



Central Bank of TRNC Annual Report - 2024

According to the Law on the Central Bank of TRNC No. 41/2001, the objective of the Bank is,

“To implement the monetary-credit policies, to regulate and supervise the banking system in accordance with the objectives, development plans and annual programs of the Central Bank, in order to support economic development,”

“To prevent all sorts of transactions and applications that might jeopardize the rights of the depositors and the regularly and secure operating of the banks, and that might create significant damages to the economy, also, to make and implement all the necessary decisions and measures designed to ensure the effective operating of the loan system,”

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INDEX

FOREWORD	vi
1. ORGANIZATION AND ADMINISTRATION	2
1.1 Organization Chart	2
1.2 Corporate Governance	3
1.3 Head Office and Head Branch	8
2. RESOURCES	19
2.1 Human Resources	19
2.2 Financial Resources	22
2.3 Technical Resources	24
3. ACTIVITIES	27
3.1 Monetary Policy Instruments	27
3.2 Regulatory Activities	33
3.3 Permissions and Implementation Activities	34
3.4 Assembly Activities	35
3.5 Audit Activities	36
3.6 Payment Systems	40
3.7 Cash Flows	41
3.8 Money Transfers	42
3.9 Reserve Management	43
3.10 Public Treasurership and Debt Management	44
3.11 Risk Center	46
3.12 Accountability and Communication	47
3.13 Corporate Services	49
3.14 Other	51
4. FINANCIAL TABLES	54
4.1 Balance Sheet - Asset Accounts	54
4.2 Balance Sheet - Liability Accounts	57
4.3 Profit and Loss Statement	59
4.4 Profit Distribution - 2024	61
5. TABLES	63

CHARTS

Chart 2.1 Percentage Distribution of Personnel by Class of Service.....	20
Chart 2.2 Percentage Distribution of Personnel by Level of Education.....	21
Chart 2.3 Consolidated Budget Expenditures	23
Chart 2.4 Budget Implementation Results	24

TABLES

Table 2.1 Number of Personnel Participating in Training Programs.....	22
Table 3.1 Rediscount Interest Rates.....	28
Table 3.2 Bank Liquidity Requirement Ratios	29
Table 3.3 Reserve Requirement Ratios	29
Table 3.4 Reserve Requirement Balances	30
Table 3.5 TRY Reserve Requirements	30
Table 3.6 Interest Rates Applied to Reserve Requirements for Turkish Lira and Foreign Currency Deposits.....	31
Table 3.7 Interest Rates Applied to Turkish Lira and Foreign Currency Deposits.....	31
Table 3.8 Outstanding Central Bank Bonds as of 31.12.2023	32
Table 3.9 Interbank Money Market Transactions.....	32
Table 3.10 Electronic Payment System Transactions.....	41
Table 3.11 Collection – Payment Totals.....	42
Table 3.12 Money Transfers on Behalf of Banks.....	43
Table 3.13 Real-Time Risk Center Inquiries by Type.....	46
Table 3.14 Central Bank of the TRNC - Publications	47
Table 3.15 Prescribed Deposits	51
Table 3.16 Credit Card Interest Rates (%)	52
Table 4.1 Balance Sheet.....	54
Table 4.2 Cash and Cash Equivalents.....	55
Table 4.3 Loans.....	55
Table 4.4 Fixed Assets.....	56
Table 4.5 Other Assets	56
Table 4.6 Bank Deposits.....	57
Table 4.7 Money Market Operations	57
Table 4.8 Funds.....	58
Table 4.9 Equity	59
Table 4.10 Profit/Loss	60
Table 4.11 Profit Distribution.....	61

ABBREVIATIONS

EU	European Union
USA	United States of America
OMO	Open Market Operations
ATM	Automated Teller Machine/Cash Dispenser
BoE	Bank of England
BRSA	Banking Regulation and Supervision Agency
IMM	Interbank Money Market
IT	Information Technologies
SPO	State Planning Organization
EPS	Electronic Payment Systems
e-signature	Electronic Signature
IEPS	Institutional Electronic Payment System
LISF	Loan Interest Support Fund
CGF	Credit Guarantee Fund
Bank	Central Bank of the TRNC
SP	Securities Portfolio
RRD	Reserve Ratio on Deposits
RTGS	Real Time Gross Settlement
CMBT	Capital Markets Board of Türkiye
NPL	Non-Performing Loans
CCA	Common Chart of Accounts
TRY	Turkish Lira
SDIFS/Fund	Savings Deposit Insurance and Financial Stability Fund
URP	Uniform Reporting Package
IBU	International Banking Units
FX	Foreign Exchange
\$/Dollar	USD
€/EUR	Euro
£/GBP	Pound Sterling

DEFINITIONS

Fixed Assets:	Movables + Immovables
Cash and Cash Equivalents:	Cash + Gold + Securities Portfolio + Bank Deposits + Foreign Correspondents
Reserve Ratio on Deposits	Reserve Requirements

FOREWORD

In 2024, the Central Bank continued its efforts to harmonize the legislation on the TRNC banking sector with the international standards, use the policy instruments in a way to help our country's economic development and protect the rights and interests of depositors.

The Electronic Payment System (EPS), which was established and operated by the Bank in order to enable direct, fast and secure electronic money transfers from accounts held with banks to accounts held with other domestic banks, was restructured in 2024 to provide uninterrupted service 24/7. Thus, bank customers are now able to make money transfers outside working hours and on holidays. Additionally, to support the reduction of cash usage and the processing of payments through bank accounts, the Bank has set an upper limit on the fees banks may charge their customers for money transfers made through the EPS.

The practice of providing financing from legal reserves in order to extend low-interest loans to the areas envisaged to be supported continued in 2024. The “My First Home Housing Loan Package II” and “Agricultural Mechanization Loan Package” implemented by the Bank. Within this framework, loans amounting to 400 million TRY were extended under the “My First Home Housing Loan Package II”, and loans totaling 68 million TRY were extended under the “Agricultural Mechanization Loan Package”.

The Organization Law of the Central Bank of the TRNC specifies a total of 393 positions, including the Governor and Deputy Governors. As of the end of 2024, the number of personnel employed on a permanent basis was 112. Including 2 permanent personnel and 10 temporary personnel employed under the Law on the Protection, Rehabilitation, and Employment of Persons with Disabilities, the total number of personnel increased from 117 in 2023 to 124 in 2024. In 2024, 4 employees retired, and 11 new employees were hired, comprising 4 permanent and 7 temporary staff.

In 2024, within the scope of training activities, a total of 49 employees participated in online, in-person, and domestic training programs.

As of the end of 2024, the total assets of the Bank balance sheet increased by 42.9 percent compared to the previous year, rising to 153,449.7 million TRY. Cash assets, receivables from banks, and securities portfolios, which constituted 95.7 percent of the Bank's total assets in 2023, constituted 93.2 percent of total assets at the end of 2024. In 2024, the Bank's profit increased by 29.5 percent compared to the previous year and amounted to 6,850.9 million TRY.

