CBRT Weighted Average Funding Cost

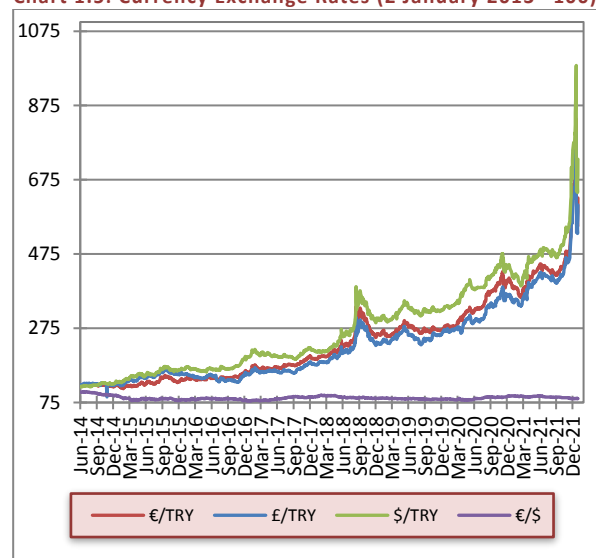


Source: CBRT

1.2.4 EXCHANGE RATES

In the fourth quarter of 2021, the Turkish lira experienced nearly 40 percent depreciation against the euro, pound sterling and US dollar, compared to the same period of the previous year. In the fourth quarter of 2020, while the average exchange rates for GBP/TRY, EUR/TRY, and USD/TRY were 10.36, 9.37 and 7.86, the averages for the same period of 2021 have been 15.02, 12.76 and 11.19, respectively. Comparing the fourth quarter exchange rates of 2020 and 2021, it is seen that the Turkish lira depreciated by 44.98 percent against the GBP, 42.37 percent against the USD, and 36.18 percent against the EURO.

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



Source: Central Bank of TRNC

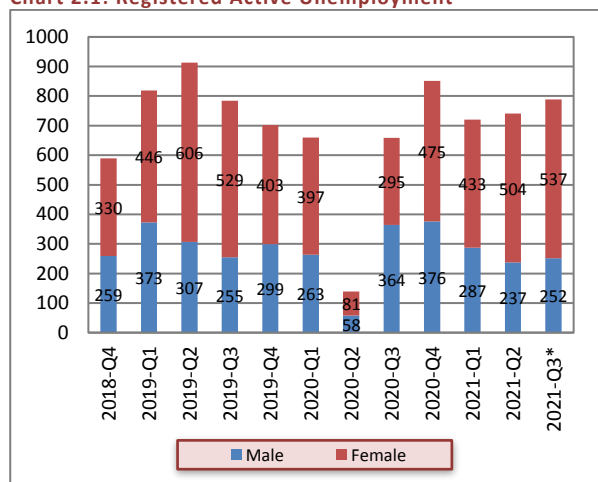
2 EMPLOYMENT AND PRICES

(Employment data for the fourth quarter of 2021 prepared by the Labour Office could not be obtained. Therefore, the data of the relevant period hasn't been updated.)

2.1 EMPLOYMENT

According to the unemployment data prepared by the TRNC Labour Office, the number of registered unemployed people, which was 741 by the end of the second quarter of 2021, increased to 789 as of the third quarter of 2021. Analysing the unemployment rate by gender composition, it is seen that about 68 percent of the active registered unemployed people are composed of women and 32 percent of them are men, as of the second quarter of 2021. The gender composition of the registered unemployed in the third quarter of 2021 remained at the same level as in the previous quarter.

Chart 2.1: Registered Active Unemployment



Source: Labour Office

* Based on the data available for July and August.

The number of job seekers was 741 and the number of new job-seeking applicants was 440 by the end of the third quarter of 2021. 383 people were unregistered and 9 were employed by the end of the third quarter of 2020. The number of jobseekers has been 789 as of the end of the third quarter of 2021.

Table 2.1: Registered Active Unemployment - Overview (Number of persons)

	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3*
Jobseekers by the end of the previous period	660	139	659	851	720	741
Applicants applying for employment during the period	130	549	861	719	728	440
Persons employed during the period	12	18	28	19	6	9
Persons unregistered during the period	639	111	541	831	701	383
Jobseekers by the end of the period	139	659	851	720	741	789

Source: Labour Office

* Based on the data available for July and August.

Examining the active vacancy listings, it is seen that 858 vacancies were transferred to July as of the second quarter of 2021 and 42 new vacancies were opened in the third quarter of 2021. As of the end of August 2021, 853 vacancies were transferred to the next period as a result of 9 filled and 38 cancelled vacancies.

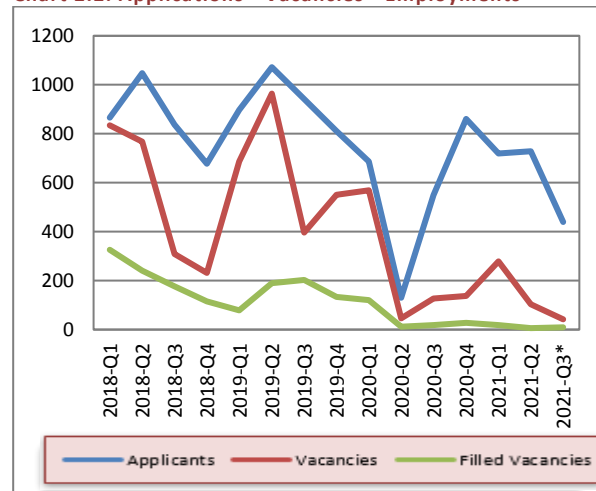
Table 2.2: Overview of Active Vacancy Listings (Number of persons)

	2020 Q2	2020 Q3	2020 Q4	2021 Q1	2021 Q2	2021 Q3*
Vacancies transferred from the previous period	1,755	1,770	615	644	799	858
Vacancies received during the period	46	127	137	278	103	42
Vacancies filled during the period	12	18	28	19	6	9
Vacancies cancelled during the period	19	1,264	80	106	38	38
Vacancies transferred to the next period	1,770	615	644	799	858	853

Source: Labour Office

* Based on the data available for July and August.

Chart 2.2: Applications - Vacancies - Employments



Source: Labour Office

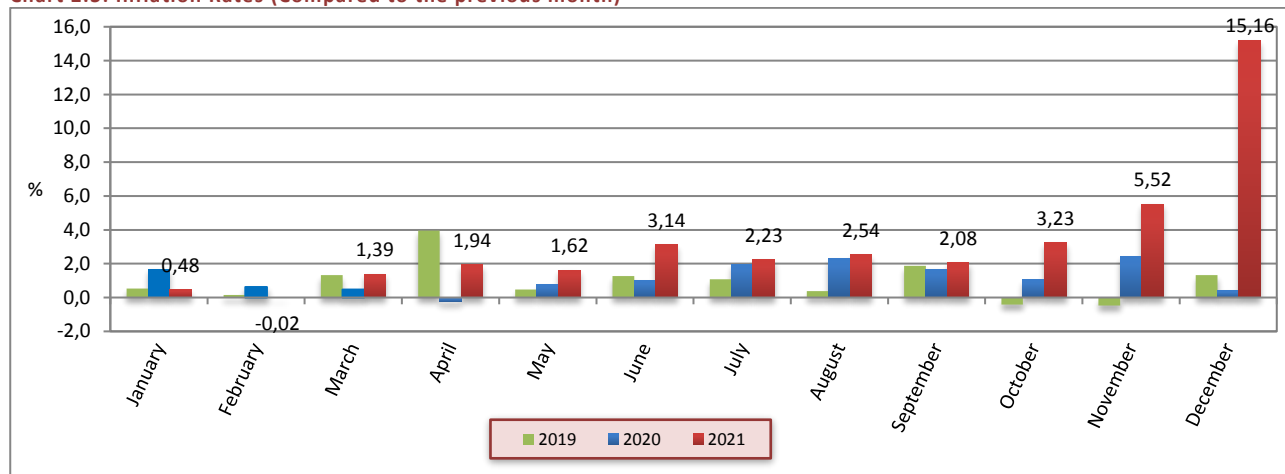
* Based on the data available for July and August.

2.2 INFLATION

In the last quarter of 2021, inflation rates compared to the previous month have been 3.23, 5.52 and 15.16 percent in October, November and December, respectively. In the same period of 2020, monthly

inflation rates were 1.04, 2.41 and 0.41 percent, respectively. The inflation rate, which was 1.29 percent in the fourth quarter of 2020, increased to 7.97 percent in the same period of 2021.

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



Source: TRNC Statistical Institute

In the last quarter of 2021, inflation rates compared to the previous month have been 23.63, 27.39 and 46.09 percent in October, November and December, respectively. In the same period of 2020, monthly inflation rates were 12.82, 16.08 and 15.03 percent, respectively.

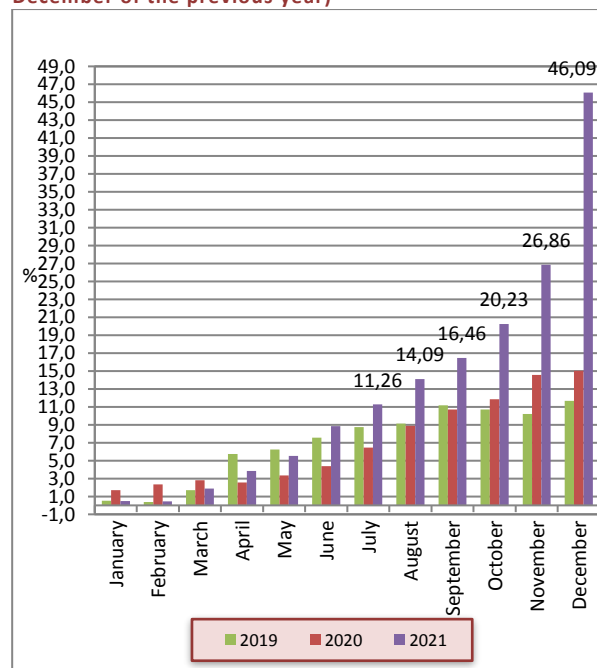
In the last quarter of 2021, inflation rates compared to December of the previous year have been 20.23, 26.86 and 46.09 percent in October, November and December, respectively. In the fourth quarter of 2020, inflation rates compared to December of the previous year were 11.86, 14.55 and 15.03 percent, respectively.

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



Source: TRNC Statistical Institute

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

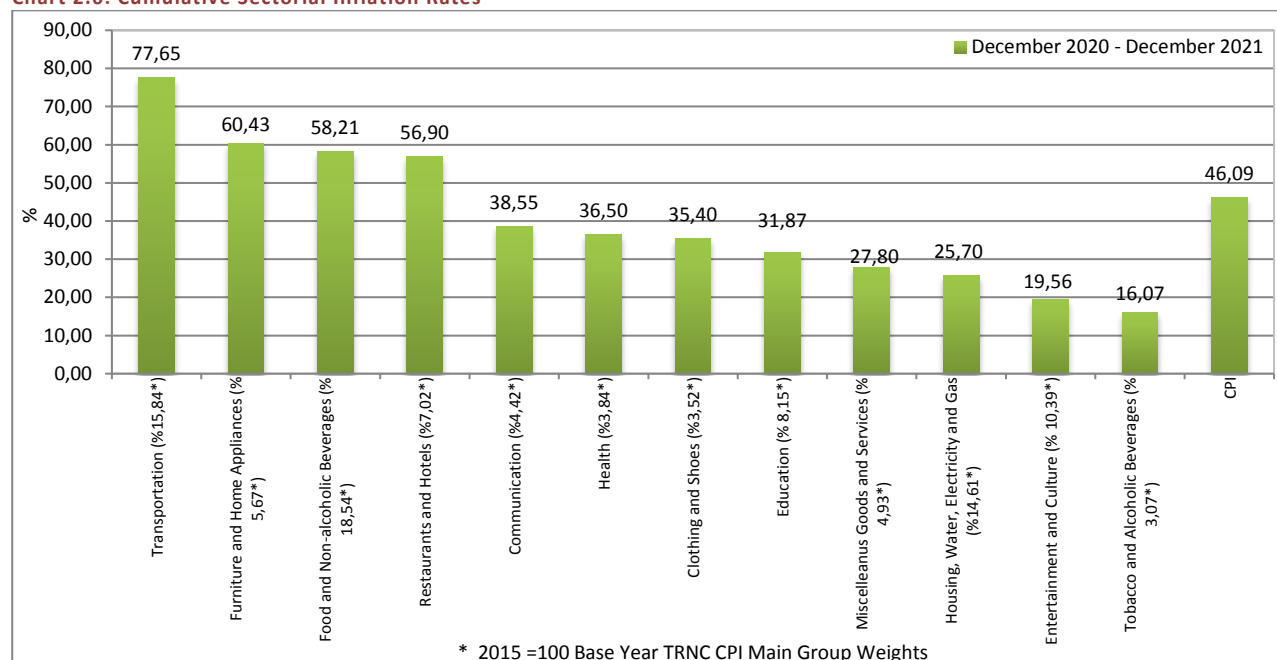


Source: TRNC Statistical Institute

The sectors with the highest price increase at the end of December 2021 are transportation with 77.65 percent, furniture and home appliances with 60.43 percent and, food and non-alcoholic beverages item with 58.21 percent.

As of the end of December 2021, the lowest price increase compared to the same period of the previous year has been alcoholic beverages and tobacco item by 16.07 percent.

Chart 2.6: 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 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	0.39	0.86	13.97
	April	1.94	3.84	16.45
	May	1.62	5.52	17.46
	June	3.14	8.83	19.93
	July	2.23	11.26	20.23
	August	2.54	14.09	20.54
	September	2.08	16.46	21.01
	October	3.23	20.23	23.63
	November	5.52	26.86	27.39
	December	15.16	46.09	46.09

Source: TRNC Statistical Institute

3 FOREIGN TRADE AND TOURISM

(Exports and imports data for the fourth quarter of 2021 prepared by the TRNC Department of Trade could not be obtained. Therefore, the 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 46.11 percent in the third quarter of 2021, compared to the same period of the previous year. Examining the export figures of TRNC in the third quarter of 2020, total exports was 16.6 million USD, while it increased to 24.3 million USD in the same period of 2021. Analysing the export figures of TRNC in the first

nine months of 2020, total exports was 82.6 million USD, while this number has increased to 106.8 million USD in the same period of 2021.

In the third quarter of 2021, total imports increased by 88.83 percent, compared to the same period of the previous year. In the third quarter of 2021, imports increased by 36.95 percent in July, 122.36 percent in August and 110.19 percent in September, compared to the same months 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	9,849,496	-16.65	110,434,030	107,728,527	-2.45
February	15,155,057	15,494,630	2.24	117,802,188	87,287,550	-25.90
March	10,259,962	20,798,228	102.71	89,076,873	104,004,240	16.76
Quarter I	37,232,665	46,142,354	23.93	317,313,091	299,020,317	-5.76
April	14,181,526	14,642,291	3.25	49,839,864	104,829,651	110.33
May	8,060,696	9,736,726	20.79	73,415,226	146,455,965	99.49
June	6,472,777	11,941,653	84.49	113,963,990	112,643,939	-1.16
Quarter II	28,714,999	36,320,670	26.49	237,219,080	363,929,555	53.41
July	5,157,829	5,856,276	13.54	107,004,991	146,542,172	36.95
August	6,433,545	8,864,852	37.79	97,665,849	217,170,111	122.36
September	5,040,279	9,579,628	90.06	106,638,687	224,148,153	110.19
Quarter III	16,631,653	24,300,756	46.11	311,309,527	587,860,436	88.83
Total (January - September)	82,579,317	106,763,780	29.29	865,841,698	1,250,810,308	44.46

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 nine months of 2020, the fuel item increased by 459.56 percent in the same period of 2021, compared to the previous year and reached the first rank with 30.21 percent in the total share. Considering that imports in 2020 were affected by the pandemic, it turns out that the fuel imports figure in the first three quarters of 2021 increased by 214.4 percent, compared to the same period of 2019. Vehicles item, which has the second-highest share in the first nine months of 2021, increased by 1.24 percent compared to the same period of the previous year. Construction iron item,

which has the third-highest share, increased by 69.47 percent compared to the same period of the previous year, and its share in the total imports increased from 2.45 to 2.88 percent. The share of ten selected import items within the total was 31.37 percent in the first nine months of 2020. This figure has become 49.72 percent in the same period of 2021. Total import figures of the selected ten items increased by 128.96 percent in the third quarter of 2021, compared to the previous year.