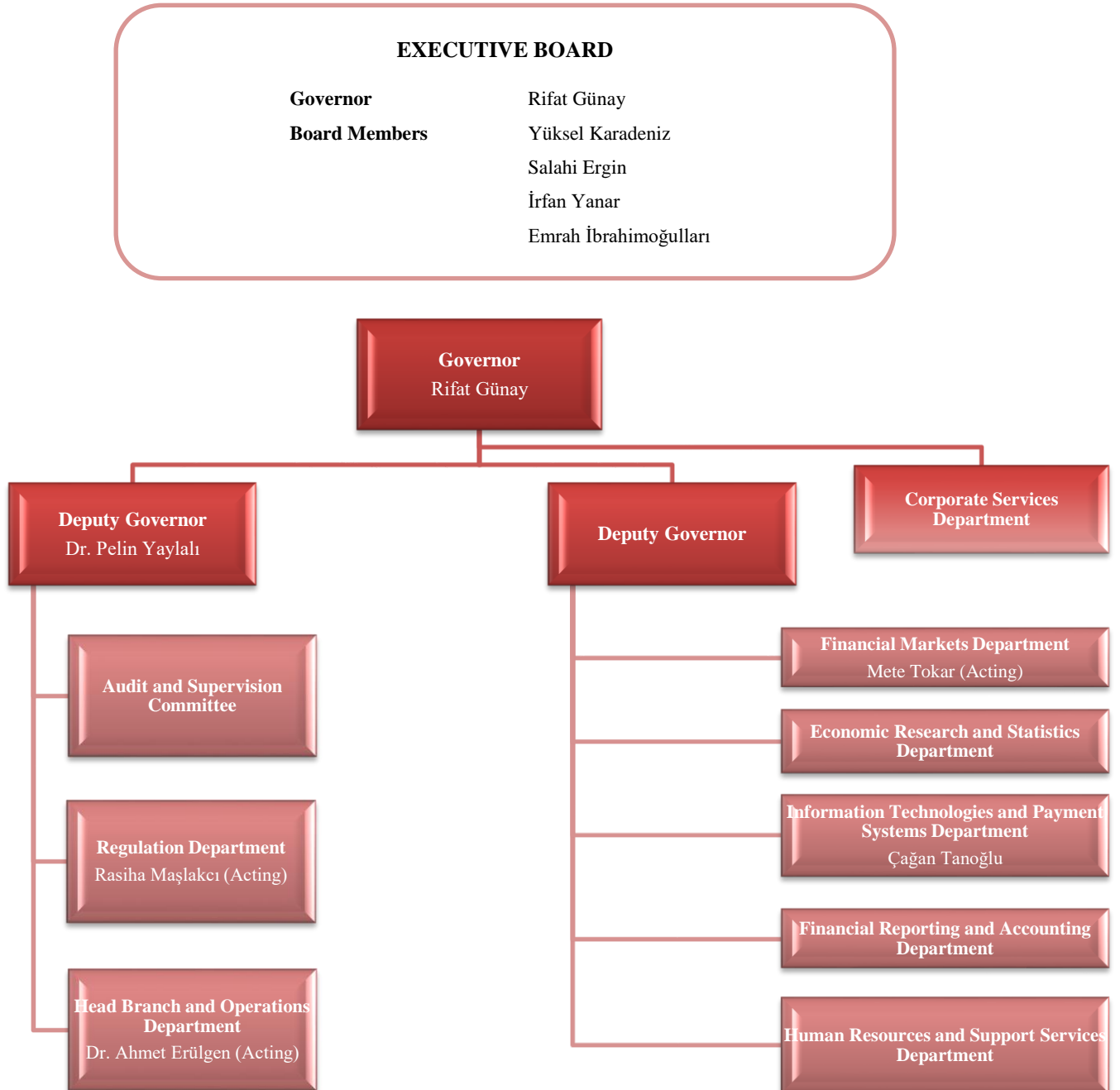
Central Bank of the TRNC 2024 Annual Report, prepared as a requirement of transparency and accountability, one of the most fundamental elements of the Bank's management approach, is presented with the data and assessments of the year. I would like to take this opportunity to thank all of my colleagues for their devoted work.

Rifat GÜNEY
Governor

ORGANIZATION AND ADMINISTRATION

1. ORGANIZATION AND ADMINISTRATION

1.1 Organization Chart



The organization and management structure of the Central Bank of the TRNC is regulated by Central Bank of the TRNC Law No. 41/2001, Central Bank of the TRNC Organization Law No. 57/1987 and the legislation enacted pursuant to these laws. The formation of the Bank's Executive Board and the Office of the Governor is defined in Law no. 41/2001, and the personnel structure and positions are defined in the Law No. 57/1987. The Central Bank Administration, Organization and Services Notification issued under Article 51 (1) A of the Law No. 57/1987 distributed the duties of the Bank among the departments.

1.2 Corporate Governance

According to Article 9 of the Central Bank of the TRNC Law No. 41/2001, the Bank's bodies/corporate governance structure consists of the Executive Board, Governor, Deputy Governor, Head Office and the Head Branch.

1.2.1 Executive Board

The Executive Board is the highest decision making body of the Bank. The Central Bank independently exercises its duties and authorities assigned by the Law under its own responsibility. The Executive Board consist of a Governor and four members to be appointed as required by the Central Bank of the TRNC Law. The Board convenes at least once a month with the participation of at least three members and makes decisions by unanimous vote of at least three members. The Deputy Governors of the Central Bank can participate in the meetings of the Board without the right to vote.

The Governor is appointed by the Prime Minister for five years upon the approval of the Council of Ministers. The Governor may be reappointed at the end of this period. The appointment of the members of the Executive Board is carried out by the Council of Ministers for a period of four years. According to the Law, members whose term of office has expired can be reappointed.

Governor and Chairman of the Executive Board of the Central Bank of the TRNC is Mr. Rifat Günay, Board Members are Mr. Yüksel Karadeniz, Mr. Salahi Ergin, Mr. İrfan Yanar and Mr. Emrah İbrahimogulları

BOARD MEMBERS



Rifat Günay
Governor



Yüksel Karadeniz
Member



Salahi Ergin
Member



İrfan Yanar
Member



Emrah İbrahimogulları
Member

Article 5 of the Central Bank of the TRNC Law No. 41/2001 sets out the duties and authorities of the Bank's Executive Board and Article 11 of the relevant law sets out the duties and authorities of the Bank.

The Central Bank's core responsibility is to oversee and regulate the monetary and banking system of the Turkish Republic of Northern Cyprus. This includes implementing regulatory measures in currency and foreign exchange markets to maintain financial stability.

Other authorities and duties of the Central Bank are as follows:

❖ Seeking information and collect statistical data from the banks and other financial organizations, and other establishments and organizations that are in charge of regulating and supervising these, with the aim of monitoring the financial markets.
❖ Carrying out the procedures required by the Central Banks by taking the economic conditions into consideration.
❖ Supervising the banks and other institutions established for granting loans.
❖ Taking regulatory measures regarding currency and foreign exchange markets in order to ensure stability in the financial system.
❖ Monitoring financial markets, establishing payment settlement systems, making regulations to ensure the uninterrupted operation and control of the existing and future systems, and identify the methods and tools to be used, including the electronic media for payments.
❖ Regulating money and credit volume.
❖ Regulating and manage the international reserves of the TRNC.
❖ Acting as the financial and economic advisor of the government by providing opinion on the matters to be examined by the Council of Ministers on monetary and credit policy.
❖ Acting as the financial agent of the Government in international financial and economic relations.
❖ Acting as the banker and the financial agency of the Government.
❖ Granting advance payments to the Savings Deposits Insurance Fund in accordance with the procedures and principles to be determined in case of extraordinary circumstances and in case the funds of the Savings Deposits Insurance Fund cannot meet the requirements.
❖ Preventing all sorts of transactions and applications that might jeopardize the rights of the depositors and the orderly and secure operating of the banks, and that might create significant damages to the economy, also, taking and implementing all the necessary decisions and measures designed to ensure the effective operating of the loan system.
❖ Managing the gold and foreign exchange reserves of the country.
❖ Granting credits to the banks as the ultimate authority for credits.

Examining and deciding on the issues related to the Bank's balance sheet, profit and loss account, budget, annual report, real estate, personnel, loans and reserve requirements, identifying other banking services that may be provided by the Bank, doing necessary planning regarding the supervision of banks in accordance with the Banking Law of the TRNC, determining the principles and procedures that must be followed in order to prevent the weakening of their financial structure, and establishing the issues on the ratios to be applied and other rates are among the authorities and duties of the Executive Board.

The duties and authorities of the Executive Board of the Bank are detailed in the table below.

❖	Taking the necessary measures for the supervision of the banks, establishing the principles and procedures to be followed in order to prevent the weakening of the financial institutions, and identifying and applying issues regarding the ratios to be applied and the other rates, in accordance with the Banking Law and making decisions within the framework of the authorities determined by the Banking Law.
❖	Determining the rediscount, discount and interest rates as well as the fees and commissions to be applied by the Central Bank in its transactions.
❖	Taking regulatory measures in terms of type and amount on the investments of Central Bank and to adjust the distribution of loan types in terms of sector and subject within the general loan volume.
❖	Determining the principles and conditions of the credits to be granted by the Central Bank, as well as the rediscount and advance limits.
❖	Determining the issues on reserve requirements and interest rates in Articles 23 and 24 of Law No. 41/2001.
❖	Examining the balance sheet, profit and loss account of the Central Bank and making a decision on them.
❖	Making regulations regarding the administration, organization and services of the Central Bank.
❖	Purchasing or leasing immovable property for the Central Bank's needs and selling immovable property owned by the Central Bank when necessary.
❖	Deciding on the issues of compromise and cancellation regarding the amounts and assets exceeding the agreed terms.
❖	Approving the annual budget and activity report of the Central Bank.
❖	Appointing the personnel of the Central Bank and determining the signing authority of the personnel who would put the bank under obligation.
❖	Determining other banking transactions and services that can be carried out by the Central Bank.
❖	Making decisions on the issues to be submitted to the examination and approval by the Governor.
❖	Determining the terms and conditions for the issuance and acceptance of the credit cards.
❖	Granting approval for the establishment and operation of International Banking Units, conducting their audits, and taking the required steps to ensure their efficient and consistent operation.
❖	Establishing the policies and procedures pertaining to the organizations covered by the Consumer Loans Law and the individuals signing consumer loan contracts.
❖	Issuing licenses for the establishment and operation of the Leasing, Factoring, and Financing Companies and institutions subject to the Law on the Prevention of Usury, to make decisions regarding the internal systems and management structures of the companies, and establishing the policies and guidelines for the audit and supervision of the businesses.

1.2.2 Governance

The Governance consists of the Governor and Deputy Governors and forms the top executive authority of the Bank.

Governor

As the chief executive, the Governor is responsible for representing the Central Bank both nationally and internationally, ensuring compliance with laws applicable to the Bank, executing decisions made by the Executive Board, and managing the Bank's administration.



Rifat Günay
Governor

Deputy Governors

Deputy Governors of the Central Bank are appointed by the Prime Minister with the approval of the Council of Ministers. Deputy Governors are required to carry out the responsibilities assigned to them in the duty distribution made by the Governor. The Deputy Governor, when appointed as acting Governor in the latter's absence, may exercise all the powers of the Governor.



Dr. Pelin Yaylali
Deputy Governor

1.3 Head Office and Head Branch

‘Notification on the Central Bank’s Administration, Organization and Services’ issued by the Bank's Executive Board pursuant to the authority granted by Article 51 (1) (A) of the Central Bank Law, aims to ensure the distribution of the duties assigned to the Bank between the Headquarter and the Branch, and to ensure that the employees work effectively and efficiently in coordination. Central Bank of the TRNC fulfills the duties assigned to it through the following departments and branches, which was determined by the aforementioned Notification.

Audit and Supervision Committee

Audit and Supervision Committee is responsible for conducting audits and inspections with banks and other institutions within the framework of periodic programs to be prepared regarding the duties assigned to the Bank by the Central Bank Law, Banking Law and other legislation, and/or when deemed necessary by the Governance. The committee is also responsible for gathering, supervising and analyzing the data of institutions operating in the financial sector and within the scope of the Central Bank's jurisdiction, to monitor whether they are working in accordance with the legislation and to report the detected findings; auditing, analyzing, conducting research and investigations within the framework of the authorities and duties assigned by the relevant laws, notifications and other legislation.

Regulation Department

Rasiha Maşlakcı
Acting Director

Regulation Department is responsible for preparing the draft regulations on the legislation of the institutions that are under the authority of the Central Bank, determining the principles and procedures to be followed by these institutions, evaluating the findings as a result of the audits together with other information and documents held by the Central Bank, ensuring that the necessary measures are taken and following up the implementation. Additionally, ensuring that the necessary actions are taken in case of the detection of applications which require administrative fines on the institutions and/or judicial punishment on the members of the institutions, and carrying out the necessary works in order to ensure compliance with the regulations of the Central Bank and international rules and practices are among the duties of the department.

Financial Markets Department

Mete Tokar
Acting Director

Financial Markets Department is responsible for carrying out open market operations and foreign exchange and foreign exchange and foreign currency markets operations, announcing the determined loan limits, rediscount and advance interest rates and loan interest rates, receiving and evaluating loan applications made to the Central Bank, determining the principles and procedures for extension of loans, determining the principles and procedures related to cash and account payments, and deposits, money transfer and collection transactions, and controlling the sheets that are subject to the reserve requirements and liquidity requirements. Also, controlling the sheets organized in accordance with the “Notification on Collection Procedures and Principles of Savings Deposit Insurance Premiums”, carrying out transactions related to all kinds of expired deposits, trusts and receivables in banks, carrying out procedures related to the maximum contractual and overdue interest rates to be applied in credit card transactions, carrying out procedures on managing the reserves of the Central Bank, announcing the foreign exchange and effective exchange rates and other duties related to the treasury works, issuance of Government Domestic Borrowing Bonds on behalf of the Ministry of Finance and carrying out the repurchase and exchange transactions of these assets are also included in the department’s duties.

Economic Research and Statistics Department

Monitoring domestic and foreign economic developments and preparing periodic reports, conducting research and evaluations on economic and financial issues, presenting these to the use of the Governance and other persons and organizations to be deemed appropriate by the Governance, establishing the balance of payments statistics in accordance with the international concept and standard registration system, and conducting surveys if necessary for this purpose, preparing tables and reports on the banking sector and making sectoral assessments are among the duties of Economic Research and Statistics Department. In addition this department is obliged to present information on financial sector developments to the Executive Board, to conduct studies and researches requested by the Governance, to prepare bulletin and annual report of the Central Bank, researching innovative ideas in central banking and economics and to research, examine and contribute to the literature in this area.

Information Technologies and Payment Systems Department**Çağrı Tanoğlu****Director**

Creating strategies related to informatics, following technological developments in this field, developing medium and long term plans, to determine the standards for the preparation and use of information systems and meeting the demands, to create and implement information security policies, and conducting works on informatics security are among the duties of Information Technologies and Payment Systems Department. In addition to these, carrying out the necessary procedures to establish the Central Bank's payment and security settlement systems in an efficient manner and ensuring that these systems are developed within the framework of the determined policies, determining the procedures and principles that must be followed in order to develop and maintain the means of payment, preparing the annual report of interbank clearing house transactions, following the results of cheque clearing transactions, making arrangements for the use of National Bank Account Number and following its implementation, preparing a report by centralizing the risk information through the Risk Centre and conducting the transactions in order to provide feedback to these institutions are also among the duties of the department.

Financial Reporting and Accounting Department

Financial Reporting and Accounting Department is responsible for taking necessary measures and make arrangements for the regular functioning and development of the Central Bank's accounting system, keeping and maintaining the accounting records for the Headquarter and Head Branch operations and the mandatory books to be kept by law, making the payment and collections regarding salary, wages and personal rights of the personnel. Following international practices such as International Financial Reporting System in accounting and financial reporting issues and conducting studies in this direction, preparing, implementing, monitoring and regulating the financial year budget of the Central Bank, and preparing balance sheets, financial statements and other reports and situations requested by the Governance are among the duties of this department.

Corporate Services Department

Corporate Services Department is responsible for examining the reports and annexes prepared by the departments concerned with the decisions of the Executive Board and presenting them to the Governor for the purpose of determining the agenda, preparing the meeting agenda of the Executive Board, ensuring that decisions and other arrangements to be published in the Official Gazette are sent to the Prime Ministry, carrying out secretarial services of the Executive Board, and regulating the institutional relations of the Central Bank with international organizations. In addition, to ensure that the policies and practices of the Central Bank are announced to the public, promoted and publicly perceived, to ensure that all the legislation, which is within the scope of duty, authority and responsibility of the Central Bank, is published on the official website of the Central Bank, to organize conferences, seminars, workshops and similar meetings requested by the Central Bank, and to plan the cultural, artistic, environmental and social activities of the Central Bank are also among the duties of the department.

Human Resources and Support Services Department

Human Resources and Support Services Department is responsible for making arrangements for wages and other financial rights, developing and implementing performance evaluation methods, carrying out retirement-related works, carrying out the assignment, personnel, retirement and similar affairs of the Central Bank Governor, Deputy Governors, Members of the Executive Board and the personnel, establishing the criteria for evaluating the performance of the personnel and the determination of the professional principles in cooperation with other departments, and conducting Central Bank's purchase and sale of goods and services, tenders, communications, archives, security, internal services and making the necessary arrangements. In addition, to determine the training needs of the personnel of the Central Bank and to carry out activities to establish the general training policy, to prepare the organization chart of the bank, to organize the duties and responsibilities of the departments and to work to increase the work efficiency are also among the duties of the department.

Head Branch and Operations Department

Dr. Ahmet Erülgen
Acting Director

Head Branch and Operations Department carries out credit, foreign exchange, current account, clearing, listing the people restrained from using cheque books, follow-up of expired deposits, money transfers, cashier and branch operations and keeps the accounting records of such operations in accordance with the regulations of the Bank and the instructions given by the Governance and the departments. In addition, to collect commission fees and expenses to be applied in all kinds of banking transactions to be made by the Central Bank, to make cash and account payments from the Turkish Lira and foreign currency deposit accounts of the Central Bank, to collect deposits, remittances and bills, to carry out instructions regarding rediscount credits, to carry out, organize and follow up transactions related to treasury accounts, to carry out transactions in line with the treasury's instructions, to carry out operations related to payment systems are also among the duties of the department.

RESOURCES

2. RESOURCES

2.1 Human Resources

The rights and obligations of the personnel of the Central Bank of the TRNC are regulated by the Central Bank of the TRNC Organization Law no. 57/1987 adopted on Convention of the TRNC Assembly of Republic dated July 16, 1987. As a result of the amendments made in the law no. 57/1987 with the amendment law no. 45/2016, which became effective on December 06, 2016, new positions were added to the Central Bank of the TRNC Organization Law, and the current number of personnel increased from 205 to 393. Accordingly, the activities of the Central Bank of the Turkish Republic of Northern Cyprus are carried out by permanent personnel assigned to the managerial services, general banking services, professional and technical services and auxiliary services class requiring physical services employed in the Headquarter and the Head Branch.