Table 3.2: Main Import Goods (US dollar)

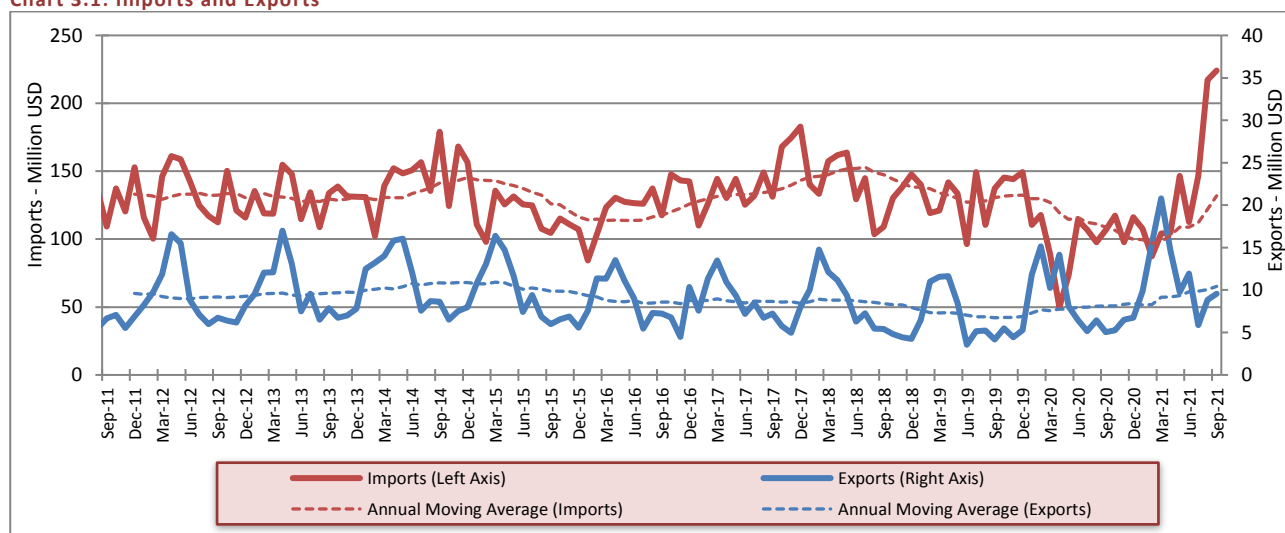
Type of Goods	2020 (January – September)	Share in the Grand Total	2021 (January – September)	Share in the Grand Total	Percentage Change
Fuel	67.521.793	7.8	377.826.804	30.21	459.56
Vehicles	89.416.492	10.33	90.527.431	7.24	1.24
Construction Iron	21.234.762	2.45	35.986.448	2.88	69.47
Animal Feeds and Additives	23.941.823	2.77	27.597.709	2.21	15.27
Medications	28.234.444	3.26	19.015.749	1.52	-32.65
Barley	21.124	0	17.621.498	1.41	83319.32
Telephone Handset	926.628	0.11	14.581.115	1.17	1473.57
Mobile Phones	18.573.812	2.15	13.837.475	1.11	-25.5
Corn	11.302.701	1.31	13.260.424	1.06	17.32
LPG	10.469.565	1.21	11.702.475	0.94	11.78
Total	271.643.144	31.37	621.957.128	49.72	128.96
Grand Total	865.841.698		1.250.810.308		44.46

Source: Department of Trade

When exports of the TRNC for 10 years between the period September 2011 and September 2021 are analysed, it is observed that exports volume increased in the first half of each year and dropped in the second half of each year. By September 2021, exports, have become 106.8 million USD, reaching the highest level in the last ten years. 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. Average monthly exports, which were at the level of 7.5 million US dollars in the first nine months of 2019, increased to 10.9 million US dollars in 2020 and 13.7 million US dollars in 2021.

Examining the import figures in the TRNC, it increased to 217.23 and 224.1 million USD in August and September 2021, respectively. 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 second quarter of 2021. While the monthly import average for the first nine months of 2019 was 127.7 million USD, the monthly import average for the same period of 2021 was 139 million USD, mainly due to the increases in July and August.

Chart 3.1: Imports and Exports

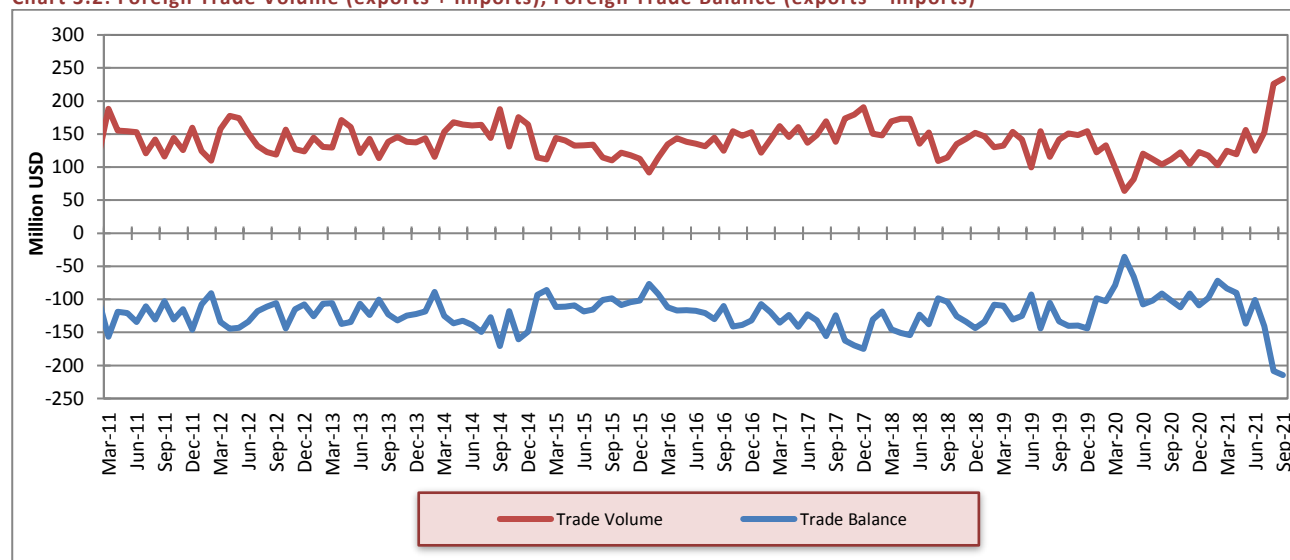


Source: Department of Trade

The average monthly trade volume, which was 105.4 million USD in the first nine months of 2020, increased to 150.8 million USD in the same period of 2021. This figure was 135.2 million USD in 2019 before the pandemic. In the relevant periods, average foreign trade deficit figures are 87 million USD and 127.1 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, the ratio of exports to imports reached 9.54 percent, and in the first nine months of 2021, it was 8.54 percent due to the sharp increase in imports in August and September.

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



Source: Department of Trade

Compared to 2020, exports to Turkey and other countries increased, while exports to EU Countries, other 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 50.7 percent by the first three quarters 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 – September)	50.7	1.5	5.5	24.5	17.8

Source: Department of Trade

Referring to the figures for the first nine months of 2021, the share of imports from Turkey has been 65.7 percent, while the share of imports from the EU countries has been 11.5 percent. Compared to 2020,

imports from Turkey and Middle Eastern countries increased, while imports from EU countries, Far Eastern countries, other EU countries, and other 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	3.1
2021 (January – September)	65.7	11.5	8.1	2.2	9.9	2.6

Source: Department of Trade

3.2 TOURISM

In 2021, the number of passengers entering the country continued to remain low due to the partially ongoing measures taken against the Covid-19 outbreak, however, it increased in the third quarter and then continued to rise in the fourth quarter. The number of passengers arriving in the country by air and sea was 113,849, 87,181 and 76,283 respectively in October, November and December of 2021.

According to these figures, the number of passengers arriving in the country in the fourth quarter of 2021 increased to 277,313 compared to the same period of 2020. In the fourth quarter, 229,803 of the arriving passengers were Turkish citizens, 47,510 of which were from third countries.

In 2021, the total number of passengers arriving in the country by air and sea increased by 42 percent and became 552 thousand, compared to the same period of 2020. In 2019, this number was 1,749,979.

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	112,232	5,295	-95.3
February	99,746	2,307	-97.7	28,988	4,641	-84	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	58,775	13,250	-77.5	285,073	22,275	-92.2
April	24	5,688	-	43	4,973	-	67	10,661	-
May	36	7,686	-	1	3,368	-	37	11,054	-
June	169	14,892	-	308	4,224	-	477	19,116	-
Quarter II	229	28,266	12243.2	352	12,565	3469.6	581	40,831	6927.7
July	18,218	31,561	73.2	2,010	7,489	272.6	20,228	39,050	93.3
August	30,688	60,296	96.5	4,431	10,863	145.2	35,119	71,159	102.6
September	8,000	79,749	896.9	3,727	21,935	488.5	11,727	101,684	767.1
Quarter III	56,906	171,606	201.6	10,168	40,287	296.2	67,074	211,893	215.9
October	8,313	91,130	996.2	4,962	22,719	357.9	13,275	113,849	757.6
November	10,202	73,020	615.7	4,350	14,161	225.5	14,552	87,181	499.1
December	5,769	65,653	1038.0	2,513	10,630	323.0	8,282	76,283	821.1
Quarter IV	24,284	229,803	846.3	11,825	47,510	301.8	36,109	277,313	668.0
Total	307,717	438,700	42.6	81,120	113,612	40.1	388,837	552,312	42.0

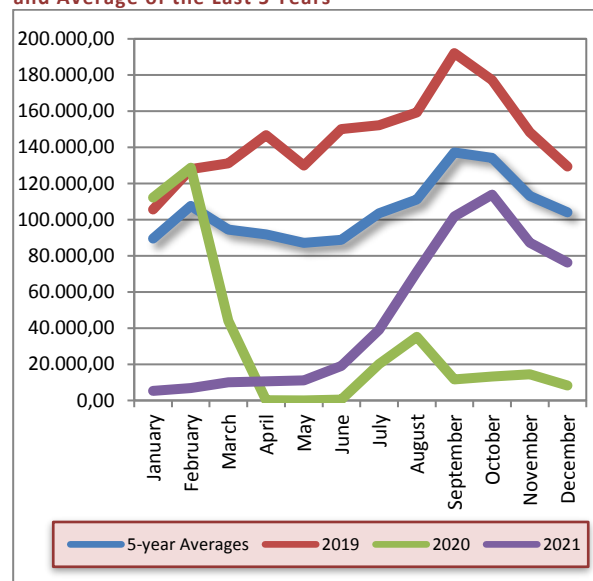
Source: Tourism Planning Department

In the third quarter of 2021, the number of arriving passengers increased due to the loosening of the measures taken due to the pandemic, approaching the five-year average. However, it is still far behind 2019. In the fourth quarter, it decreased in line with the seasonal movements of previous years. In October 2021, the number of passengers arriving by air and sea reached 113,849, the peak of the period after the pandemic started. In the fourth quarter of 2021, the number of passengers arriving by air and sea increased by 668 percent compared to the same period of 2020.

It is observed that the border gate entries (excluding TRNC citizens) was 816,336 in 2020, while this figure increased by 87.2 percent to 1,527,803 in 2021. Analysing the border gate entries in 2021, it is seen that the entries of Southern Cyprus citizens increased by 103 percent to 1,023,961 compared to the same period of the previous year, while the entries of the citizens of other countries increased by 61.5 percent to 503,842. In 2019, entries from border gates were 2,106,520 for

Southern Cyprus nationals and 2,096,263 for citizens of other countries.

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



Source: Tourism Planning Department

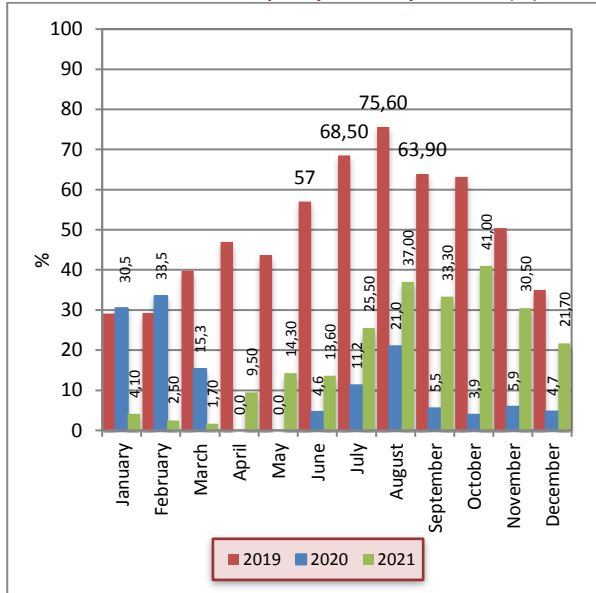
Table 3.6: Border Gate Entries to TRNC

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
July	9,951	119,204	3,628	57,318	13,579	176,522
August	13,979	142,201	4,675	63,570	18,654	205,771
September	14,461	138,218	6,135	67,400	20,596	205,618
October	15,596	177,506	7,467	102,357	23,063	279,863
November	10,412	167,748	6,842	86,390	17,254	254,138
December	5,469	182,064	3,967	77,806	9,436	259,870
Total	504,390	1,023,961	311,946	503,842	816,336	1,527,803

Source: Tourism Planning Department

The occupancy rate of touristic facilities in our country has been 41.0 percent in October, 30.5 percent in November and 21.7 percent in December 2021. In the same period of 2020, these rates were 3.9, 5.9 and 4.7 percent in the same months, respectively, 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".

The total number of people staying at the tourist accommodation facilities in the TRNC was 265,325 and 401,516 in 2020 and 2021, respectively. It is observed that the total bed nights were 786,609 and 1,296,205 in the same periods, respectively.

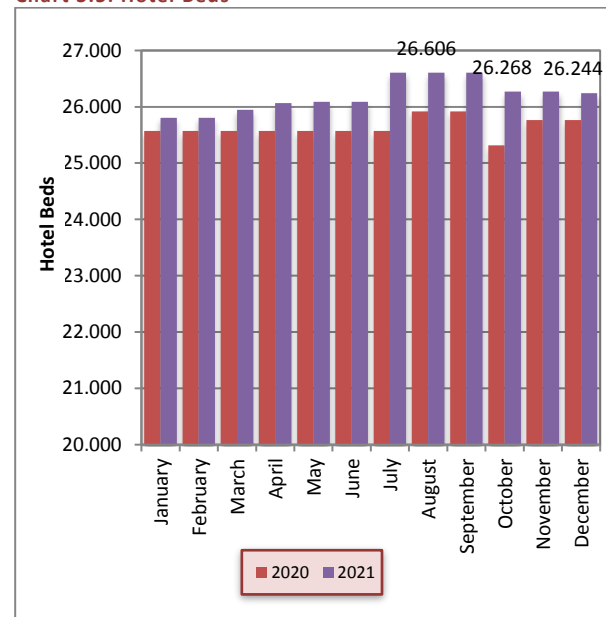
Table 3.7: Tourist Accommodations and Bed nights

	Tourist Accommodations			Bed nights		
	2020	2021	Percentage Change	2020	2021	Percentage Change
TR	154,686	265,911	71.9	430,698	869,301	101.8
Other	68,229	71,276	4.5	273,709	290,776	6.2
TRNC	42,410	64,329	51.7	82,202	136,128	65.6
Total	265,325	401,516	51.3	786,609	1,296,205	64.8

Source: Tourism Planning Department

It is seen that the total number of hotel beds, which was 25,766 at the end of 2020, reached 26,244 at the end of 2021. Having increased by 0.8 percent in 2020 compared to the end of 2019, total number of hotel beds increased by 1.86 percent as of the end of 2021.

Chart 3.5: Hotel Beds



Source: Tourism Planning Department

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 2020 and 2021.

4 BUDGETARY DEVELOPMENTS

4.1 FOURTH QUARTER 2021 RESULTS

In the fourth quarter of fiscal year 2021, TRNC total budget revenues increased by 24.7 percent and total expenditures increased by 22 percent, compared to the same period of the previous year. Following these changes, budget revenues and budget expenditures have become 3,487.6 and 3,817.4 million TRY in the fourth quarter of 2021. The budget deficit, which was 332.1 million TRY in the fourth quarter of 2020, shrank by 7 per mille and became 329.8 million TRY in the same period of 2021.

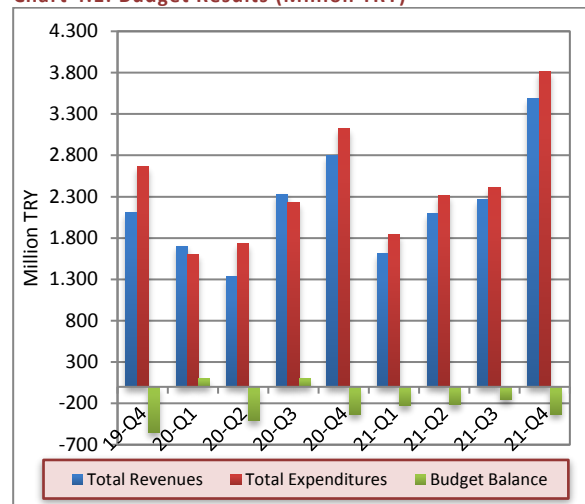
Table 4.1: Budget Balance (Million TRY)

	2020		2021		% Change
	Annual Results	October - December Results	Annual Results	October - December Results	
Budget Revenues	8,600.0	2,795.8	9,431.4	3,487.6	24.7
Budget Expenditures	8,696.2	3,127.9	10,386.1	3,817.4	22.0
Budget Balance	-536.2	-332.1	-954.7	-329.8	0.7

Source: Ministry of Finance

34.3 percent of the total budget revenues of 8,160 million TRY obtained in 2020 were collected in the fourth quarter. 37 percent of the total budget revenues, which amounted to 9,431.4 million TRY in 2021, were collected in the last quarter. In 2021, 36.8 percent of 10,386.1 million TRY spent for the execution of services and activities had been used within the fourth quarter. This rate was 36 percent in the same period of the previous year.

Chart 4.1: Budget Results (Million TRY)



Source: Ministry of Finance

4.2 REVENUES

As of the fourth quarter of fiscal year 2021, budget revenues increased by 691.8 million TRY compared to the same period of the previous year and amounted to 3,487.6 million TRY. In the fourth quarter of 2021, tax revenues item with the largest share in budget revenues increased by 41.9 percent compared to the same period of the previous year and amounted to 2,064.4 million TRY. Total tax revenues were 1,454.8 million TRY in the same period of 2020.

Donations, grants and loans item, which has the second-highest share in budget revenues has become 937.4 million TRY in the fourth quarter of 2021, while it was 970.4 million TRY in the same period of the previous year. In the fourth quarter of 2021, non-tax revenues item increased by 31 percent compared to the same period of the previous year and reached 475.9 million TRY. In the fourth quarter of 2021, other revenues item has been 9.9 million TRY, the same item was 7.4 million TRY in the same period of 2020.