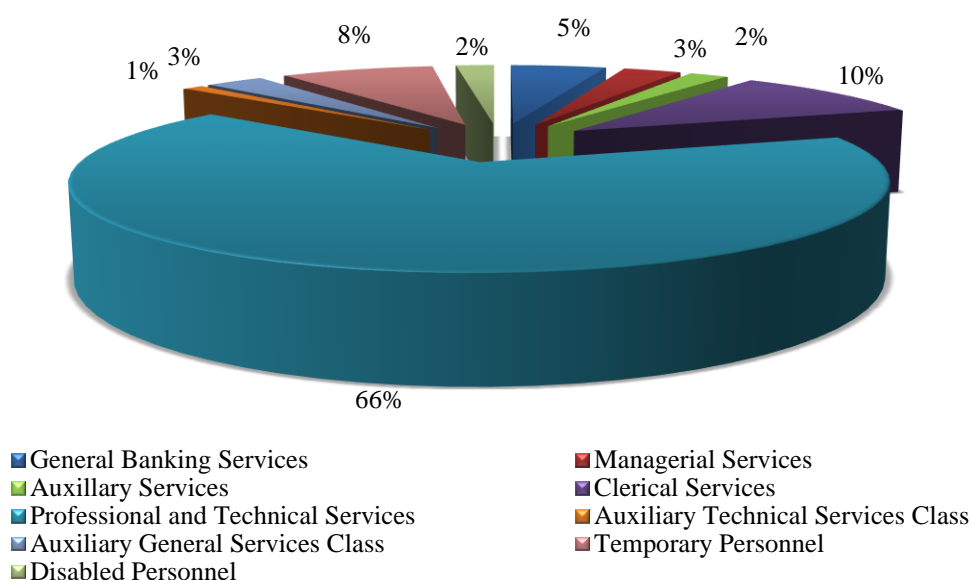
2.1.1 Positions and Personnel Status

The Organization Law of the Central Bank of the TRNC specifies a total of 393 positions, including the Governor and Deputy Governors. As of the end of 2024, the number of personnel employed on a permanent basis was 112. Including 2 permanent and 10 temporary personnel employed under the Law on the Protection, Rehabilitation, and Employment of Persons with Disabilities, the total number of personnel increased from 117 in 2023 to 124 in 2024. In 2024, 4 employees retired, and 11 new employees were hired, comprising 4 permanent and 7 temporary staff.



An analysis of the distribution of Central Bank personnel by service group shows that, as of the end of 2024, 3 percent of the Bank's 124 employees are in the managerial services class, 66 percent are in the professional and technical services class, 10 percent are in the clerical services class, 1 percent are in the auxiliary technical services class, 3 percent in the auxiliary general services class, 2 percent in the auxiliary services class requiring physical labor, 5 percent in the general banking services class, 2 percent are personnel employed under the Law on the Protection, Rehabilitation, and Employment of Persons with Disabilities No. 64/1993, and 8 percent are temporary personnel.

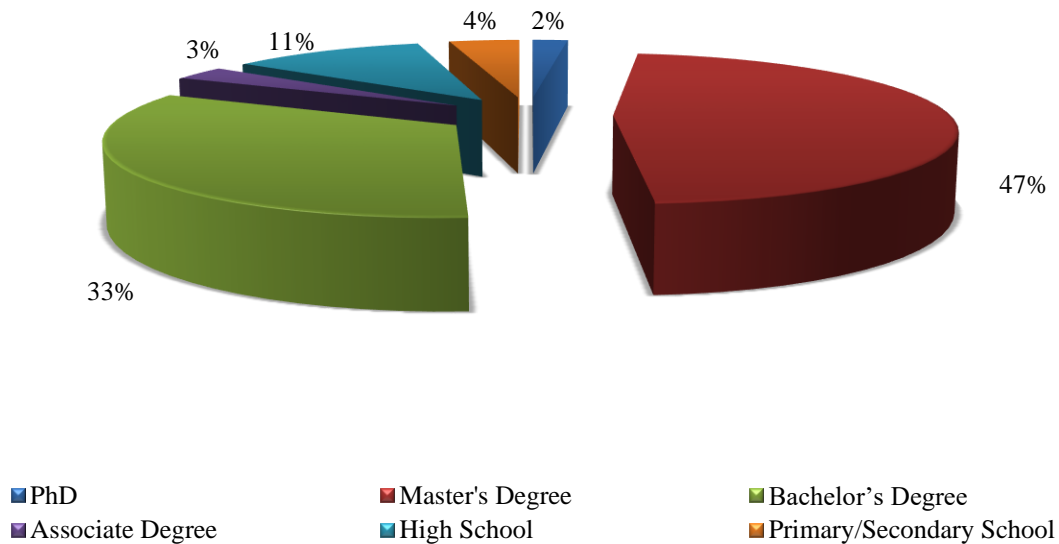
Chart 2.1 Percentage Distribution of Personnel by Class of Service



Source: Central Bank of the TRNC

Analyzing the distribution of personnel according to their level of education, 3 out of 124 personnel, 3 hold a doctoral degree, 58 hold a master's degree, 41 hold a bachelor's degree, and 3 hold an associate degree. The remaining personnel consist of 14 high school graduates and 5 primary or secondary school graduates.

As of the end of 2024, personnel with doctoral degrees account for 2 percent of the total, those with master's degrees account for 47 percent, bachelor's degree holders account for 33 percent, associate degree holders account for 3 percent, high school graduates account for 11 percent, and primary and secondary school graduates account for 4 percent.

Chart 2.2 Percentage Distribution of Personnel by Level of Education

Source: Central Bank of the TRNC

2.1.2 Training Activities

Training activities, which are of great importance in terms of the development of the Bank's personnel and raising the Bank's practices to international standards, continued in 2024. Within this framework, 44 personnel participated in the online training organized by the Banks Association of Türkiye and 3 personnel participated in the online training organized by the Bank of England. In addition, two employees participated in face-to-face training organized abroad by the Banks Association of Northern Cyprus.

In 2024, within the scope of training activities, 3 people from the managerial services class, 38 from the professional and technical services class, 6 from the clerical services class, 1 from the disabled personnel class, and 1 from the temporary personnel class participated in online, in-person, and domestic training programs.

Table 2.1 Number of Personnel Participating in Training Programs

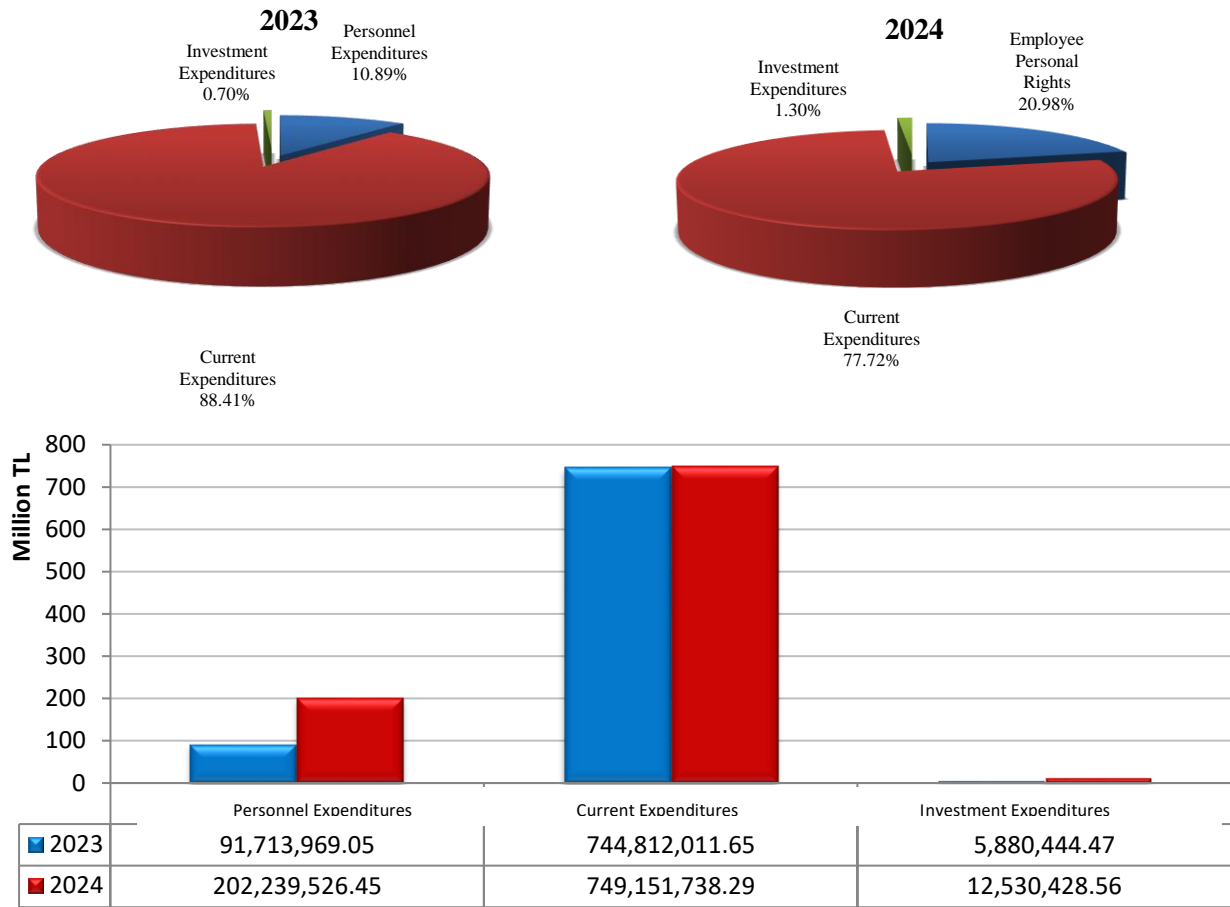
	Domestic		International	
	2023	2024	(75 online, 1 in-person) 2023	(47 online, 2 in-person) 2024
Managerial Services Class	2	-	18	3
General Banking Services	8	-	35	-
Clerical Services Class	-	-	5	6
Auxiliary Services Class	-	-	-	-
Temporary Personnel	-	-	-	1
Disabled Personnel	-	-	1	1
Professional and Technical Services Class	1	-	17	38
Total	11	-	76	49

Source: Central Bank of the TRNC

2.2 Financial Resources

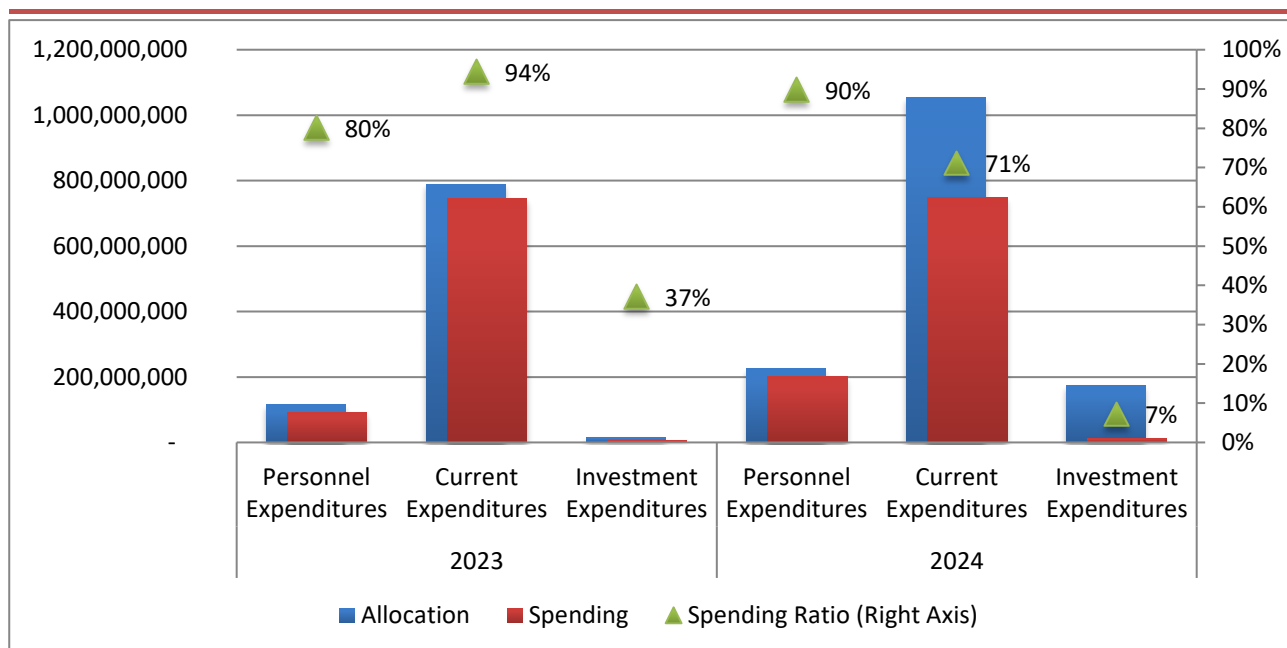
The Executive Board of the Central Bank of the TRNC approved the 2024 Fiscal Year Budget with the decision no. 1378 dated December 28, 2023, in order to carry out the determined services and activities. The bank's consolidated budget expenditures are classified under three separate titles: current expenditures, employee personal rights and investment expenditures.

In 2023, the Bank's total budget expenditure was 842.4 million TRY, while in 2024 it increased by 14.42 percent to 963.9 million TRY. In 2024, 749.2 million TRY, or 78 percent of the Bank's budget, was allocated to current expenditures, while 202.2 million TRY, or 21 percent, was allocated to employee personal rights. In 2023, 88 percent of the budget expenditures were used for current expenditures and 11 percent for personnel expenditures.

Chart 2.3 Consolidated Budget Expenditures

Source: Central Bank of the TRNC

According to the Bank's budget implementation results for 2023, while the ratio of the allocations used for employee personal rights was 80 percent, this ratio was 94 percent in current expenditures and 37 percent in investment expenditures. Total expenditure rate of allocations in the 2023 Fiscal Year Budget was 92 percent. In 2024 budget, the expenditure ratio of the allocations was 90 percent in employee personal rights, 71 percent in current expenditures and 7 percent in investment expenditures. Total expenditure rate of allocations in the 2024 Fiscal Year Budget was 66 percent.

Chart 2.4 Budget Implementation Results

Source: Central Bank of the TRNC

2.3 Technical Resources

The Bank's competence was enhanced with the administrative and operational applications brought to the Bank within the scope of project and software development and maintenance services. The procurement of hardware and software needed for the Bank's operations was completed and installed in the relevant units. In addition, maintenance and updates of applications within the scope of these services were regularly performed. Additionally, software support has been provided to the Credit Guarantee Fund, the Deposit Insurance Fund, and the Financial Stability Fund.

As part of the efforts initiated by the Ministry of Treasury and Finance of the Republic of Turkey and the Ministry of Finance of the Turkish Republic of Northern Cyprus regarding the development of the Public Financial Information System, efforts are continuing to transfer payments to be made by the Treasury and Accounting Department to the bank accounts of eligible individuals and legal entities through our Bank.

In addition to the E-transaction account activity service, the “E-Receipt” software has been completed and launched for Banks using the E-transaction platform. As a result, banks now receive their receipts via the e-transaction platform.

Technical work has been completed to transform the Electronic Payment System, which enables domestic money transfers in four different currencies—Turkish lira, US dollar, euro, and pound sterling—into a structure that will provide uninterrupted service 24 hours a day, 7 days a week. As of April 1, 2024, 14 banks have joined the Electronic Payment System (EPS), which operates 24/7 without interruption, and as of October 4, 2024, all banks will have joined.

ACTIVITIES

3. ACTIVITIES

As stated in Article 4 of the Central Bank of the TRNC Law, the Bank's primary objective is to implement monetary and credit policies, regulate and supervise the banking system in a manner conducive to economic development, in accordance with development plans and annual programs.

In line with this main objective, the powers and duties of the Bank regarding money-credit policies are regulated in Article 5 of the law and the powers and duties of the bank's Executive Board are regulated in Article 11. Policies regarding these issues are explicitly stated in Articles 22, 23 and 24, while procedures and practices in Articles 31, 32, 33, 34, 35 and in provisional Articles 2, 3, 4, 5 and 7. Based on the duties and authorities given by the legislation referring to the articles of the Central Bank of the TRNC Law, the Bank makes necessary arrangements and takes the necessary measures regarding loans, reserve requirements, interest rates, rediscount transactions, Central Bank securities, payment systems, interbank money market.

3.1 Monetary Policy Instruments

Monetary policy instruments are divided into two parts as direct and indirect. As a monetary policy instrument, the Central Bank of the TRNC generally utilizes indirect instruments consisting of rediscount window (loan) transactions, reserve requirements ratios and liquidity requirements. In addition, Interbank Money Market (IMM) was created in 2009, allowing the banking sector to reach daily liquidity and to deposit excess liquidity in four currencies. Issued as of 2014, the Central Bank securities, provided a monetary policy instrument to the sector in which it can utilize its liquid resources.