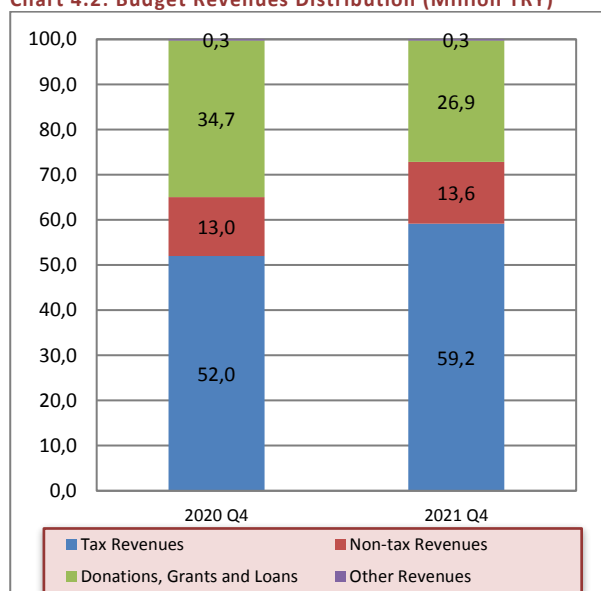
Table 4.2: Budget Revenues (Million TRY)

	2020 October - December	2021 October - December	% Change
Tax Revenues	1,454.8	2,064.4	41.9
Non-Tax Revenues	363.2	475.9	31.0
Donations, Grants and Loans	970.4	937.4	-3.4
Other Revenues	7.4	9.9	35.8
Total	2,795.8	3,487.6	24.7

Source: Ministry of Finance

While the share of tax revenues in total budget revenues was 52 percent in the fourth quarter of 2020, it has declined to 59.2 percent in the same period of 2021. In the fourth quarter of 2021, the share of non-tax revenues item increased from 13 to 13.6 percent, while the share of other revenues remained at 0.3 percent, compared to the same period of 2020. On the other hand, the share of donations, grants and loans decreased from 34.7 to 26.9 percent.

Chart 4.2: Budget Revenues Distribution (Million TRY)



Source: Ministry of Finance

4.3 EXPENDITURES

As of the fourth quarter of 2021, total budget expenditures increased by 22 percent compared to the same period of the previous year, and reached from 3,127.9 million TRY to 3,817.4 million TRY. In the fourth quarter of 2021, current transfers, personnel expenditures, capital expenditures and transfers, and goods and service purchase expenditures items increased by 10.4, 15, 44.9 and 30.2 percent, respectively, compared to the same period of 2020. In the same period, other expenditures item increased by 131.5 percent and reached 193.5 million TRY.

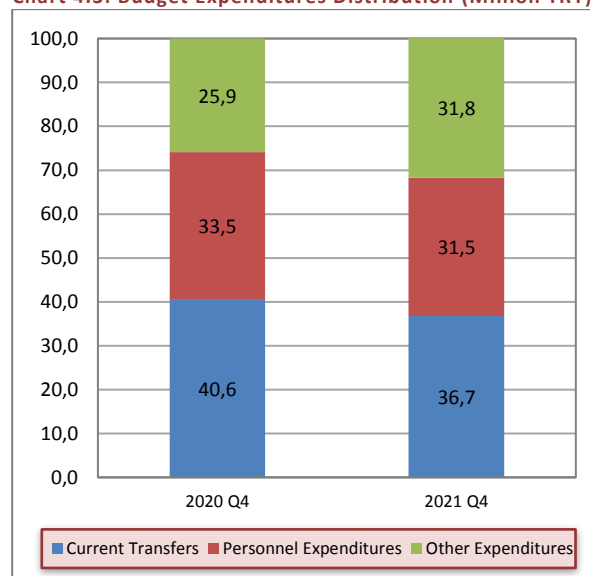
Table 4.3: Budget Expenditures (Million TRY)

	2020 October - December	2021 October - December	% Change
Current Transfers	1,270.3	1,402.6	10.4
Personnel Expenditures	1,047.1	1,204.0	15.0
Capital Expenditures and Transfers	480.9	697.0	44.9
Goods and Service Purchase Expenditures	246.0	320.3	30.2
Other Expenditures	83.6	193.5	131.5
Total	3,127.9	3,817.4	22.0

Source: Ministry of Finance

The share of personnel expenditures item in total expenditures was 33.5 percent in the fourth quarter of 2020, while it has become 31.5 percent in the same period of 2021. The share of the current transfers constituting 40.6 percent of the total budget expenditures in the fourth quarter of 2020, has decreased to 36.7 percent in the third quarter of 2021. The share of personnel expenditures and current transfers in budget expenditures was 74.1 percent in the fourth quarter of 2020 and it has become 68.2 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

The total budget revenues and expenditures in 2021 have been 9,431.4 million TRY and 10,386.1 million TRY, respectively. Compared to 2020 budget results, budget revenues increased by 15.6 percent and budget expenditures increased by 19.4 percent in 2021. Tax revenues item, which has the highest share in budget revenues, increased by 21.8 percent in 2021 and reached 5,897.4 million TRY, compared to 2020. Non-tax revenues item is increased by 3.4 percent in 2021 and reached 1,553.1 million TRY, compared to the previous year. Total donations, grants and loans item was 1,627.3 million TRY in 2020, then it has increased by 13.1 percent in 2021 and amounted to 1,839.6 million TRY, compared to the previous year. Other revenues item has decreased by 24.9 percent and declined to 141.4 million TRY in 2021, compared to the previous year.

Current transfers item, which had the highest share in budget expenditures during 2020, has increased by 12.7 percent and reached 4,290.2 million TRY in 2021, compared to 2019. Personnel expenditures item, which has the second-highest share in budget expenditures, has increased by 11.8 percent and reached 3,514.1 million TRY, compared to the previous year. In 2021, the goods and services expenditures item has increased by 18 percent and reached 755.5 million TRY, compared to 2020. Capital expenditures and transfers and other expenditures items increased by 672.6 million TRY and 47.6 million TRY, respectively.

The budget balance, which had a deficit of 536.2 million TRY in 2020, has increased by 78.1 percent to 954.7 million TRY in 2021.

Table 4.4: Budget Implementation Results (Million TRY)

		2020 Results	2021 Results	2020-2021 Change (%)
Revenues	Tax Revenues	4,842.5	5,897.4	21.78
	Non-Tax Revenues	1,502.0	1,553.1	3.40
	Donations, Grants and Loans	1,627.3	1,839.5	13.05
	Other Revenues	188.2	141.4	-24.87
	Grand Total	8,160.0	9,431.4	15.58
Expenditures	Current Transfers	3,807.4	4,290.2	12.68
	Personnel Expenditures	3,142.3	3,514.1	11.83
	Capital Expenditures and Transfers	654.2	1,326.8	102.81
	Goods and Service Purchase Expenditures	640.4	755.5	17.97
	Other Expenditures	451.9	499.5	10.53
	Grand Total	8,696.2	10,386.1	19.43
	Revenues - Expenditures	-536.2	-954.7	78.05

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 502.3 million TRY in the fourth quarter of 2021. Total loans extended by Turkey, used as a source of funding to meet the budget deficit has reached 172.5 million TRY in the fourth quarter of 2021. Loans extended by Turkey used in the same period of 2020 amounted to 497.7 million TRY.

Domestic income item increased by 39.7 percent and reached 2,550.2 million TRY in the fourth quarter of 2021, compared to the same period of 2019.

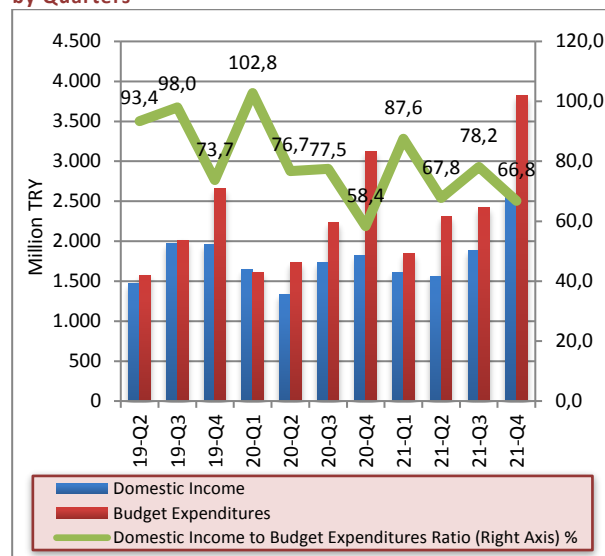
Table 4.5: Financing Balance (Million TRY)

	2020 October - December	2021 October - December
Budget Revenues - Loans Extended by Turkey	2,298.1	3,315.1
1. Domestic Income	1,825.4	2,550.2
Tax Revenues	1,454.8	2,064.4
Non-Tax Revenues	363.2	475.9
Other Revenues	7.4	9.9
2. Foreign Aids	472.7	764.9
Grants Extended by Turkey	427.7	764.9
Budget Expenditures	3,127.9	3,817.4
Personnel Expenditures	1,047.1	1,204.0
Current Transfers	1,270.3	1,402.6
Capital Expenditures	480.9	697.0
Goods and Service Purchase Expenditures	246.0	320.3
Other Expenditures	83.6	193.5
Financing Balance	-829.8	-502.3
Financing	497.7	172.5
Loans Extended by Turkey	497.7	172.5

Source: Ministry of Finance

According to the budget figures of the fourth quarter of 2021, the domestic income to budget expenditures ratio is 66.8 percent. The same ratio was 58.4 percent in the fourth quarter of 2020.

Chart 4.4: Domestic Income to Budget Expenditures Ratio by Quarters



Source: Ministry of Finance

In 2021, tax revenues and non-tax revenues increased by 21.8 percent and 3.4 percent, respectively, compared to the previous year. Inflation-adjusted calculations have shown that there was an average real growth of 2.04 percent in tax revenues between 2016 and 2020, and a shrinkage of 0.94 percent in non-tax revenues, in the annual changes of the totals of tax revenues and non-tax revenues. In 2021, total tax revenues and non-tax revenues decreased in real terms by 16.64 percent and 29.22 percent, respectively, compared to the previous year. Accordingly, total domestic income, which increased by an average of 1.94 percent in real terms between the years 2016 and 2020, decreased by 20.45 percent in real terms in 2021, compared to the previous year.

Inflation-adjusted calculations have also shown that there was an average of 2 percent real growth between the years 2016-2020. In 2021, budget expenditures decreased by 18.25 percent in real terms, compared to 2020.

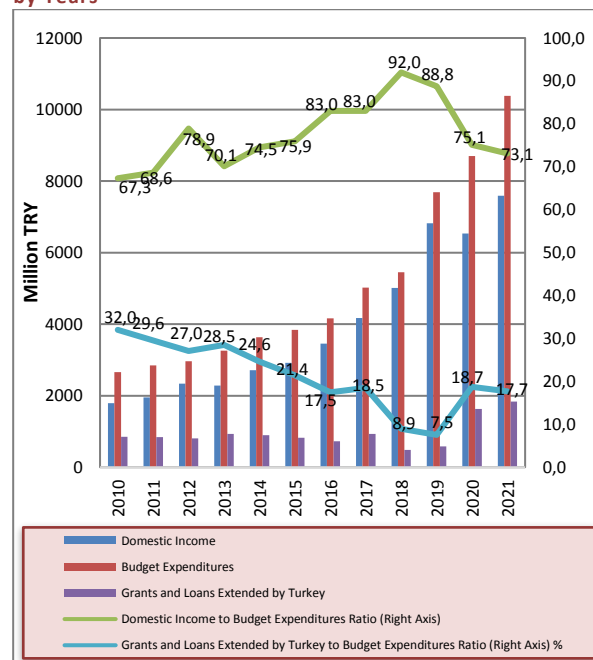
Table 4.6: Real Domestic Income - Expenditure Changes by Years (%)

	Tax Revenues	Non-Tax Revenues	Domestic Income	Budget Expenditures
2014	13.52	7.38	12.01	4.98
2015	1.79	-4.36	-0.15	-2.11
2016	6.62	13.46	8.25	-1.91
2017	7.41	-5.21	6.06	6.07
2018	-6.06	-24.29	-9.74	-21.43
2019	19.40	31.87	24.41	29.35
2020	-17.17	-20.54	-19.30	-1.92
2021	-16.64	-29.22	-20.45	-18.25

Note: Real changes are calculated by adjusting for inflation rates of the relevant year.

The domestic income (calculated by subtracting the grants and loans extended by Turkey from the budget revenues) to budget expenditures ratio reached 73.1 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, rose to 17.7 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 between the years 2010 and 2019, this outlook has negatively affected due to the effects of the Covid-19 pandemic on economic activity in 2020, and the negative effects continued in 2021. Accordingly, as of 2020 and 2021, there has been a serious decline in the ratio of domestic income to budget expenditures.

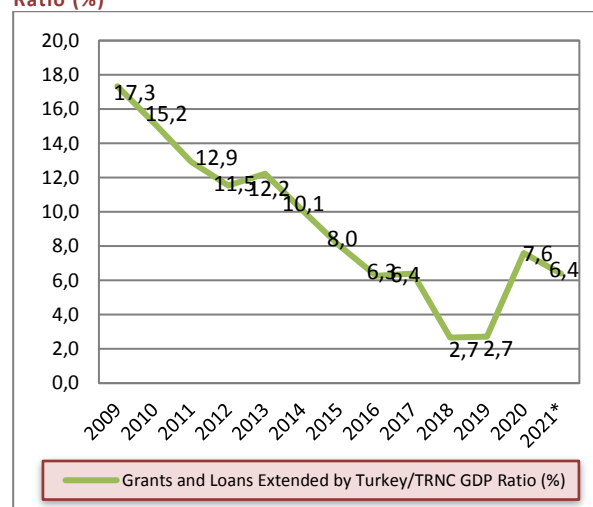
Chart 4.5: Domestic Income to Budget Expenditures Ratio by Years



Source: Ministry of Finance

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 7.6 percent as of the end of 2020. Analysing the 2021 fiscal year budget forecast data and the 2021 GDP target data, it is estimated that this ratio will be 6.4 percent in 2021.

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



Source: Ministry of Finance, TRNC Statistical Institute

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

2021 Fiscal Year, budget expenditures were covered by creating a net domestic borrowing of 612.5 million TRY, in addition to the grants, aid and loans received from the Republic of Turkey. In the fourth quarter of 2021, a total of 120.8 million TRY was borrowed through the Government Domestic Debt Security (GDDS) tenders and 93 million TRY repayments were made and net borrowing of 27.8 TRY million was concluded through the issuance of government securities.

At the end of 2021, the total balance of GDDS stock has been 378.8 million TRY. In addition to this borrowing, 456.7 million TRY short-term advances were made available to the Ministry of Finance by the Central Bank during the year.

Table 4.7: TRY Government Domestic Debt Security (GDDS) Tenders

ISIN CODE		KKB 040222T12	KKB 060422T18
Effective Date		27.10.2021	29.12.2021
Redemption Date		04.02.2022	6.04.2022
Term		100 days	98 days
Amount Tendered	Nom.	54,000,000	130,300,000
Agreed Amount	Nom.	30,000,000	90,800,000
Agreed Interest Rate (%)	Lowest	17.50	18.00
	Highest	20.50	20.00
	Ave.	17.95	19.10
	Average Annual Compound	19.15	20.48

Source: Central Bank of TRNC

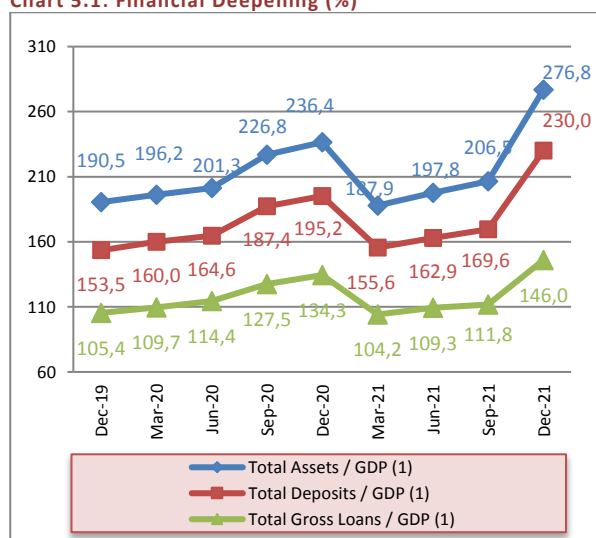
5 MONETARY AND FINANCIAL DEVELOPMENTS

5.1 OVERVIEW OF THE BANKING SECTOR

5.1.1 FINANCIAL DEEPENING

Financial deepening figures for the fourth quarter of 2021 increased compared to the previous quarter. Total gross loans to GDP ratio increased from 111.8 percent to 146 percent, total assets to GDP ratio from 206.5 percent to 276.8 percent and total deposits to GDP ratio from 169.6 percent to 230 percent.

Chart 5.1: Financial Deepening (%)



Source: Central Bank of the TRNC, SPO, TRNC Statistical Institute

Note: (1) 2021 GDP target figures by SPO.

5.1.2 PERFORMANCE RATIOS OF THE BANKING SECTOR

In the banking sector, the share of cash and cash equivalents in total assets has increased from 29.14 to 30.4 percent in the fourth quarter of 2021, compared to the previous quarter. This rate was 29.17 percent in the same period of the previous year.

CASR (Capital Adequacy Standard Ratio), which was 17.05 percent at the end of September 2021, has decreased by 0.39 points to 16.66 percent in the fourth quarter of 2021.

The share of NPL in gross loans declined from 4.79 to 3.77 percent at the end of December 2021, compared to the previous quarter.

Gross loans to deposits ratio decreased by 2.41 percentage points to 63.47 percent in the fourth quarter of 2021, compared to the previous quarter.

The share of gross loans in total assets, which was 56.83 percent in December 2020, declined to 52.74 percent in December 2021. It has decreased by 1.39 points, compared to the previous quarter.

Gross loans increased by 30.65 percent in the fourth quarter of 2021, compared to the previous quarter. Gross loans increased by 5.32 percent in the same period of the previous year. The reason for this increase is the fluctuating exchange rates in the last quarter.

Deposits increased by 4.15 percent in the third quarter of 2021, and then by 35.6 percent in the fourth quarter of 2021. The main reason for this increase is the increased exchange rates in the last quarter.

Financial leverage ratio, which was 9.78 at the end of September 2021, reached 12.18 in the last quarter of 2021.

Table 5.1: Performance Ratios

	2020	2021			
	Dec.	Mar.	Jun.	Sept.	Dec.
Cash and Cash Equivalents / Total Assets (%)	29.17	29.22	28.63	29.14	30.4
CASR (%)	15.91	15.93	16.31	17.05	16.66
NPL / Gross Loans (%)	5.41	5.12	4.81	4.79	3.77
Gross Loans / Total Deposits (%)	68.82	66.93	67.08	65.88	63.47
Gross Loans / Total Assets (%)	56.83	55.45	55.25	54.13	52.74
Quarterly Growth Rate on Gross Loans (%)	5.32	4.21	4.88	2.29	30.65
Quarterly Growth Rate on Gross Loans (%)	4.16	7.15	4.66	4.15	35.6
Financial Leverage ¹	10.33	10.43	10.14	9.78	12.18

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 fourth quarter of 2021 is 54.58 percent, and the share of the top ten banks is 81.45 percent.

In terms of the size of gross loans in the same period, share of the first five banks in the sector is 57.31 percent and the share of the top ten banks is 84.07 percent.

In terms of deposit size, the share of the five largest banks in total deposits is 56.09 percent and the share of the top ten banks is 83.13 percent.

Lastly, in terms of the size of the debts to the banks item, share of the first five banks in the sector is 69.98 percent and the share of the top ten banks is 92.72 percent,

In terms of the size of shareholders' equity in the relevant period, share of the first five banks in total shareholders' equity is 55.98 percent, while the share of the top ten banks is 82.81 percent.

Table 5.2: Concentration in the Banking Sector (%)

Shares of the First Five Banks in the Sector	2020	2021			
	December	March	June	September	December
Assets	54.21	53.84	53.91	54.71	54.58
Gross Loans	56.62	56.18	56.16	56.67	57.31
Deposits	55.84	55.63	56.20	56.11	56.09
Debts to Banks	69.49	69.75	74.92	70.58	69.98
Shareholders' Equity	54.15	54.83	54.81	55.69	55.98
Shares of the First Ten Banks in the Sector					
Assets	81.10	80.65	80.57	80.99	81.45
Gross Loans	82.94	82.90	83.09	83.55	84.07
Deposits	82.59	82.16	82.52	82.81	83.13
Debts to Banks	94.95	93.11	95.22	91.83	92.72
Shareholders' Equity	82.45	82.80	82.17	82.27	82.81

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 December 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

	Dec.19	Mar.20	Jun.20	Sept.20	Dec.20	Mar.21	Jun.21	Sept.21	Dec.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 216 in the fourth quarter of 2021. When the distribution of branch numbers based on bank groups is examined, it is

seen that 67.59 of the total number of branches are private banks, 17.59 are branch banks and 14.82 are public banks.

Table 5.4: Branches and Personnel

Number of Branches									
	Dec.19	Mar.20	Jun.20	Sept.20	Dec.20	Mar.21	Jun.21	Sept.21	Dec.21
Public Banks	32	32	32	32	32	32	32	32	32
Private Banks	160	160	152	152	150	144	144	145	146
Branch Banks	39	39	39	39	39	39	39	39	38
Total	231	231	223	223	221	216	215	216	216

Number of Personnel									
Public Banks	522	512	508	514	511	508	509	509	502
Private Banks	2,122	2,120	2,090	2,081	2,071	2,057	2,067	2,072	2,061
Branch Banks	549	542	537	538	536	531	528	528	536
Total	3,193	3,174	3,135	3,133	3,118	3,096	3,104	3,109	3,099

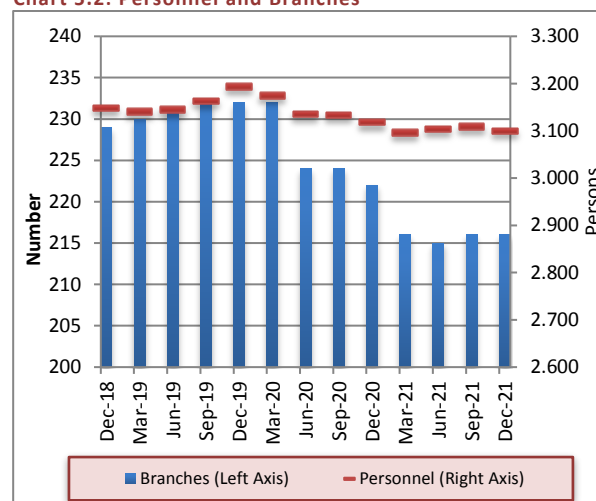
Source: Central Bank of TRNC

The number of personnel employed in the sector decreased by 10 persons and declined from 3,109 to 3,099 during September - December 2021 period. 502 of these personnel are working in public banks, 2,061 in private banks and 536 in branch banks. In this period, the number of personnel employed in private banks decreased from 2,072 to 2,061, and the number of personnel in public banks from 509 to 502, while the number of personnel in branch banks increased from 528 to 536.

During December 2020 - December 2021 period, the number of personnel working in the banking sector decreased by 19 persons and declined from 3,118 to 3,099. In the mentioned period, analysing the change in the number of personnel based on bank groups, there was a decrease of 10 persons employed in private banks, and 9 persons in public banks.

In the fourth quarter of 2021, it is observed that 16.2 percent of the personnel working in the sector is in the public banks, 66.5 percent in the private banks and 17.3 percent in the branch banks group.

Chart 5.2: Personnel and Branches



Source: Central Bank of TRNC

As of the fourth quarter of 2021, the number of ATMs has been 553. Analysing the distribution of ATMs by bank groups, branch banks rank first with 261 ATMs. Branch banks are followed by private banks with 235 ATMs and public banks with 57 ATMs. During December 2020 - December 2021 period, the number of ATMs increased from 515 to 553.

Table 5.5: ATMs

	Dec.20	Mar.21	Jun.21	Sept.21	Dec.21
Public Banks	57	57	57	57	57
Private Banks	224	225	229	234	235
Branch Banks	234	234	234	253	261
Total	515	516	520	544	553

Source: Central Bank of TRNC

5.2 BANKING SECTOR CONSOLIDATED BALANCE SHEET

Total assets of the banking sector, which was 59,399.6 million TRY at the end of September 2021, increased by 34.08 percent in December 2021 and reached 79,643 million TRY. In the aforementioned period, cash and cash equivalents increased by 39.9 percent, securities portfolio by 47.67 percent, gross loans by 30.65 percent and other assets by 24.03 percent. The main reason for the increase in assets in the period is the increase in foreign currency items due to the exchange rates in the last quarter.

Total assets of the sector increased by 57.39 percent in December 2020 - December 2021 period. In the same period, cash and cash equivalents increased by 64.03, gross loans by 46.07 percent, and securities portfolio by 92.83 percent. In the same period, deposits increased by 58.37 percent and shareholders' equity by 35.22 percent.

Deposits item, which is the most important funding source of the sector increased by 35.6 percent and the shareholders' equity increased by 9.61 percent in September 2021 - December 2021 period.

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

	2020		2021			Percentage Change	
	December	March	June	September	December	09/2021 - 12/2021	12/2020 - 12/2021
Cash and Cash Equivalents	14,761.7	15,794.1	16,290.4	17,307.8	24,213.2	39.90	64.03
Securities Portfolio	3,546.4	3,960.0	4,385.5	4,631.1	6,838.7	47.67	92.83
Total Gross Loans	28,758.3	29,969.3	31,432.4	32,151.5	42,006.0	30.65	46.07
Other Assets	3,534.9	4,328.6	4,784.0	5,309.2	6,585.1	24.03	86.29
Total Assets/Liabilities	50,601.3	54,052.0	56,892.3	59,399.6	79,643.0	34.08	57.39
Deposits	41,787.6	44,774.9	46,859.3	48,804.6	66,179.1	35.60	58.37
Debts to Banks	2,531.0	2,786.7	2,894.9	2,785.5	4,253.6	52.71	68.06
Other Liabilities	1,815.3	1,761.1	2,030.1	2,298.3	3,169.4	37.90	74.59
Shareholders' Equity	4,467.4	4,729.3	5,108.0	5,511.2	6,040.9	9.61	35.22

Source: Central Bank of TRNC

5.2.1 ASSETS AND LIABILITIES STRUCTURE

In the fourth quarter of 2021, the largest share in the sector's total assets is gross loans with 52.74 percent. Gross loans are followed by cash and cash equivalents with a share of 30.4 percent, securities portfolio with a share of 8.59 percent and other assets with 8.27 percent.

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

As of December 2021, 83.09 percent of the total liabilities is deposits, 7.58 percent is shareholders' equity, 5.34 percent is debts to banks and 3.98 percent is other liabilities.

Analysing the items constituting the liability structure of the banking sector in terms of their shares in December 2020 - December 2021 period, it is seen that there is a decrease in the shareholder's equity item, while the deposits, debts to banks, and other liabilities items increased.

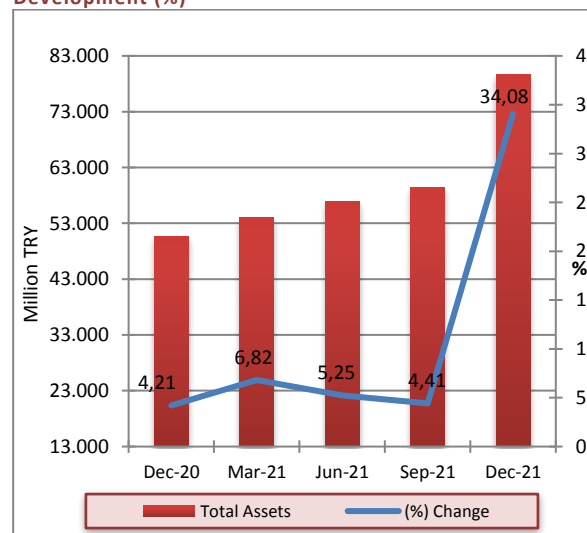
Table 5.7: Structural Percentage Distribution of Banking Sector Assets / Liabilities (%)

	2020		2021		
Assets	December	March	June	September	December
Cash and Cash Equivalents	29.17	29.22	28.63	29.14	30.40
Securities Portfolio	7.01	7.33	7.71	7.80	8.59
Total Gross Loans	56.83	55.45	55.25	54.13	52.74
Other Assets	6.99	8.00	8.41	8.94	8.27
Total	100.00	100.00	100.00	100.00	100.00
Liabilities					
Total Deposits	82.58	82.84	82.36	82.16	83.09
Debts to Banks	5.00	5.16	5.09	4.69	5.34
Other Liabilities	3.59	3.25	3.57	3.87	3.98
Shareholders' Equity	8.83	8.75	8.98	9.28	7.58
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 34.08 percent in December 2021, and 4.21 percent in the same period of 2020. In the period of December 2020 - December 2021, there was an increase of 29,041.7 million TRY in the total assets of the banking sector.

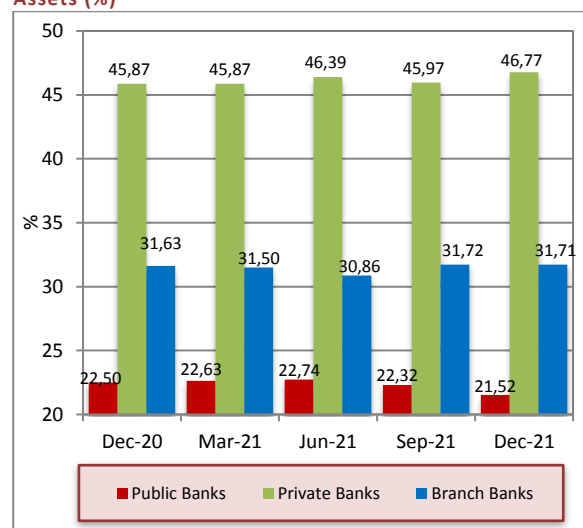
Chart 5.3: Assets of the Banking Sector and Quarterly Development (%)



Source: Central Bank of TRNC

In the fourth quarter of 2021, sector's total assets increased from 45.97 to 46.77 percent in the private banks group, while it decreased from 22.32 to 21.52 in the public banks group and from 31.72 percent to 31.71 percent in the branch banks group. In December 2020 - December 2021 period, there was a downsizing in the group of public banks and a growth in the groups of private banks and branch banks.

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



Source: Central Bank of TRNC

In the fourth quarter of 2021, public banks' total assets increased by 29.3 percent, private banks' total assets by 36.42 percent and branch banks' total assets by 34.05 percent, compared to the previous quarter. Total assets increased by 50.53 percent in public banks, by 60.49

percent in private banks and by 57.78 percent in branch banks, compared to the same period of the previous year. This increase in assets on the basis of bank groups is mainly due to the increase in the exchange rates.

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

	2020		2021		Percentage Change		
	December	March	June	September	December	09/2021-12/2021	12/2020-12/2021
Public Banks	11,386.1	12,233.2	12,937.6	13,256.1	17,140.0	29.30	50.53
Private Banks	23,208.8	24,791.8	26,395.1	27,304.2	37,248.9	36.42	60.49
Branch Banks	16,006.4	17,027.0	17,559.6	18,839.3	25,254.1	34.05	57.78
Total	50,601.3	54,052.0	56,892.3	59,399.6	79,643.0	34.08	57.39

Source: Central Bank of TRNC

Analysing the TRY and FX distribution of gross loans as of December 2021, the share of TRY loans decreased from 44.78 to 37.68 percent compared to the previous quarter, while the share of FX loans increased from 55.22 to 62.32 percent. The share of TRY deposits

decreased from 32.31 to 23.13 percent as of December 2021, while the share of FX deposits increased from 67.69 percent to 76.87 percent, compared to the previous quarter.

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

	2020				2021							
	December		March		June		September		December			
	TP	YP	TP	YP	TP	YP	TP	YP	TP	YP	TP	YP
Krediler	49,04	50,96	45,89	54,11	44,41	55,59	44,78	55,22	37,68	62,32		
Deposits	34,74	65,26	33,31	66,69	32,58	67,42	32,31	67,69	23,13	76,87		

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 39.9 percent in the fourth quarter of 2021 and reached from 17,307.8 million TRY to 24,213.2 million TRY, compared to the previous quarter.

In this period, an increase of 177.2 million TRY in the cash values item, 2,967.5 million TRY in the receivables from the Central Bank item, 2,772.3 million TRY in the receivables from the IMM (Interbank Money Market)

transactions item, and 988.4 million TRY in the receivables from the banks item has been recorded.

Cash and cash equivalents amounting to 14,761.7 million TRY at the end of December 2020 increased to 24,213.2 million TRY by the end of December 2021. In the period, cash assets increased by 230.8 million TRY, receivables from the Central Bank by 3,978.6 million TRY, receivables from IMM transactions by 3,236.3 million TRY and receivables from banks by 2,005.8 million TRY.

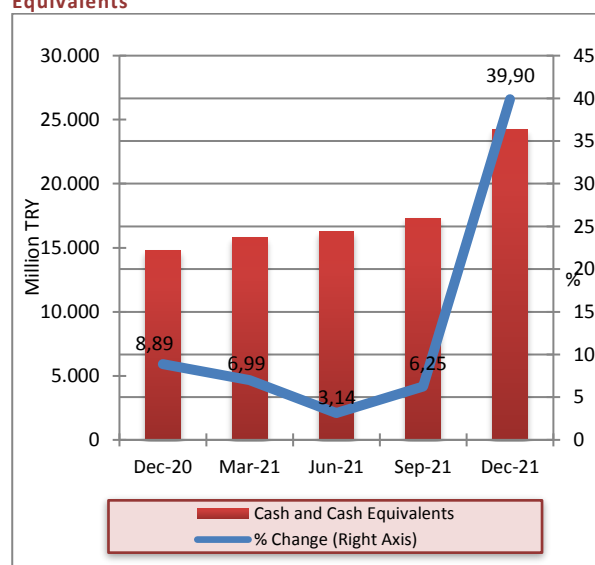
Table 5.10: Development of the Cash and Cash Equivalents (Million TRY)

	2020		2021			Percentage Change 09/2021 - 12/2021
	December	March	June	September	December	
Cash Assets	478.6	570.8	486.8	532.2	709.4	33.30
Receivables from the Central Bank	5,206.7	5,287.1	5,734.2	6,217.8	9,185.3	47.73
Receivables from IMM Transactions	3,916.7	4,270.1	4,277.4	4,380.7	7,153.0	63.28
Receivables from Banks	5,159.7	5,666.1	5,792.0	6,177.1	7,165.5	16.00
Total	14,761.7	15,794.1	16,290.4	17,307.8	24,213.2	39.90

Source: Central Bank of TRNC

Cash and cash equivalents increased by 39.9 percent in the fourth quarter of 2021, compared to the previous quarter. From December 2020 to December 2021, there was an increase of 9,451.5 million TRY in the cash and cash equivalents. The reason for this significant increase is the fluctuating exchange rates in the last quarter.