3.1.1 Indirect Policy Instruments:

a. Rediscount Window (Loan) Transactions

Article 31 of the Central Bank of the TRNC Law regulates the authorities of the Central Bank on the acceptance of short-term securities and certificates for rediscount and advance. Accordingly, the bank may accept the following securities and certificates for rediscount:

- ❖ Commercial notes of natural or legal persons dealing with tourism, education, industry, mining and agriculture, provided that there are maximum nine months until their term expires,
- ❖ Others' commercial notes and certificates to be deposited by the banks, provided that there are maximum four months until their term expires,
- ❖ The bills to be deposited by the banks in order to meet the loan requirements of craftsman and cooperatives, provided that there are maximum nine months until their term expires.

In this context, the Bank's Turkish Lira rediscount loan interest rates were changed 2 times in 2024. The rediscount loan interest rates determined by the Executive Board decision dated November 26, 2024 are given in the table below. At the end of 2024, Turkish Lira rediscount interest rates are in the range of 46.50 - 55 percent. Accordingly, the interest rate on Turkish Lira commercial rediscount credits is 55 percent, while the interest rate on rediscount credits for the industry, export, tourism, education and agriculture sectors is 48.50 percent. The interest rate on rediscount credits extended to small business owners is 46.50 percent. There has been no change in the interest rates applied to foreign currency rediscount loans in 2024. The interest rate on advances against foreign currency is 50 percent in Turkish Lira and 5 percent in foreign currency.

Table 3.1 Rediscount Interest Rates

Rediscount Interest Rates				
	TRY	USD	Euro	Pound Sterling
Commercial	55.00	5.00	5.00	5.00
Industry	48.50	5.00	5.00	5.00
Exports	48.50	5.00	5.00	5.00
Tourism	48.50	5.00	5.00	5.00
Education	48.50	5.00	5.00	5.00
Agriculture	48.50	-	-	-
Small Business Owners	46.50	-	-	-
Advances Against Foreign Exchange	50.00	5.00	5.00	5.00

Source: Central Bank of the TRNC (as of 31.12.2024)

In 2024, the Bank did not extend any rediscount loans.

b. Implementing Bank Liquidity and Reserve Requirements

Pursuant to Article 23 (1) of the Central Bank of the TRNC Law No. 41/2001, principles and procedures related to bank liquidity requirements of banks, and the lowest rate of general liquidity requirement that banks should have in line with their liabilities is determined by the notification issued by the Bank.

According to the Notification of the General Bank Liquidity Requirement published in the Official Gazette on February 26, 2013, the minimum rate required by banks for their liabilities is 10 percent. However, banks are obliged to maintain a gradual liquidity requirements in different ratios if the total amount of the money they hold in foreign banks and the securities purchased from abroad exceed their own funds.

Table 3.2 Bank Liquidity Requirement Ratios

Total amount of funds in foreign banks + total amount of securities purchased abroad,	> 1 x equity	12%
	> 2 x equity	14%
	> 3 x equity	16%
	> 4 x equity	18%
	> 5 x equity	20%

Source: Central Bank of the TRNC

According to the average liquidity requirement ratios as of the end of 2024, public banks hold a liquidity value of 5.75 points, private banks 6.84 points, and branch banks 14.98 points above the minimum average requirement rate. The average liquidity ratio of the banking sector is 7.97 points above the average minimum liquidity requirement.

In accordance with Article 23 of the Law no. 41/2001, the Bank determine the principles and conditions of implementation, including the liabilities subject to reserve requirement and the time to deposit the reserve requirements and the interest to be paid when necessary. The following table lists the current reserve requirement ratio as established by the Bank's Executive Board Decision No. 1072, dated December 27, 2019.

Table 3.3 Reserve Requirement Ratios

	TRY	FX	Precious Metal
Deposits with up to 3-month maturity	8.00	8.00	0
Deposits with a maturity of 3-month to 6-month	7.00	7.00	0
Deposits with a maturity of 6-month to 1-year	6.00	6.00	0
Deposits with over 1-year maturity	5.00	5.00	0
Other liabilities excluding deposits	8.00	8.00	0

Source: Central Bank of the TRNC

The total reserve requirement balances of the banks operating in the TRNC at the end of 2023 and 2024 are shown in Table 3.4.

Table 3.4 Reserve Requirement Balances

	December 2023	December 2024
TRY	2,272,981	4,824,856
USD	97,531	104,693
EURO	88,335	90,393
GBP	186,739	193,412
Total TRY Reserves	14,724,636	20,285,342

Source: Central Bank of the TRNC

The practice of deducting the reserve requirements for loans extended under the Loan Interest Support Fund (LISF) supported and Credit Guarantee Fund (CGF) guaranteed loan programs, which have been in effect since 2020, as well as for loans granted under the “My First Home Housing Loan Package” introduced in 2023, continued in 2024.

The “My First Home Housing Loan Package II” and “Agricultural Mechanization Loan Package” implemented by the Bank Executive Board decision dated December 14, 2023 and numbered 1375 allow loans extended by banks to be deducted from reserve requirements. Within this framework, loans amounting to 400 million TRY were extended under the “My First Home Housing Loan Package II”, and loans totaling 68 million TRY were extended under the “Agricultural Mechanization Loan Package”.

As of the end of 2024, within the framework of the procedures and principles determined by the Bank, 744,576,077 TRY for Housing and Agricultural Mechanization Loans granted by banks, and an additional 73,057,924 TRY for CGF Portfolio Programs, totaling 817,634,001 TRY, has been deducted from the Turkish lira reserve requirement amounts that banks are obligated to maintain with the Central Bank of the TRNC.

Table 3.5 TRY Reserve Requirements

TRY Amounts to be Established	Refunds for Loan Extended within the Scope of LISF and CGF	Reserve Option Mechanism (ROM)	Established TRY Amounts
6,011,790,946	817,634,001	369,300,831	4,824,856,114

Note: As of 31/12/2024.

c. Reserve Option Mechanism (ROM)

Upon the Executive Board decision no. 990 dated March 15, 2018, the Central Bank of the TRNC provided the banks with the opportunity to maintain 10 percent of the Turkish lira reserve amount required to be kept at the Central Bank of the TRNC as foreign currency (US dollar, euro, and sterling) within the scope of the ROM. In 2024, the number of banks benefiting from the ROM was 11. At the end of 2024, the rate of foreign currency maintained was 7.65 percent and 369.3 million TRY in size.

d. Reserve Requirement Interest Rates

The Executive Board of the Bank hasn't changed the interest rates applied to the reserve requirement of the banks in 2024.

Table 3.6 Interest Rates Applied to Reserve Requirements for Turkish Lira and Foreign Currency Deposits
Effective Date Currency

	TRY	\$	€	£
01.12.2023	15.00	1.00	0.75	1.00

Source: Central Bank of the TRNC

e. Deposit Interest Rates

The Executive Board has changed the interest rates for the deposits within the Central Bank one time in 2024, and this change is presented in the table below.

Table 3.7 Interest Rates Applied to Turkish Lira and Foreign Currency Deposits
Effective Date Currency

	TRY	\$	€	£
29.03.2024	46.00	2.00	1.25	2.00

Source: Central Bank of the TRNC

3.1.2 Direct Policy Instruments:

In order to meet the short-term liquidity needs of the banks, to sterilize excess liquidity and enhance profitability, the Bank makes use of the following instruments:

- ❖ Central Bank bond issuance
- ❖ The Interbank Money Market

a. Central Bank Bonds

In accordance with the authorities granted to the Central Bank within the framework of the Central Bank Law No. 41/2001, the Central Bank issues bonds in order to contribute to the sterilization of periodic liquidity surpluses in the banking sector, to contribute to the effective regulation of the general liquidity of the economy and to increase the depth of financial markets. The bank held a total of 51 bond issuance auctions in 2024, including 5 in US dollars, 17 in euros, and 29 in pounds sterling. As of December 31, 2024, the distribution of outstanding bonds by currency is as follows:

Table 3.8 Outstanding Central Bank Bonds as of 31.12.2023

Term	TRY	USD	EURO	GBP
1-3 Month		-	100,000,000	195,000,000

Source: Central Bank of the TRNC

b. Interbank Money Market

Central Bank of the TRNC has been carrying out Interbank Money Market (IMM) transactions since September 2009 in order to regulate the money supply and liquidity of the economy. Banks can borrow from the market by providing the necessary guarantees within the global limit set by the Central Bank of the TRNC and within the limits of borrowing allocated in accordance with their asset size. Upon the decision no. 1403 and dated July 5, 2024, the Executive Board raised the overall limit for IMM transactions to 4 billion TRY or its equivalent in other currencies.