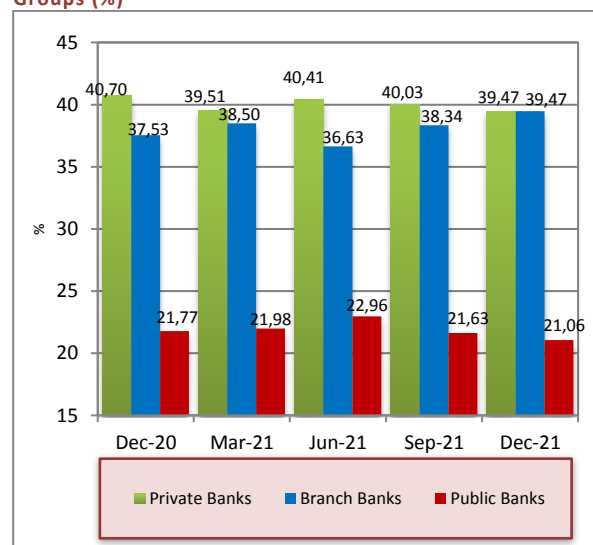
Chart 5.5: Quarterly Percentage Change of Cash and Cash Equivalents



Source: Central Bank of TRNC

In the fourth quarter of 2021, shares of private and public banks decreased, while the share of branch banks increased. In December 2020 - December 2021 period, there has been a downsizing in the private banks and public banks groups, and a growth in 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 30,433.5 million TRY as of December 2021, are in the first rank as in the previous periods. They are followed by consumer loans with a total of 7,472.4 million TRY.

During the period from December 2020 to December 2021, business loans increased from 18,868.7 million TRY to 30,433.5 million TRY, and consumer loans increased from 6,329 million TRY to 7,472.4 million TRY.

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

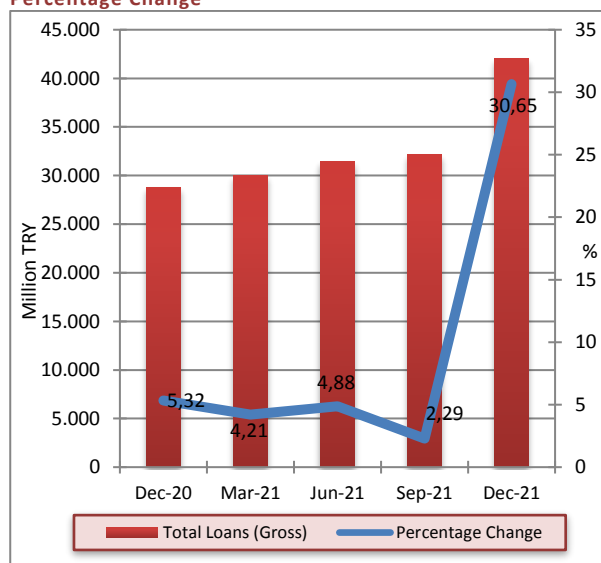
	2020	2021			
	December	March	June	September	December
Business Loans	18,868.7	19,929.9	20,909.0	21,525.5	30,433.5
Consumer Loans	6,329.0	6,512.4	6,757.2	6,651.0	7,472.4
Credit Cards	703.4	687.2	837.6	909.4	1,004.6
Discount Loans	263.3	296.3	335.1	382.0	564.5
Other Investment Loans	208.6	216.5	221.9	214.9	293.7
Import Loans	5.4	5.6	5.7	5.7	0.7
Loans of Funds Originated	24.8	27.3	28.4	28.9	38.9
Directed Loans	87.2	94.3	98.8	92.7	95.2
Export Loans	0.0	0.0	0.0	0.0	0.0
Loans Extended by Central Bank of the TRNC	5.0	5.7	0.0	3.0	4.5
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	73.4	81.8	86.2	87.8	130.4
Other Loans	633.6	578.4	639.3	711.2	382.4
Total Loans	27,202.4	28,435.4	29,919.2	30,612.1	40,420.8

Source: Central Bank of TRNC

Note: Non-performing loans are not included.

Gross loans increased by 30.65 percent in the fourth quarter of 2021, compared to the previous quarter. Between December 2020 and December 2021, there was an increase of 13,247.7 million TRY in gross loans. The reason for the increase in gross loans in the last quarter was mainly due to the changes in the exchange rates.

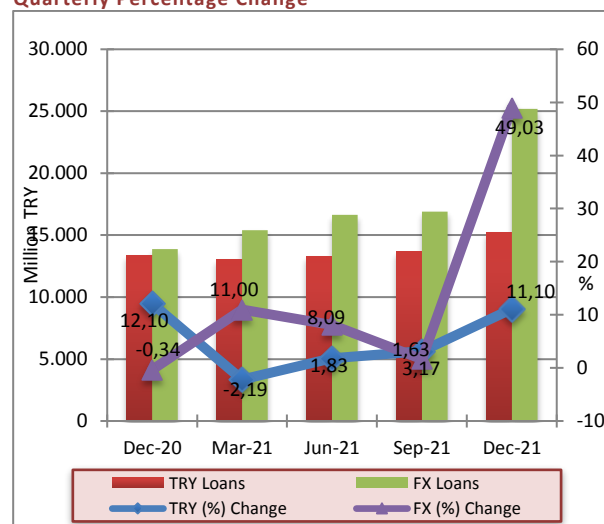
Chart 5.7: Development of Gross Loans and Quarterly Percentage Change



Source: Central Bank of TRNC

In the fourth quarter of 2021, 15,230.3 million TRY of the loans is in TRY currency and 25,190.5 million TRY is in foreign currency. In the period, there has been an increase of 11.1 percent in TRY loans and 49.03 percent in FX loans, compared to the previous quarter. The reason for this increase is mainly the increase in foreign currency loans due to the exchange rates.

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

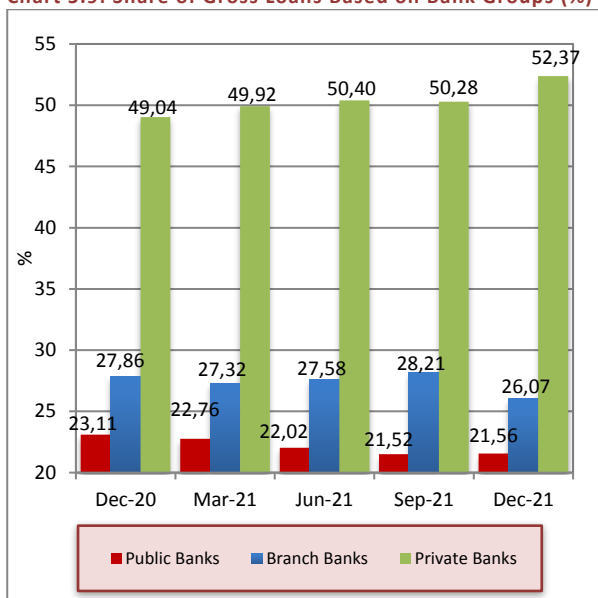


Source: Central Bank of TRNC

Note: Non-performing loans are not included.

Analysing the shares of gross loans by bank groups, the share of public banks increased from 21.52 to 21.56 percent, the share of private banks from 50.28 to 52.37 percent, while the share of branch banks decreased from 28.21 to 26.07 percent in the fourth quarter of 2021, compared to the previous quarter. During December 2020 - December 2021 period, the share of private banks in total loans increased, while the share of public banks and branch banks decreased.

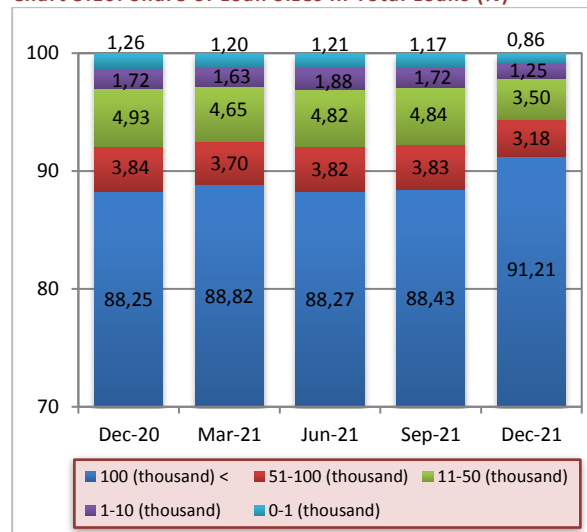
Chart 5.9: Share of Gross Loans Based on Bank Groups (%)



Source: Central Bank of TRNC

By the end of the fourth quarter of 2021, the share of loans over 100 thousand TRY in total loans has been 91.21 percent. In this period, 11-50 thousand TRY loans are in the second place in loan sizes with a share of 3.5 percent. Loans amounting to 51-100 thousand TRY and 1-10 thousand TRY constitute 3.18 and 1.25 percent of the total loans, respectively. The lowest loan use in the sector was in loans up to 1 thousand TRY with a share of 8.6 per mille.

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

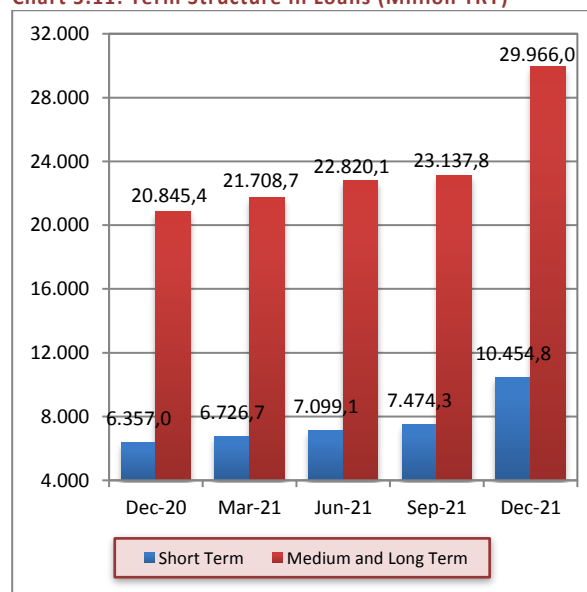


Source: Central Bank of TRNC

Note: Non-performing loans are not included.

In the fourth quarter of 2021, short-term loans increased from 7,474.3 million TRY to 10,454.8 million TRY, and medium and long-term loans increased from 23,137.8 million TRY to 29,966 million TRY. In the period of December 2020 - December 2021, short-term loans increased by 64.46 percent and medium and long-term loans increased by 43.75 percent.

Chart 5.11: Term Structure in Loans (Million TRY)



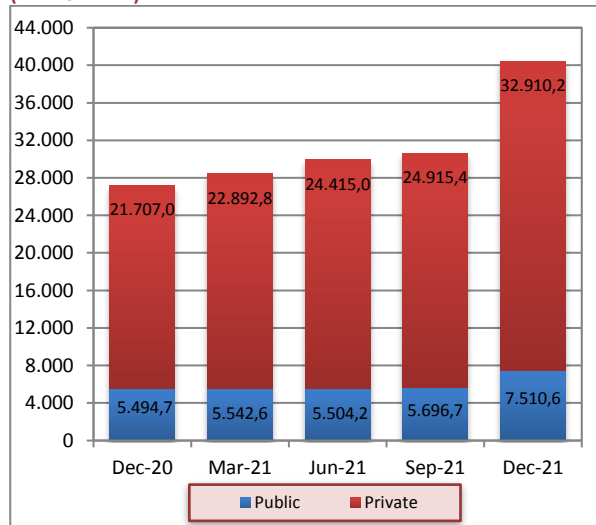
Source: Central Bank of TRNC

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

As of December 2021, 81.42 percent of the banking sector's total loans has been extended to the private sector and 18.58 percent to the public sector. Compared to the previous quarter, loans used by the public sector increased from 5,696.7 million TRY to 7,510.6 million TRY and private sector loans increased from 24,915.4 million TRY to 32,910.2 million TRY.

In December 2020 - December 2021 period, the increase rate of the loans used by the public has been 36.69 percent and the loans used by the private sector has increased by 51.61 percent.

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

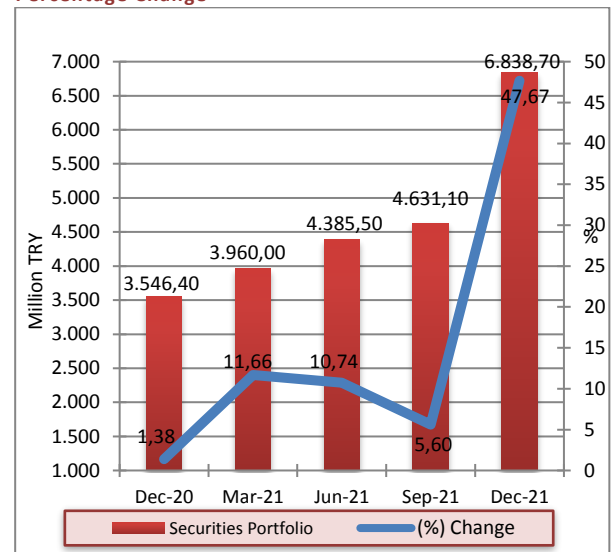


Source: Central Bank of TRNC

5.2.4 SECURITIES PORTFOLIO

Securities portfolio increased by 47.67 percent in December 2021, compared to the previous quarter and by 3,292.3 percent compared to December 2020.

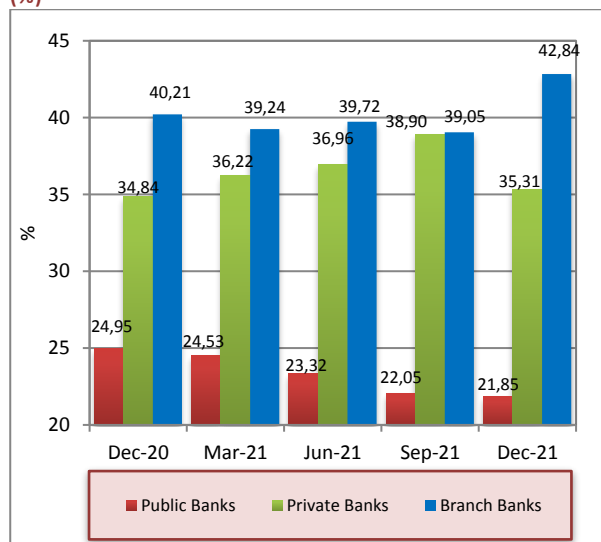
Chart 5.13: Securities Portfolio Totals and Quarterly Percentage Change



Source: Central Bank of TRNC

By the end of the fourth quarter of 2021, the share of public banks in total SP decreased from 22.05 to 21.85 percent, and the share of private banks from 38.9 to 35.31 percent, while the share of branch banks increased from 39.05 to 42.84 percent, compared to the previous quarter. During December 2020 - December 2021 period, the shares of public banks decreased, while the share of private banks and branch banks in total loans 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 35.6 percent in the fourth quarter of 2021, compared to the previous quarter. Deposits increased by 58.37 percent in one-year period and amounted to 66,179.1 million TRY at the end of December 2021.

As of the end of December 2021, it is observed that the largest share belongs to savings deposits with 47,406 million TRY as it was in the previous periods. This is followed by commercial deposits with 13,675.2 million TRY and official deposits with 3,797.4 million TRY. In December 2020 - December 2021 period, savings deposits increased by 60.95 percent, commercial deposits by 58.46 percent and official deposits by 19.24 percent.

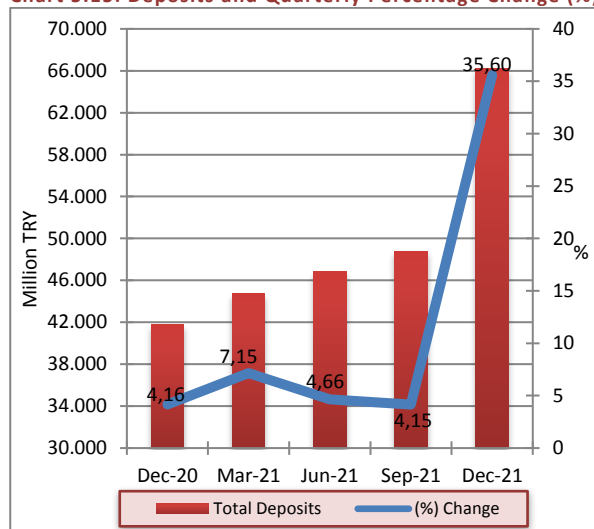
Table 5.12: Development of Deposits by Type (Million TRY)

	2020		2021		Percentage Change		
	December	March	June	September	December	09/2021 – 12/2021	12/2020 – 12/2021
Savings	29,453.4	32,055.9	33,980.6	34,919.8	47,406.0	35.76	60.95
Commercial	8,630.3	8,752.3	9,092.4	10,051.6	13,675.2	36.05	58.46
Official	3,184.6	3,162.6	2,917.8	2,821.0	3,797.4	34.61	19.24
Other	519.3	804.1	868.5	1,012.2	1,300.5	28.48	150.43
Total Deposits	41,787.6	44,774.9	46,859.3	48,804.6	66,179.1	35.60	58.37
Debts to Banks	2,531.0	2,786.7	2,894.9	2,785.5	4,253.6	52.71	68.06
Total Deposits Including Debts to Banks	44,318.6	47,561.6	49,754.2	51,590.1	70,432.7	36.52	58.92

Source: Central Bank of TRNC

In 2021, total deposits increased by 35.6 percent in the fourth quarter, compared to the previous quarter. From December 2020 through December 2021, there was an increase of 24,391.5 million TRY in deposits.