As of December 31, 2024, the sums of IMM transactions that are not due yet are as follows:

Table 3.9 Interbank Money Market Transactions

Term	TRY	USD	EURO	GBP
Overnight	41,727,600,000,-	114,725,000,-	133,875,000,-	227,225,000,-
1-Week	95,000,000,-	-	-	-
2-Week	-	-	-	-
1-Month	-	-	400,000,-	-
3-Month	-	-	-	-
6-Month	-	-	-	-

Source: Central Bank of the TRNC

3.2 Regulatory Activities

Taking into account international practices, the bank makes regulations in line with the powers given to it by the Banking Law No. 62/2017, Central Bank of the TRNC No. 41/2001, Law on International Banking Units No. 41/2008, Consumer Loans Law No. 31/2020, Law on Financial Leasing, Factoring and Financing Companies and Prevention of Usury No. 43/2020 and the Law on Bank Cards and Credit Cards No. 58/2014. The activities carried out in 2024 within the scope of the regulatory duties of the Central Bank of the TRNC are presented in detail in the following titles.

3.2.1 Good Practice Guide on Loan Management of Banks (Amendment)

The Good Practice Guide on Loan Management for Banks (Amendment) was issued based on the authority granted to the Bank by Article 17, Paragraph 3(I) and Article 22 of Banking Law No. 62/2017 was published in the Official Gazette dated November 20, 2024, and numbered 238. Article 180 of the Guide has been removed with the amendment to the notification.

3.2.2 Regulations Regarding the Transition to the EPS 24/7 Uninterrupted Operation System

The “Notification on Electronic Payment Systems,” prepared with the aim of transforming the Electronic Payment System into a structure that will provide uninterrupted service 24 hours a day, 7 days a week, was published in the Official Gazette dated February 29, 2024, and numbered 44, and became effective. In this context, the Electronic Payment System Rules Explanatory Memorandum has also been revised to comply with the new system. Additionally, to support the reduction of cash usage and the processing of payments through bank accounts, and with the input of the Banks Association of Northern Cyprus, the Bank Executive Board's decision dated February 23, 2024, and numbered 1386, has set an upper limit on the fees banks may charge their customers for money transfers made through the EPS, effective March 1, 2024.

3.2.3 Regulations Regarding the Transition to the Electronic Clearing System

Within the framework of the amendments made to the Law on Policies, the “Notification on Clearing House” prepared under Articles 5(1)(E), 5(4), and 51(1)(H) of Law No. 41/2001 for the purpose of conducting check clearing transactions electronically was published in the Official Gazette dated September 4, 2024, and numbered 180. Work on the electronic clearing system is expected to be completed in 2025, with the system scheduled to be implemented in 2026.

3.2.4 Organization Law of the Central Bank of the TRNC

The Organization Law of the Central Bank of TRNC (Amendment) No. 48/2024 became effective upon its publication in the Official Gazette No. 133 dated June 27, 2024.

a. Notification on the Examination Regulation of the Central Bank of the TRNC

The Central Bank of the Turkish Republic of Northern Cyprus Examination Notification, issued pursuant to the authority granted under Article 46(4) of the Bank Organization Law No. 57/1987, was approved by the Bank's Board and entered into force upon its publication in the Official Gazette No. 248 dated 4 December 2024.

3.3 Permissions and Implementation Activities

3.3.1 Monitoring of Capital, Shares and Shareholder Changes

The database of banks, IBUs and Factoring companies including the data regarding their shareholders and their shares is regularly updated. On the other hand, shareholder changes and transactions subject to permission within the framework of the thresholds established in the Law are permitted after the approval of the Bank's Board.

3.3.2 Follow-up of the Board Members, General Manager and Assistant General Managers

Reports were prepared on the compliance of all board members, general managers and assistant general managers appointed to banks and IBUs with the relevant articles of the Law, and the results of the reports were notified to the banks and IBUs.

3.3.3 Follow-up of Appointments Made Within the Framework of the Notification on Internal Audit, Risk Management, Internal Control, and Management Systems in Banks

The compliance of managers appointed under the Notification on Internal Audit, Risk Management, Internal Control, and Management Systems in Banks with the relevant notification rules has been assessed, and the results have been communicated to the banks.

3.3.4 Review of the Articles of Association and Bylaws

Pursuant to Banking Law No. 62/2017, banks must obtain approval from the Central Bank of the Turkish Republic of Northern Cyprus for any amendments they make to their articles of association and bylaws. During 2024, requests for amendments under Banking Law No. 62/2017 were reviewed and those deemed appropriate were approved.

3.3.5 Executive Board Decisions Regarding Banks, Factoring Companies, IBUs and Other Authorized Institutions

The matters related to all institutions authorized or revoked by the Central Bank of the TRNC were evaluated by the Bank's Board and the decisions taken were notified to the relevant institutions.

3.3.6 Banking License and Operating License Issuance

The license fees that are required to be paid by the banks, companies and IBUs by the end of January of each year were followed up and license certificates were provided to banks that deposit license fee.

3.3.7 Decisions of the Bank's Executive Board Regarding Warnings and Administrative Fines

In 2024, the Bank's Board requested defenses from six banks regarding fourteen issues under the Banking Law No. 62/2017 and the International Banking Units Law No. 41/2009. The decision process for three issues was carried over to 2025, warnings were issued regarding ten issues, and an administrative fine was imposed in one case.

3.3.8 Complaints

Complaints made to the Bank by both corporate and individual customers regarding disputes with banks or IMM were communicated to banks and IMM and feedback was provided to customers within the framework of customer rights. In this framework, deficiencies observed in practice are monitored and necessary measures are taken.

3.4 Assembly Activities

The Bank contributed to the preparation of the following Laws published in the Official Gazette in 2024.

- Law on the Prevention of Money Laundering, Financing of Terrorism and Proliferation of Weapons of Mass Destruction (Published in the Official Gazette No. 3 dated January 4, 2024)
- Draft Law on Policies (Amendment) (Published in the Official Gazette No. 32 dated February 15, 2024)
- Draft Law on Leveraged Transactions (Published in the Official Gazette No. 45 dated March 01, 2024)
- Law on Policies (Amendment) (Published in the Official Gazette No. 88 dated April 30, 2024)

- Law on Accounting and Auditing Profession of Northern Cyprus (Published in the Official Gazette No. 135 dated July 02, 2024)
- Draft Law on the Prevention of Money Laundering, Financing of Terrorism and Proliferation of Weapons of Mass Destruction (Amendment) (Published in the Official Gazette No. 148 dated July 16, 2024)
- Draft Law on Money and Foreign Exchange (Amendment) (Published in the Official Gazette No. 163 dated August 08, 2024)

3.4.1 Other Regulatory Activities

The Bank contributed to the preparation of the following Laws published in the Official Gazette in 2024.

- Law on the Prevention of Money Laundering, Financing of Terrorism, and Financing of the Proliferation of Weapons of Mass Destruction (Amendment) - Regulation on the Registration of Trusts and Similar Legal Entities (Published in the Official Gazette No. 161 dated August 7, 2024.)
- Law on Savings Deposit Insurance and Financial Stability Fund - Notification on Subordinated Loan Utilization and Acquisition or Transfer of Loans (Published in the Official Gazette No. 206 dated October 9, 2024.)

3.5 Audit Activities

Audit activities, which are one of the main functions of the Bank, are carried out for the purpose of determining the elements that threaten the financial stability, developing the appropriate policies, and thus maintaining a healthy finance system and these audits include the analysis of various indicators related to the financial performance of financial institutions and the preparation of periodical reports.

3.5.1 Surveillance – Remote Supervision

The Central Bank of the TRNC carries out remote supervision activities of banks and international banking units based on the power given to it by the relevant articles of the TRNC Banking Law No.

62/2017, Law on Central Bank of the TRNC No. 41/2001 and the International Banking Units Law No. 41/2008.

The banking sector is monitored monthly based on sector and banks through the Uniform Reporting Package (URP), which includes forms prepared by the Bank within the scope of the TRNC Banks Surveillance System. Within the scope of surveillance activities, there are quarterly and annual reports as well as monthly forms. Additionally, there are daily and weekly reports, which are also received within the scope of URP. Reports prepared based on sectors and banks are evaluated by the Board. In addition, year-end financial reports and annual reports produced within the scope of internal systems of the banks are monitored and analyzed within the scope of the surveillance activities.

International Banking Units (IBU) operating in our country are monitored on an IBU and sectoral basis using the IBU Reporting Set consisting of forms taken quarterly. In addition, year-end financial reports of the IBUs are monitored and analyzed.