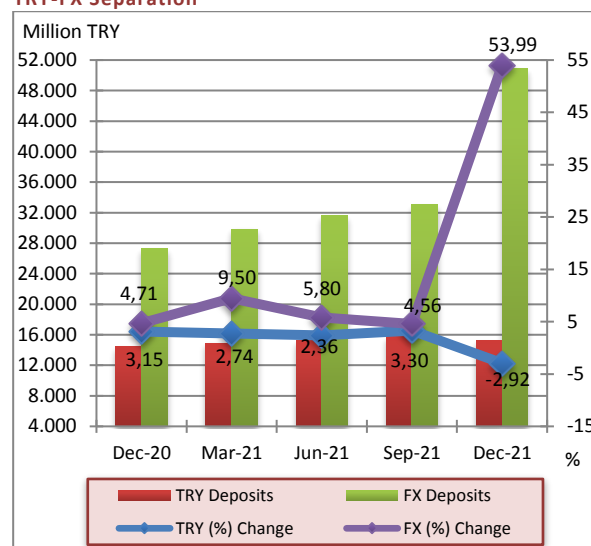
Chart 5.15: Deposits and Quarterly Percentage Change (%)



Source: Central Bank of TRNC

In the fourth quarter of 2021, it is observed that deposits amounted to 15,308.9 million TRY in Turkish Lira currency and 50,870.2 million TRY in foreign currency. In this period, TRY deposits increased by 2.92 percent and FX deposits increased by 53.99 percent, compared to the previous quarter. The increase in FX deposits is mainly due to the fluctuations in the exchange rate.

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



Source: Central Bank of TRNC

At the end of December 2021, compared to the previous quarter, TRY deposits of public banks decreased by 5.49 percent, FX deposits increased by 50.72 percent, private banks' TRY deposits decreased by 5.01 percent, FX deposits increased by 53.90 percent, TRY deposits of branch banks increased by 1.96 percent, and FX deposits by 56.63 percent.

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

	September 2021			December 2021			Percentage Change 09/2021 - 12/2021		
	TRY	FX	Total	TRY	FX	Total	TRY	FX	Total
Public Banks	5,024.3	6,540.9	11,565.2	4,748.6	9,858.2	14,606.8	-5.49	50.72	26.30
Private Banks	5,678.8	17,778.3	23,457.1	5,394.2	27,361.5	32,755.7	-5.01	53.90	39.64
Branch Banks	5,066.9	8,715.4	13,782.3	5,166.1	13,650.5	18,816.6	1.96	56.63	36.53
Total Deposits	15,770.0	33,034.6	48,804.6	15,308.9	50,870.2	66,179.1	-2.92	53.99	35.60

Source: Central Bank of TRNC

As in previous periods, the maturity concentration of the banking sector deposits belongs to 1-month deposits with a share of 49.67 percent in December 2021. 1-month deposits are followed by demand deposits with a share of 19.56 percent, 3-month deposits with a share of 16.25 percent, 1-year deposits with a share of 11.49 percent and 6-month deposits with a share of 3.02 percent.

Comparing the maturity distribution of deposits to the previous quarter, there has been an increase of 1.29 points in demand deposits and 1.58 points in 1-year deposits, while a 1.76 points decrease in 1-month deposits, and 1.1 points in 3-month deposits, and 0.02 points in 6-month deposits.

During December 2020 - December 2021 period, demand, 1-month and 1-year deposits increased by 0.99, 0.06 and 1.24 points respectively, while 3-month and 6-month deposits decreased by 1.78 and 0.52 points, respectively.

Table 5.14: Maturity Distribution of Deposits (%)

	2020		2021			Change (Points)	
	December	March	June	September	December	09/2021-12/2021	12/2020-12/2021
Demand	18.57	16.51	16.85	18.27	19.56	1.29	0.99
1-Month	49.61	52.32	51.56	51.43	49.67	-1.76	0.06
3-Month	18.03	18.02	18.18	17.35	16.25	-1.1	-1.78
6-Month	3.54	3.32	3.37	3.04	3.02	-0.02	-0.52
1-Year	10.25	9.83	10.04	9.91	11.49	1.58	1.24
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 increased from 341.8 million TRY to 359.9 million, 5-10 thousand TRY deposits increased from 391.5 million TRY to 395.3 million TRY, deposits over 100 thousand TRY from 41,983.7 to 59,445.9 million TRY, while 10-50 thousand TRY deposits decreased from 2,795.9 million TRY to

2,759 million TRY, and 50-100 thousand TRY deposits from 3,291.7 million TRY to 3,219 million TRY as of the end of December 2021, compared to the previous quarter. In the fourth quarter of 2021, the share of deposits over 100 thousand TRY was 89.83 percent, and deposits of 50-100 thousand TRY had a share of 4.86 percent.

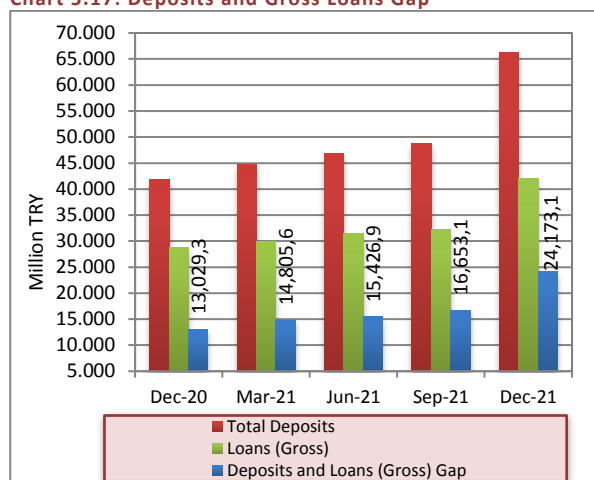
Table 5.15: Distribution of Deposits by Size (Million TRY)

	2020	2021			
	December	March	June	September	December
0-5 thousand TRY	349.9	346.4	342.0	341.8	359.9
5-10 thousand TRY	422.4	405.9	387.4	391.5	395.3
10-50 thousand TRY	2,787.5	2,732.4	2,772.7	2,795.9	2,759.0
50-100 thousand TRY	3,367.7	3,346.8	3,248.1	3,291.7	3,219.0
Over 100 thousand TRY	34,860.1	37,943.4	40,109.1	41,983.7	59,445.9
Total Deposits	41,787.6	44,774.9	46,859.3	48,804.6	66,179.1

Source: Central Bank of TRNC

Total deposits and gross loans gap, which was 16,653.1 million TRY at the end of September 2021, has increased by 7.520 million TRY and rose to 24,173.1 million TRY at the end of December 2021.

Chart 5.17: Deposits and Gross Loans Gap

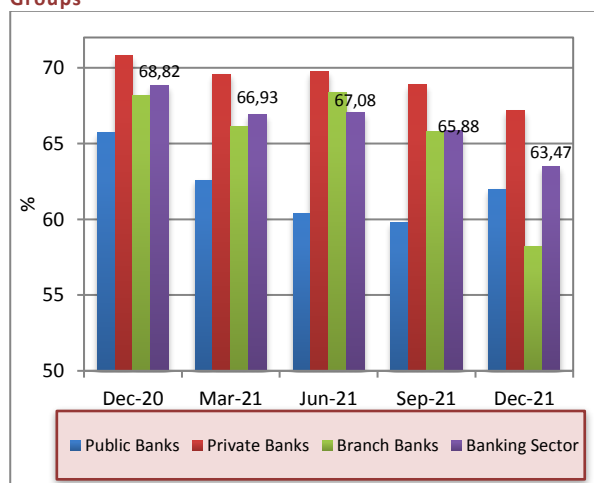


Source: Central Bank of TRNC

Loans to total deposits ratio, which is one of the indicators of the banking sector's depth and intermediary function, was 65.88 percent at the end of September 2021, afterwards, it has decreased to 63.47 percent at the end of December 2021. Loans to total deposits ratio decreased by 5.35 points in one-year period.

Examining loans to deposits ratio at the end of December 2021 on the basis of bank groups, private banks rank first with 67.17 percent. Private banks are followed by public banks with a rate of 62 percent. Branch banks have a conversion rate of 58.19 percent.

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

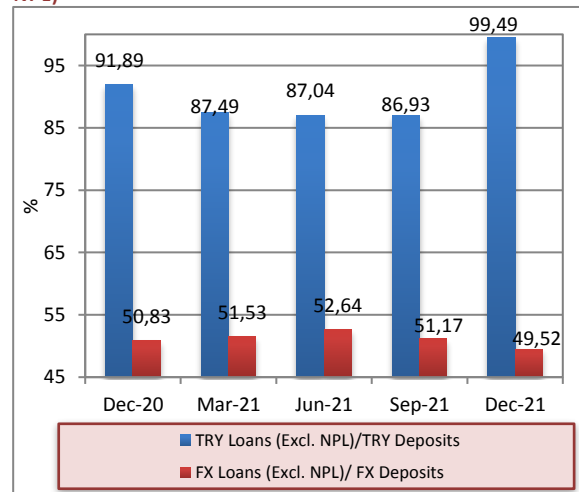


Source: Central Bank of TRNC

TRY deposits to TRY loans ratio (excluding NPL) increased from 86.93 percent to 99.49 percent as of

December 2021 compared to the previous quarter, while FX deposits to FX loans ratio (excluding NPL) decreased from 51.17 percent to 49.52 percent. TRY and FX deposits to loans ratio was 91.89 percent and 50.83 percent, respectively, in December 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 9.61 percent, compared to the previous quarter and reached 6,040.9 million TRY in the fourth quarter of 2021.

Shareholders' equity increased by 35.22 percent in December 2020 - December 2021 period. In the one-year period, the paid-in capital of the sector increased by 71.7 million TRY and reserve requirements increased by 1,303.1 million TRY.

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

	2020			2021	
	Dec.	March	June	Sept.	Dec.
Paid-in Capital	1,470.7	1,492.6	1,506.1	1,515.8	1,542.4
Legal Reserves	1,369.1	1,693.2	1,842.6	1,846.6	2,672.2
Fixed Asset Revaluation Fund	10.4	10.4	10.4	10.4	11.5
Securities Value Increment Fund	220.1	256.9	262.5	261.6	378.5
Period Profit (Loss)	671.2	301.7	639.7	1,038.7	1,436.3
Accumulated Profit (Loss)	725.9	974.5	846.7	838.1	0.0
Total	4,467.4	4,729.3	5,108.0	5,511.2	6,040.9

Source: Central Bank of TRNC

Note: Accumulated profit is calculated in the legal reserves item.

5.3 MONEY SUPPLY

Money supply classified as narrow money, M1, increased by 40.12 percent at the end of December 2021 compared to September 2021 and rose from 12,381.7 million TRY to 17,349.1 million TRY. M1 increased by 72.16 percent in one-year period.

The money supply qualified as M2, which amounted to 49,727 million TRY at the end of September 2021, increased by 34.84 percent in the fourth quarter of 2021 and reached 67,053.5 million TRY. M2 increased by 60.25 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 35.68 percent in the fourth quarter of 2021 compared to the previous quarter and rose from 52,622.7 million TRY to 71,395.9 million TRY. The increase rate of M3 is 57.61 percent, compared to the same period of the previous year.

Table 5.17: Money Supply (Million TRY)

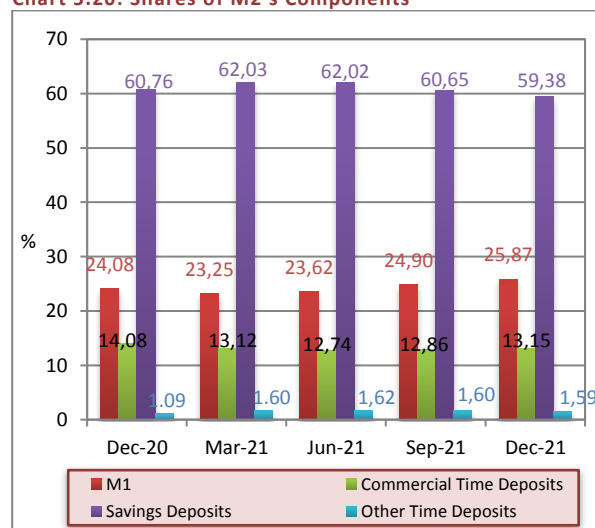
Years	Period	M1	Annual Percentage Change	M2	Annual Percentage Change	M3	Annual Percentage Change
2017	IV	4,403.3	24.24	21,181.5	24.99	22,789.8	26.63
2018	I	4,826.2	28.53	22,844.7	26.78	24,492.6	27.50
	II	5,342.4	36.75	24,489.5	31.17	26,341.2	31.27
	III	6,244.7	51.34	28,565.7	43.93	30,698.9	44.53
	IV	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	10,491.4	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
	III	12,381.7	27.32	49,727.0	22.23	52,622.7	20.18
	IV	17,349.1	72.16	67,053.5	60.25	71,395.9	57.61

Source: Central Bank of TRNC

As in previous periods, the largest share in M2 is 59.38 percent with the savings deposits as of December 2021. This is followed by M1 with a share of 25.87 percent, commercial time deposits with 13.15 percent and other time deposits with a ratio of 1.6 percent.

Savings time deposits, which constitutes the largest share of the structure of M2, decreased by 1.38 points from 60.76 percent to 59.38 percent in December 2020 - December 2021 period. In the mentioned period, M1, one of the other subcomponents of M2, increased from 24.08 percent to 25.87 percent and other time deposits from 1.09 percent to 1.59 percent, while commercial time deposits declined from 14.08 percent to 13.15 percent.

Chart 5.20: Shares of M2's Components



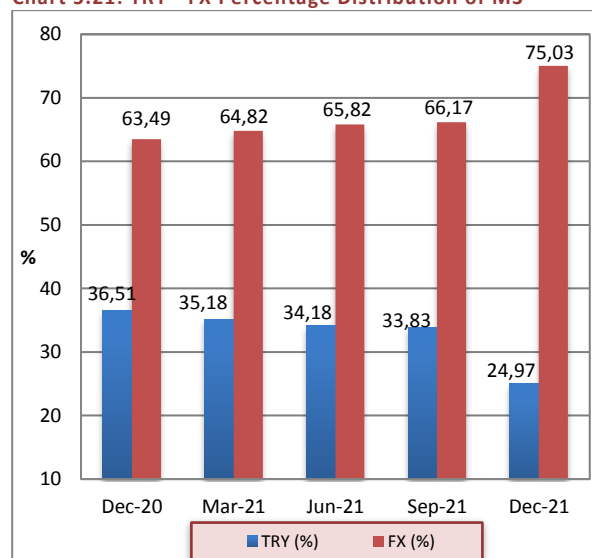
Source: Central Bank of TRNC

Analysing the TRY-FX percentage distribution of M3 as of December 2021, it is observed that the share of TRY deposits in M3 is 24.97 percent and the share of FX deposits is 75.03 percent. These shares were 36.51 percent in TRY and 63.49 percent in FX at the end of December 2020.

5.4 OVERVIEW OF INTERBANK MONEY MARKET

As of the fourth quarter of 2021, there have been 867 transactions in TRY, 701 transactions in USD, 337 transactions in EUR and 610 transactions in GBP currency. In this period, transactions of 82,604 million TRY in Turkish Lira currency, 4,801 million USD, 6,051 million EUR and 9,058 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 - 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
2021- Q3	828	60,450,950	687	4,167,750	271	5,259,700	521	7,381,725
2021- Q4	867	82,604,250	701	4,801,125	337	6,051,325	610	9,057,650

Source: Central Bank of TRNC

Looking at the volume distributions of overnight transactions made in the fourth quarter of 2021, it is observed that the shares are 99.66 percent in TRY, 99.92 percent in USD, and 100 percent in EUR and GBP.

In the same period, the share one-week transactions was 2.1 per mille in TRY and 4 per ten thousand in USD, while the share of one-month transactions was 1.2 per mille in TRY and 4 per ten thousand in USD.

Table 5.19: Transaction Volume (x 1.000)

	TRY		\$		€		£	
	Volume	Share (%)	Volume	Share (%)	Volume	Share (%)	Volume	Share (%)
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				
2021 Q3	60,450,950		4,167,750		5,259,700		7,381,725	
ON	60,343,950	99.82	4,166,450	99.97	5,259,700	100.00	7,381,725	100.00
1W	10,000	0.02						
2W								
3W								
1M	97,000	0.16	300	0.01				
3M			1,000	0.02				
2021 Q4	82,604,250		4,801,125		6,051,325		9,057,650	
ON	82,325,250	99.66	4,797,125	99.92	6,051,325	100.00	9,057,650	100.00
1W	176,000	0.21	2,000	0.04				
2W								
3W								
1M	103,000	0.12	2,000	0.04				
3M								

Source: Central Bank of TRNC

Note: ON: Overnight

W: Week

M: Month

Average interest rates for overnight transactions made in the fourth quarter of 2021 have been 14.11 percent in TRY, 0.5 percent in USD, 0.2 percent in EUR, and 0.3 percent in GBP. Average interest rates for one-week

transactions have been 17.23 percent in TRY and 2.25 percent in USD, while the rates for one-month transactions have been 18.13 percent in TRY, and 1 percent in USD.

Table 5.20: Average Interest Rates (%)

		2020		2021		
		Q4	Q1	Q2	Q3	Q4
TRY	ON	10.43	14.25	15.73	15.75	14.11
	1W	14.43	16.50	18.00	18.00	17.23
	2W					
	1M	13.28	16.80	18.50	18.58	18.13
	3M					
\$	ON	0.75	0.67	0.60	0.60	0.50
	1W					2.25
	2W					
	3W					
	1M	2.11		1.13	1.50	1.00
	3M			1.50	1.50	
	ON	0.30	0.28	0.25	0.25	0.20
€	1W	1.25				
	2W					
	3W					
	1M	0.55	0.58			
	3M					
£	ON	0.40	0.37	0.35	0.35	0.30
	1W					
	2W					
	3W					
	1M					

Source: Central Bank of TRNC

Note: 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.

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

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
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
01/10/2021 (OG 219)	2.60	3.10	1.09	1.59
01/12/2021 (OG 256)	1.50	2.00	1.09	1.59

Source: Central Bank of TRNC

5.6 NON-BANK FINANCIAL INSTITUTIONS

5.6.1 COOPERATIVES

The balance sheet dated December 31, 2020 on cooperatives operating in the country was prepared from the data of 62 audited cooperatives and their balance sheets prepared according to the supervision system.

Consolidated asset size of the insurance companies, which was 1,954.2 million TRY as of the end of 2019, increased by 21.84 percent and reached 2,380.9 million TRY at the end of 2020.

As of the end of December 2020, cash and cash equivalents increased by 35.68 percent to 1,214.5 million TRY, and gross loans increased by 10.64 percent to 1,048 million TRY, compared to the previous year. In the same period, deposits increased by 25.06 percent to 2,152.7 million TRY and other liabilities by 8.46 percent to 78.2 million TRY, while shareholders' equity decreased by 6.66 percent to 150 million TRY.

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

	2019	2020	Percentage Change
Cash and Cash Equivalents	895.1	1,214.5	35.68
Loans (Gross)	947.2	1,048.0	10.64
Other Assets	111.9	118.4	5.81
Assets/Liabilities	1,954.2	2,380.9	21.84
Deposits	1,721.4	2,152.7	25.06
Shareholders' Equity	160.7	150.0	-6.66
Other Liabilities	72.1	78.2	8.46

Source: TRNC Registrar of Cooperative Companies

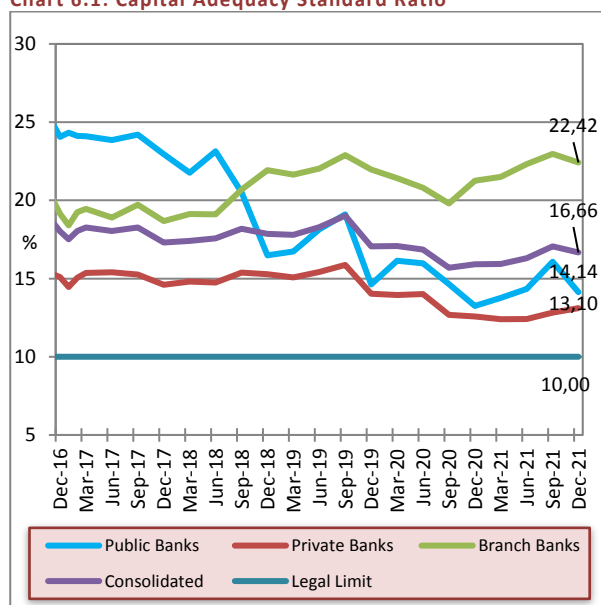
6 FINANCIAL STABILITY ANALYSIS

6.1 CAPITAL ADEQUACY

In the fourth quarter of 2021, the sector's capital adequacy standard ratio decreased by 0.39 points compared to the previous quarter and declined to 16.66 percent, above the legal limit of 10 percent.

As of December 2021, CASR based on bank groups has been 14.14 percent in public banks, 13.10 percent in private banks and 22.42 percent in branch banks. As of September 2021, these ratios were 16.07, 12.82 and 22.97 percent, respectively. Compared to the same period of the previous year, CASR increased by 0.89 points in public banks, by 0.52 points in private banks and by 1.17 points in branch banks in December 2021.

Chart 6.1: Capital Adequacy Standard Ratio



Source: Central Bank of TRNC

Comparing the risk-weighted assets at the end of December 2021 to the end of September 2021, assets with 0 percent risk weight increased by 5.6 percent, assets with 20 percent risk weight by 11.2 percent, assets with 50 percent risk weight by 3.9 percent, and assets with 100 percent risk weight increased by 9.4 percent. In the period, the total market risk and operational risk increased by 1,613.1 million TRY and reached 7,832.5 million TRY, compared to the previous period. The total market risk and operational risk of the sector increased by 2,095.4 million TRY in one-year period (December 2020 - December 2021).

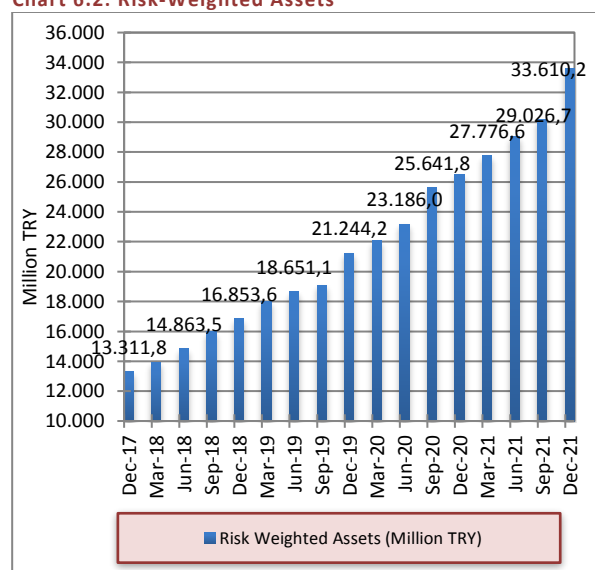
Table 6.1: Risk-Weighted Assets (Million TRY)

	Dec.20	Mar.21	Jun.21	Sept.21	Dec.21	Percentage Change (09/21-12/21)
0 %	19,681.3	21,040.7	22,765.8	24,511.5	25,879.5	5.6
20 %	8,555.1	9,336.5	9,636.0	9,419.4	10,477.4	11.2
50 %	14,099.7	15,446.9	16,138.6	16,335.7	16,964.6	3.9
100 %	11,979.5	12,234.3	12,934.1	13,896.2	15,200	9.4
Market Risk + Operational Risk	5,737.1	5,951.5	6,096.1	6,219.4	7,832.5	25.9

Source: Central Bank of TRNC

The weighted sum of risk-weighted assets, which amounted to 30,167.3 million TRY as of September 2021, increased by 3,442.9 million TRY at the end of December 2021 and reached 33,610.2 million TRY. Risk-weighted assets of the sector increased by 11.4 percent in December 2020 - December 2021 period.

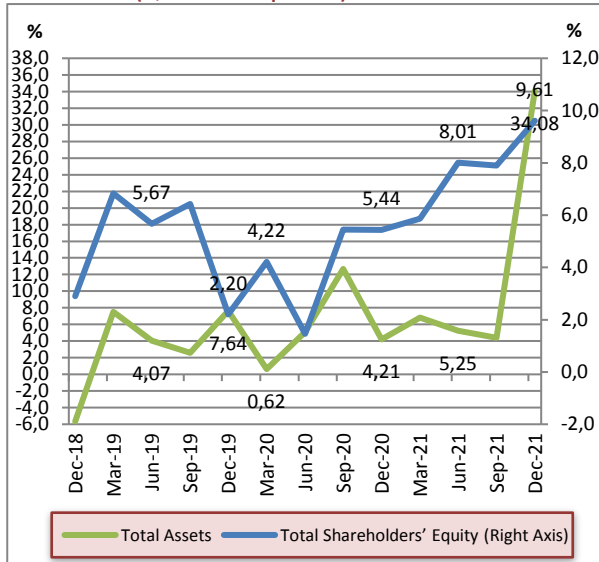
Chart 6.2: Risk-Weighted Assets



Source: Central Bank of TRNC

As of the end of December 2021, total assets increased by 34.08 percent and total shareholders' equity increased by 9.61 percent, compared to September 2020. Total assets and shareholders' equity increased by 57.39 percent and 35.22 percent, respectively, compared to the same period of the previous year.

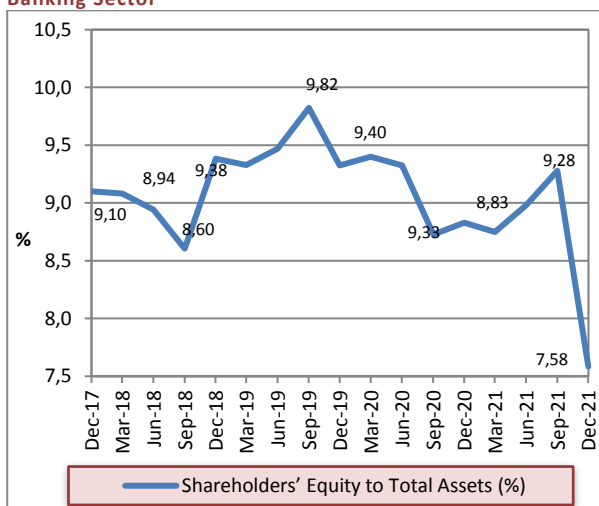
Chart 6.3: Increase Rates in Total Shareholders' Equity and Total Assets (Quarter-on-quarter)



Source: Central Bank of TRNC

The ratio of total shareholders' equity to total assets in the banking sector, which decreased in the second and third quarter of 2020, started to increase as of the end of 2020. The ratio of total shareholders' equity to total assets, which was 9.28 percent in September 2021, decreased to 7.58 percent in December 2021.

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

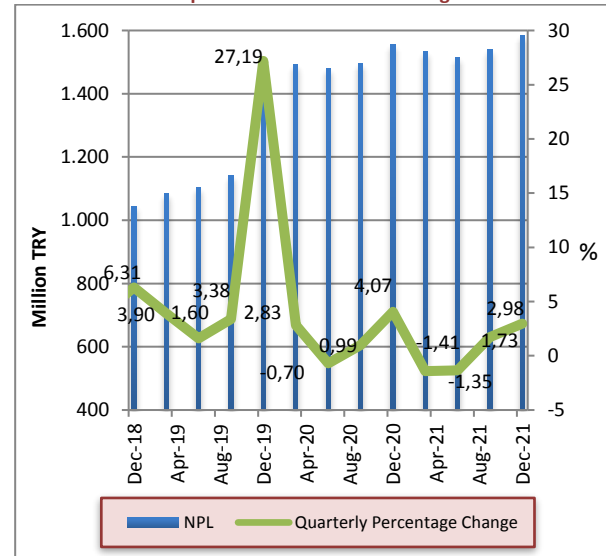


Source: Central Bank of TRNC

6.2 NON-PERFORMING LOANS

Sector's non-performing loans, which amounted to 1,539.4 million TRY as of the end of September 2021, increased by 2.98 percent and reached 1,585.2 million TRY as of the end of December 2021. Non-performing loans increased by 1.88 percent, compared to the same period of the previous year.

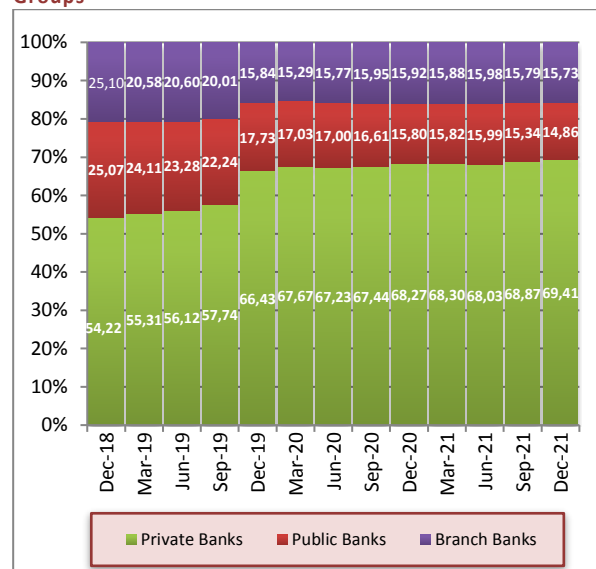
Chart 6.5: Development of Non-Performing Loans



Source: Central Bank of TRNC

As of the end of the fourth quarter of 2021, it is seen that the share of public banks and branch banks in total NPL decreased, while the share of private banks increased, compared to the previous quarter. Accordingly, in September 2021 - December 2021 period, the share of public banks in total NPL decreased from 15.34 to 14.86 percent and the share of branch banks from 15.79 to 15.73 percent, while the share of private banks increased from 68.87 to 69.41 percent. During September 2020 - December 2021 period, the share of private banks in total NPL increased from 68.27 to 69.41 percent, while the share of public banks decreased from 15.80 to 14.86 percent and the share of branch banks from 15.92 to 15.73 percent.

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



Source: Central Bank of TRNC

In the fourth quarter of 2021, total assets amounted to 79,643.02 million TRY, total gross loans amounted to 42,005.99 million TRY, non-performing loans amounted to 1,585.2 million TRY and provisions for non-performing loans amounted to 961.97 million TRY. Analysed by bank groups, as of December 2021, total assets in public banks are 17,140.04 million TRY, total gross loans are 9,056.31 million TRY, non-performing loans are 235.61 million TRY and provisions for non-performing loans are 235.07 million TRY.

In the private banks, total assets amounts to 37,248.87 million TRY, total gross loans amounts to 22,000.41 million TRY, non-performing loans amounts to 1,100.23 million TRY and provisions for non-performing loans amounts to 527.37 million TRY. Branch banks have total assets of 25,254.12 million TRY, total gross loans of 10,949.27 million TRY, non-performing loans of 249.31 million TRY and provisions for non-performing loans of 199.53 million TRY.

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

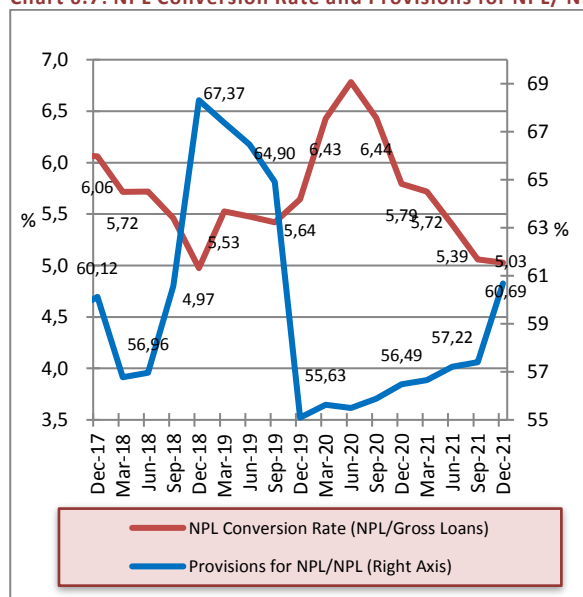
	Total Assets			Total Gross Loans			NPL			Provisions for NPL		
	Jun.21	Sept.21	Dec.21	Jun.21	Sept.21	Dec.21	Jun.21	Sept.21	Dec.21	Jun.21	Sept.21	Dec.21
Public Banks	12,937.63	13,256.14	17,140.04	6,922.05	6,917.50	9,056.31	242.02	236.14	235.61	218.32	224.14	235.07
Private Banks	26,395.07	27,304.15	37,248.87	15,840.36	16,164.47	22,000.41	1,029.4	1,060.23	1,100.23	454.44	464.23	527.37
Branch Banks	17,559.60	18,839.33	25,254.12	8,669.95	9,069.55	10,949.27	241.80	243.03	249.31	193.03	195.19	199.53
Total	56,892.30	59,399.62	79,643.03	31,432.36	32,151.53	42,005.99	1,513.2	1,539.40	1,585.15	865.79	883.56	961.97

Source: Central Bank of TRNC

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 2021 and reached 5.39 percent in the first quarter, 5.06 percent in the second quarter, 5.03 percent in the third quarter and 3.92 percent in the last quarter.

In 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, then to 57.4 percent with an increase of 0.18 points. Continuing to climb in December 2021, the ratio of provisions for NPL to total NPL has reached 60.69 percent.

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

The sector's return on assets, which was 2.22 percent at the end of September 2021, increased to 2.41 percent, return on equity, which was 24.65 percent, increased to 27.59 percent and the net interest margin increased from 3.76 percent to 3.82 percent in at the end of September 2021. From December 2020 to December 2021, the return on assets of the sector increased from 1.47 percent to 2.41 percent, the return on equity from 16.32 percent to 27.59 percent, and the net interest margin from 3.3 percent to 3.82 percent.

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

Description	2020	2021			
	Dec.	Mar.	Jun.	Sept.	Dec.
Return on Assets ¹	1.47	1.64	1.91	2.22	2.41
Return on Equity ²	16.32	18.35	21.57	24.65	27.59
Net Interest Margin ³	3.3	3.48	3.62	3.76	3.82

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
Credit Cards Monthly Maximum Contractual and Default Interest Rates Change			01.10.2021	219
Turkish Lira Deposit and Reserve Requirement Accounts Interest Rates and Turkish Lira Rediscount, Discount and Advance Interest Rate Change	27.10.2021	1233	27.10.2021	237
Credit Cards Monthly Maximum Contractual and Default Interest Rates Change			24.11.2021	256
Consumer Loans Law - Notification on the Consumer Loans (Amendment)	25.11.2021	1243	29.11.2021	261
Notification on the Risks Undertaken (Amendment)	25.11.2021	1243	29.11.2021	261
Amendment to the Executive Board Decision Regarding Reserve Requirements	25.11.2021	1244	29.11.2021	261

Table A.2: Economic Decisions - Legislative Regulations

Title	Law/Draft Law/Bill		Official Gazette	
	Date	Number	Date	Number
Statutory Decrees				
Statutory Decree on Fixing the Exchange Rate Applied to Foreign Currency Rental Fees and Regulation of Foreign Currency Rental Income Withholding	24.11.2021	F.S.(K-I)160-2021	25.11.2021	257
Statutory Decree on Regulation of Fixing the Exchange Rate in Rent Payments for the Period of 01 December 2021 - 28 February 2022 for Contracts Made in Foreign Currency by the Government Real Estate and Supply Office	24.11.2021	F.S.(K-I)162-2021	25.11.2021	257
Statutory Decree Amending the Statutory Decree on Debt Restructuring	16.12.2021	F.S.(K-I)184-2021	27.12.2021	281
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	28.12.2021	F.S.(K-I)239-2021	28.12.2021	282
Regulations				
Law on Customs Duty Tariff - Regulation on Customs Duty Tariff (Exemption) (Amendment)	05.10.2021	E.S.(K-I)1500-2021	08.10.2021	225
Regulation on Promoting Local Labour Employment (Amendment No. 7)	19.11.2021	F.S.(K-I)75-2021	25.11.2021	257
Regulation on 2001 Petroleum Products Pricing Principles (Amendment)	03.12.2021	F.S.(K-I)172-2021	03.12.2021	265
Regulation on Value Added Tax Rates (Amendment)	22.12.2021	F.S.(K-I)229-2021	23.12.2021	277
Draft Laws				
Draft Law on Income Tax (Amendment)			26.11.2021	258

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
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
30 Sept. 2021	18,683,218,651	506,410,606	100,276,879	19,289,906,136	812,450,006	6,265,750,775	3,467,399,688	8,744,305,667	19,289,906,136
31 Dec. 2021	28,446,896,103	507,900,695	298,614,296	29,253,411,094	869,658,488	9,721,281,482	4,920,454,350	13,742,016,774	29,253,411,094

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
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
30 Sept. 2021	1,275,430,723	11,245,022	3,293,202,704	8,845,074,138	2,901,848	5,255,364,216	18,683,218,651
31 Dec. 2021	1,476,626,284	19,164,666	4,333,706,334	14,252,288,123	1,759,608	8,363,351,088	28,446,896,103

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
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							5,703,310	5,703,310
30 Jun. 2021								-
30 Sept. 2021							3,050,939	3,050,939
31 Dec. 2021							4,477,238	4,477,238

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	
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
30 Sept. 2021	171,032,010	65,562,055	316,251,507	5,489,398,381	779,590,602	2,687,809,086	1,008,384	222,498,438	9,733,150,463
31 Dec. 2021	437,260,828	130,405,212	538,918,736	8,286,203,149	843,990,800	4,076,463,550	1,660,347	326,883,210	14,641,735,832

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	8.4139	8.4290	10.0084	10.0264	11.7308	11.7920
	8	8.3753	8.3903	9.8494	9.8671	11.4631	11.5228
	9	8.8433	8.8592	10.3135	10.3321	11.9292	11.9914
	10	9.4813	9.4984	10.9980	11.0179	13.0023	13.0701
	11	12.6595	12.6823	14.2793	14.3050	16.8587	16.9466
	12	12.9775	13.0009	14.6823	14.7088	17.4530	17.5440

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	1.3966	1.1895
	8	1.3710	1.1760
	9	1.3513	1.1663
	10	1.3737	1.1600
	11	1.3340	1.1280
	12	1.3472	1.1314

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	\$	€	£				
	Demand	Demand	Demand	Demand	Date	No.	Date	No.
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
28.10.2021	12.75	0.40	0.15	0.20	27.10.2021	1233	27.10.2021	237

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
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
28.10.2021	6.0	0.20	0.05	0.10	27.10.2021	1233	27.10.2021	237

Source: Central Bank of TRNC

Table B.9: Rediscount Interest Rates (%)

Currency																	
Effective Date	TRY					\$				€				£			
	Trad.	Ind. Tourism Agri. Edu.	Exp.	SB	Advances Against FX	Trad.	Ind. Tourism Edu.	Exp.	Advances Against FX	Trad.	Ind. Tourism Edu.	Exp.	Advances Against FX	Trad.	Ind. Tourism Edu.	Exp.	Advances Against FX
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
28.10.21	19.00	16.25	16.25	15.25	16.00	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	102	775
	8	129	904
	9	133	1,037
	10	107	1,144
	11	115	1,259
	12	97	1,356

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
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
30 Sept. 2021	17,307.8	4,631.1	3,492.7	32,151.5	-883.6	2,700.1	59,399.6	48,804.6	5,083.8	5,511.2	59,399.6
31 Dec. 2021	24,213.2	6,838.7	4,955.2	42,006.0	-962.0	2,591.9	79,643.0	66,179.1	7,423.0	6,040.9	79,643.0

Source: Central Bank of TRNC

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

Date	Discount Loans	Export Loans	Import Loans	Export Guaranteed Investment Loans	Other Investment Loans	Business Loans	Directed Loans	Loans of Funds Originated	Consumer Loans	Credit Cards	Loans to Purchase Security for Customers	Loans Extended by Central Bank of the TRNC	Loans Extended Through Central Bank of the TRNC	Other Loans	Total
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
30 Sept. 2021	381.9	0.0	5.7	87.8	214.9	21,525.5	92.8	28.9	6,650.9	909.4	0.0	3.1	0.0	711.2	30,612.1
31 Dec. 2021	564.5	0.0	0.7	130.4	293.7	30,433.5	95.2	38.9	7,472.4	1,004.6	0.0	4.5	0.0	382.4	40,420.8

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
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
30 Sept. 2021	239.5	0.0	0.0	0.0	22.8	8,181.4	92.8	3.7	3,884.7	904.9	0.0	0.0	0.0	379.0	13,708.8
31 Dec. 2021	296.4	0.0	0.0	0.0	22.4	9,568.8	95.2	3.7	3,987.3	1,000.1	0.0	0.0	0.0	256.4	15,230.3

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
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
30 Sept. 2021	142.5	0.0	5.6	87.8	192.0	13,344.1	0.0	25.2	2,766.3	4.5	0.0	3.1	0.0	332.2	16,903.3
31 Dec. 2021	268.1	0.0	0.6	130.4	271.2	20,864.7	0.0	35.2	3,485.1	4.6	0.0	4.5	0.0	126.1	25,190.5

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
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
30 Sept. 2021	7,474.2	5.28	23,137.9	1.39	30,612.1	2.32
31 Dec. 2021	10,454.8	39.88	29,966.0	29.51	40,420.8	32.04

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
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
30 Sept. 2021	5,696.7	3.50	24,915.4	2.05	30,612.1	2.32
31 Dec. 2021	7,510.6	31.84	32,910.2	32.09	40,420.8	32.04

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
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
30 Sept. 2021	27,071.5	1,172.0	1,481.9	528.0	358.7	30,612.1
31 Dec. 2021	36,866.2	1,284.9	1,414.9	506.8	348.0	40,420.8

Source: Central Bank of TRNC

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

Date	Paid-in Capital	Legal Reserves	Fixed Asset Rev. Fund	Securities Value Increment Fund	Period Profit (Loss)	Accumulated Profit (Loss)	Total
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
30 Sept. 2021	1,515.8	1,846.6	10.4	261.6	1,038.7	838.1	5,511.2
31 Dec. 2021	1,542.4	2,672.2	11.5	378.5	1,436.3	0.00	6,040.9

Source: Central Bank of TRNC

Table B.20: Capital Adequacy Ratio (%)

Date	Public Banks	Private Banks	Branch Banks	Banking Sector	Legal Limit
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
30 Sept. 2021	16,07	12,82	22,97	17,05	10,00
31 Dec. 2021	14,14	13,10	22,42	16,66	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
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
30 Sept. 2021	3,707.8	2,052.4	599.0	960.5	1,038.7
31 Dec. 2021	5,271.7	2,864.1	894.0	1,411.5	1,436.3

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
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
30 Sept. 2021	8,914.9	25,099.8	8,467.0	1,481.6	4,841.3	48,804.6
31 Dec. 2021	12,946.1	32,873.1	10,756.5	1,998.1	7,605.3	66,179.1

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
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
30 Sept. 2021	2,442.9	9,362.6	3,387.2	343.2	234.1	15,770.0
31 Dec. 2021	2,532.0	9,273.2	2,916.9	335.0	251.8	15,308.9

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
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
30 Sept. 2021	6,472.1	15,737.1	5,079.8	1,138.3	4,607.3	33,034.6
31 Dec. 2021	10,414.2	23,599.9	7,839.6	1,663.0	7,353.5	50,870.2

Source: Central Bank of TRNC

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

Date	Official	Commercial	Savings	Other	Banks	Total
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
30 Sept. 2021	2,821.0	10,051.6	34,919.8	1,012.2	2,785.5	51,590.1
31 Dec. 2021	3,797.4	13,675.2	47,406.0	1,300.5	4,253.6	70,432.7

Source: Central Bank of TRNC

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

Date	Official	Commercial	Savings	Other	Banks	Total
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
30 Sept. 2021	1,858.3	3,002.1	10,405.1	504.5	193.0	15,963.0
31 Dec. 2021	2,440.1	2,665.2	9,645.0	558.7	739.4	16,048.4

Source: Central Bank of TRNC

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

Date	Official	Commercial	Savings	Other	Banks	Total
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
30 Sept. 2021	962.6	7,049.6	24,514.7	507.7	2,592.5	35,627.1
31 Dec. 2021	1,357.3	11,010.0	37,761.0	741.9	3,514.1	54,384.3

Source: Central Bank of TRNC

Table B.28: Money Supply (Million TRY)

Year	Quarter	M1	Percentage Change Compared to the Same Period of Previous Year	M2	Percentage Change Compared to the Same Period of Previous Year	M3	Percentage 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
	III	12,381.7	27.32	49,727.0	22.23	52,622.7	20.18
	IV	17,349.1	72.16	67,053.5	60.25	71,396.0	57.61

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	21,407.5	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	3,048.6	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	70,606.2	
GNP per capita (USD)	15,301.6	15,109	13,721	13,902	14,187	13,277	12,649	10,055	13.367,3 ^(T)
Inflation Rate (%)	10.2	6.5	7.8	10.2	14.7	29.9	11.6	15.0	46.1
Exports (Million USD) (1)	120.7	134.0	118.1	105.5	105.6	100.9	82.5	101.1	106.8*
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	1,250.8*
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	-1,144*
Exports / Imports (%)	7.1	7.5	7.9	6.9	5.9	5.6	5.2	8.3	8.5*
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	552,312
a) Turkey	923,308	1,020,577	1,110,795	1,218,232	1,324,248	1,359,420	1,358,465	307,717	438,700
b) Other	309,445	345,430	372,449	358,841	410,082	400,205	391,514	81,120	113,612
Net Tourism Income (Million USD)	613.4	691.6	697.7	714.4	864.9	912.4	954.5	165.4	1.066,0 ^(T)
Employment	97,867	103,149	112,811	118,387	120,999	132,411	138,438	132,885	148.872 ^(T)
Number of Unemployed	8,929	9,320	9,043	8,075	7,452	9,872	9,317	14,950	9.101 ^(T)
Unemployment Rate (%)	8.4	8.3	7.4	6.4	5.8	6.9	6.3	10.1	5,8 ^(T)
Non-institutional Population (2)	277,031	289,252	299,514	307,255	314,169	347,340	357,216	359,108	299.599 ^(T)
Population (Projection) (3)	306,368	320,884	331,432	339,478	351,965	372,486	382,230	382,836	n.a.
Annual Population Growth (%)	3.3	3.8	3.9	2.4	3.7	5.8	2.6	1.6	n.a.

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

^(T) Target

* January-September 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 2012-2020 projection data prepared using the census data conducted in 2011. 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	2021 ⁽⁷⁾
1. Agriculture	330.3	366.4	386.5	405.0	489.3	552.5	647.6	658.8	1,139.4	1,171.2	1,279.8	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	2,064.4	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	2,054.6	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	2,746.6	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	1,370.7	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	1,685.6	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	1,356.9	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	2,755.2	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	4,146.0	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	1,947.7	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	21,407.5	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	17.1	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	21,424.6	28,789.2

Source: SPO, TRNC Statistical Institute

⁽⁷⁾ Target

Table B.32: Percentage Distribution of Gross Domestic Product

Sectors	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	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	9.6	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	1.3	-
2.2. Manufacturing Industry	2.3	2.5	2.8	2.9	3.1	3.7	3.7	3.3	3.0	2.8	2.5	-
2.3. Electricity-Water	6.9	5.3	5.1	4.8	5.1	4.8	4.8	5.5	4.4	4.1	5.8	-
3. Construction	5.6	6.3	4.8	4.9	4.2	4.7	4.4	5.8	5.9	5.8	9.6	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	12.8	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	10.3	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	2.5	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	6.4	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	7.9	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	6.3	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	12.9	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	19.4	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	9.1	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	2021 ^(T)
1. Agriculture	10.0	10.8	3.7	-1.6	4.8	14.5	-7.3	4.9	2.6	2.7	1.8	-5.5
2. Industry	-0.2	3.4	-0.7	1.7	8.5	19.5	7.3	4.4	-12.4	-14.7	-15	2.2
3. Construction	3.8	3.3	-16.0	-0.3	-4.5	6.5	5.7	10.6	7.6	3.9	-25.6	6.0
4. Trade-Tourism	18.3	6.0	6.1	1.4	8.5	-0.8	4.8	9.0	0.4	-2.7	-35.6	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	-16.6	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	0.5	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	3.6	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	-16.0	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	-1.5	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	-16.4	3.5
11. GDP	3.7	3.9	1.8	1.1	4.8	4.0	3.6	5.4	1.3	0.2	-16.2	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	4.4	2.6
GNP	3.6	4.0	0.5	1.3	4.9	4.1	3.8	5.5	1.3	0.2	-16.2	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	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	-379.3	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	639.2	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	-591.9	-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	332.0	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	11.26
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	14.09
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	16.46
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	20.23
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	26.86
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	46.09

Source: SPO, TRNC Statistical Institute

Table B.37: TRNC and TR Inflation Rates

Years	TRNC	TR	Years	TRNC	TR	Years	TRNC	TR
1984	70.7	49.7	1998	66.5	69.7	2012	3.60	6.16
1985	43.0	44.2	1999	55.3	68.8	2013	10.22	7.40
1986	48.1	30.7	2000	53.2	39.0	2014	6.49	8.17
1987	43.0	55.1	2001	76.8	68.5	2015	7.78	8.81
1988	62.6	77.1	2002	24.5	29.8	2016	10.19	8.53
1989	51.8	64.3	2003	12.6	18.4	2017	14.68	11.92
1990	69.4	60.4	2004	11.6	9.3	2018	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	46.09	36.08
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

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

Change Rates of Main Goods and Services Groups Compared to the Previous Month												
Main Groups	2021											
	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	0.71	1.30	0.30	0.49	1.45	3.41
2. Alcoholic Beverages and Tobacco	0.17	1.33	0.05	0.35	0.67	1.24	0.11	0.01	0.00	0.01	0.06	0.29
3. Clothing and Shoes	0.61	-6.64	-4.79	6.67	12.09	0.91	0.01	-0.05	-0.05	0.38	0.35	0.28
4. Housing, Water, Electricity, Gas and Other Fuels	-0.59	-0.44	2.96	1.41	0.70	1.36	-0.01	0.02	0.27	0.37	0.68	1.39
5. Furniture, Home Appliances and Home Maintenance Services	6.56	-0.15	1.78	1.58	0.41	5.96	0.23	0.03	0.09	0.41	0.21	1.00
6. Health	0.40	3.74	1.92	1.10	3.50	4.64	0.09	0.05	0.03	0.13	0.12	0.30
7. Transportation	-0.75	-1.37	2.03	3.46	3.42	7.68	1.03	0.16	-0.02	0.93	1.60	3.79
8. Communication	0.16	-0.02	0.70	0.82	0.84	1.39	0.02	0.11	0.02	0.13	0.31	0.85
9. Entertainment and Culture	-0.61	-0.09	0.64	1.38	0.29	0.76	0.02	0.08	0.09	0.11	0.22	1.25
10. Education	-1.07	-1.08	1.10	1.99	0.82	0.95	-0.01	-0.04	1.06	0.13	0.20	0.85
11. Restaurants and Hotels	-0.13	-0.54	1.83	1.68	2.89	8.00	-0.01	0.86	0.21	-0.04	0.04	1.39
12. Miscellaneous Goods and Services	2.52	-0.65	1.44	1.36	2.06	0.37	0.04	0.01	0.08	0.18	0.28	0.36
General	0.48	-0.02	1.39	1.94	1.62	3.14	2.23	2.54	2.08	3.23	5.52	15.16

Source: SPO, TRNC Statistical Institute

Table B.39: Minimum Wage

Years	Minimum Wage (TRY)	Effective Date
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	960	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
2021	4,970	01.09.2021

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	98 Octane			
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
22.06.2021	6.96	7.09	6.52	-	6.37
13.07.2021	7.45	7.60	6.91	-	6.67
24.08.2021	7.35	7.50	6.81	-	6.57
06.10.2021	7.84	7.99	7.30	-	7.27
28.10.2021	8.80	8.96	8.44	-	8.39
18.11.2021	9.17	9.30	8.78	-	8.75
07.12.2021	10.37	10.58	10.09	-	9.99

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-September)	54,089,784	1,590,990	5,858,110	26,168,254	19,062,422	106,769,560

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-September)	821,832,381	144,146,804	101,412,957	27,967,041	124,269,755	31,181,370	1,250,810,308

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	575,044	51,815	11,189	103	638,151

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	89,376	9,951	119,204	3,628	57,318	60,320	265,898
August	38,557	90,922	13,979	142,201	4,675	63,570	57,211	296,693
September	58,787	118,394	14,461	138,218	6,135	67,400	79,383	324,012
October	59,505	139,919	15,596	177,506	7,467	102,357	82,568	419,782
November	53,330	120,665	10,412	167,748	6,842	86,390	70,584	374,803
December	32,104	106,657	5,469	182,064	3,967	77,806	41,540	366,527
Total	698,670	913,109	504,390	1,023,961	311,946	503,842	1,515,006	2,440,912

Source: Tourism Planning Department

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

Countries	2014	2015	2016	2017	2018	2019	2020	2021
Turkey	529,908	588,045	621,819	710,889	776,428	773,936	154,686	265,911
TRNC	49,598	52,335	53,224	55,613	49,344	50,560	42,410	64,329
Other	224,881	235,661	249,079	348,471	317,434	336,184	68,229	71,276
Grand Total	804,387	876,041	924,122	1,114,973	1,143,206	1,160,680	265,325	401,516

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

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