With the Law No. 43/2020 on “Financial Leasing, Factoring and Financing Companies and the Prevention of Usury”, which became effective on January 1, 2021, the procedures and principles regarding the establishment, activities and working principles of financial leasing, factoring and financing companies operating by obtaining permission under this Law, as well as the procedures and principles regarding the contracts of the companies were determined and the prevention of usury was regulated. According to Article 29 of the relevant Law, the Central Bank of the TRNC is authorized to carry out the supervision and audit activities of these companies. Within the scope of paragraph (2) of the provisional Article 3 of the said Law, a revision has been made regarding the obligation of companies that do not apply to the Central Bank of the TRNC or do not obtain permission to continue their activities as a financing company to notify the Bank regarding their current transactions. Accordingly, KR100S "Credits - By Customer" and MB100S "Miscellaneous Information" forms have been prepared for these companies and they have been requested to send their year-end financial reports to the Bank. The follow-up of the reports made is carried out by the Bank.

The bank's practices in 2024 within the scope of its supervision duties are presented in detail below.

a. Work on the Uniform Reporting Package and Analysis Processes**Controls Related Work:**

Many in-form and cross-controls have been developed by taking into account the decisions taken by the Board of our Bank, legislative amendments, new forms added to the Uniform Reporting Package and the issues identified, and many in-form and cross-controls have been developed and activated by performing the necessary tests. There are currently 4259 active controls in the system.

b. Implementation Activities**i. Review of Audit Contracts Made with Independent Audit Firms**

Within the framework of the “Notification on Independent Audit Institutions”, the contract 1 IBU was reviewed in 2024 within the scope of the guideline established for the review of audit contracts concluded by banks and IBUs with audit institutions. Corrections were requested for contracts with deficiencies and/or errors, and meetings were organized when deemed necessary.

ii. Pre-Audit Reports

For the 12 banks and 2 IBUs included in the audit program in 2024, pre-audit information notes were prepared and presented to the on-site audit teams. In addition, issues identified during the course of the audit and deemed necessary to be examined on-site were also shared with the teams.

iii. Reports on Profit Distribution

Detailed information notes were prepared and submitted to the Bank's Board regarding the profit distribution requests of four banks in 2024, including various scenario studies on the periodic development of profit distribution ratios and the impact analysis of profit distribution.

c. Other Activities**i. Preparation of Data on Sector and Bank/IBU Basis**

The 'Banks Monthly Presentation' is compiled for our Bank's Executive Board meetings, using data from the Uniform Reporting Package. This presentation includes numerous data points on a sectoral and bank-by-bank basis. The sector's monthly presentation is continuously updated as needed.

For IBUs, a quarterly data set, categorized by each IBU and sector, is prepared and presented to the Executive Board.

ii. Information Requested by Banks/Independent Auditors

In terms of year-end reconciliation procedures, the information requested by both banks and independent audit institutions regarding the accounts of banks at the Bank is provided to the relevant institutions. Additionally, the provided information is cross-verified with the data in the reports submitted.

iii. Review and Publishing of Year-End Financial Statements

The year-end financial reports submitted by banks and IBUs to our Bank were examined and, these reports were corrected or the database in our Bank was updated. In addition, work has been carried out regarding the publication of year-end financial reports sent by banks on the Bank's official website.

iv. Review of reports prepared within the framework of the Notification on Internal Audit, Risk Management, Internal Control, and Management Systems in Banks

In accordance with the Notification, the reports submitted by the banks were evaluated within the framework of the review guide.

v. Penetration Tests, Information Security Policy and PCI-DSS Compliance Audit

The penetration test results and action plans, as per the 'Penetration Tests Circular' numbered 01/2015, sent by the banks are received, preserved, and monitored. Additionally, the policies established by the banks under the 'Information Security Policy Circular' numbered 02/2015 were diligently tracked.

3.5.2 Auditing – On-site Supervision

The purpose of on-site supervision activities is to form an opinion on the financial soundness and risk profile of the bank, to identify areas where corrective measures need to be taken, and to make recommendations on the measures to be taken. The Central Bank supervises all kinds of banking transactions by using the authority granted to it by the Banking Law No. 62/2017 and other relevant laws. The Central Bank audits the relationship and balance between the assets, receivables, equity, debts, profit and loss accounts of banks, the determination and analysis of all other factors affecting the financial structure and the information systems of banks.

On-site supervision activities are carried out within the framework of risk-oriented supervision plans prepared annually. The annual supervision plan starts with a preliminary assessment covering all of the activities of the banks to be supervised, and this assessment is carried out in a way that includes all the banks each year, with a significant portion of activities to be carried out separately.

Audits in Banks

In 2024, a total of 41 reports were prepared, including 39 reports on audits conducted at banks, IBUs and financial institutions and 2 reports on internal audit. In addition, a total of 7 reports were prepared based on audits conducted at four subsidiaries of a bank and one government agency. 13 regulatory reports and 13 financial structure assessment reports were prepared for 16 banks operating in the sector. 3 audit reports, including one Special Audit, have been prepared for International Banking Units. Additionally, 7 special audit reports were prepared for 6 banks and 3 capital audit reports were prepared for 2 banks. As of the end of 2024, audits are ongoing at 5 banks. The bank prepared 8 reports within the scope of Information Systems Audit.

As part of its internal audit activities, the Central Bank of the Turkish Republic of Northern Cyprus prepared 2 reports based on audits conducted at the Savings Deposit Insurance and Financial Stability Fund and the Information Technologies and Payment Systems Department.

The share of banks that completed their general audit in 2024 and those whose audit is ongoing in the sector's total assets is 71 percent.

3.6 Payment Systems

The Bank obtains its authorization related to payment and settlement systems from Article 5 (1) (E) of the Central Bank of the TRNC Law No. 41/2001. The national electronic payment system (EPS) was put into service on June 26, 2015 and the system was officially launched on November 19, 2015. The system provides real-time reconciliation in four different currencies: Turkish Lira, Euro, US Dollar and GBP, without limitation in domestic money transfers in electronic environment, directly, fast and safely.

The participating banks can integrate their own banking systems with EPS and offer their customers the opportunity to transfer money from ATM, Internet Banking and Mobile Banking channels. Due to the system offered by the Bank, bank customers were provided with the opportunity to make money

transfers in a practical and fast way without having to go to the branches. The system helps to prevent unrecorded transactions as well as providing convenience to customers and provides savings in bank costs.

Considering the developments in digitalization and the needs of bank customers, work to transform the EPS into a structure that will provide uninterrupted service 24/7 has been completed, and as of April 1, 2024, 14 banks have joined the 24/7 EPS system, with all banks joining as of October 4, 2024. This makes it possible for bank customers to transfer money whenever they want, including on holidays.

In the EPS, the number of messages in Turkish lira, US dollar, sterling, and euro currency types over the years, according to the banks' payment channels, is shown in Table 3.10. Accordingly, in 2024, a total of 1,141,521 transactions were carried out, including 302,230 branch-based transactions, 835,062 internet banking transactions, and 4,229 transactions through other channels.

Compared to 2023, there was a 46 percent increase in the total number of payments in 2024. In 2024, the Bank's decision to allow customers to transfer money throughout the day, including holidays, within specified limits outside of normal business hours has contributed to this increase.

Table 3.10 Electronic Payment System Transactions

By Payment Channel - Number of Transactions

Years	Branch Based	Internet Banking	Other	Total
2020	221,193	137,533	4,443	363,169
2021	197,448	222,619	11,247	431,314
2022	226,781	325,206	18,973	570,960
2023	273,677	495,559	10,448	779,684
2024	302,230	835,062	4,229	1,141,521

Source: Central Bank of the TRNC

3.7 Cash Flows

Both the banknote and coin needs of the banks are covered by the Central Bank. The bank provided a net total of 4 billion 833 million TRY and 205 million USD to the market in 2024, and received a net total of 96 million EUR and 22 million GBP from the market.

Table 3.11 Collection – Payment Totals

	TRY (*Million)			USD (*Million)			EUR (*Million)			GBP (*Million)		
	COLLECTION	PAYMENT	DIFFERENCE	COLLECTION	PAYMENT	DIFFERENCE	COLLECTION	PAYMENT	DIFFERENCE	COLLECTION	PAYMENT	DIFFERENCE
2022	7,551.72	9,333.37	-1,781.66	346.68	230.50	116.19	389.70	99.51	290.18	296.39	203.58	92.81
2023	13,635.54	16,164.59	-2,529.05	422.78	426.49	-3.72	347.02	157.67	189.35	361.26	372.97	-11.71
2024	23,812.61	28,645.70	-4,833.09	369.14	574.56	-205.42	292.47	196.52	95.95	349.80	327.70	22.10

Source: Central Bank of the TRNC

The Bank's information sharing and cooperation with the competent authorities regarding counterfeit or withdrawn banknotes continued in 2024. Cash movements by banks outside the country in excess of the limits are regulated by the Circular under Article 7 of the Currency and Exchange Law, which entered into force upon its publication in the Official Gazette dated June 18, 2010, and numbered 97. Accordingly, taking into account international practices, the cash limit that can be carried outside the country by passengers has been set at 10,000 euros or the equivalent amount. Banks can carry out cash transactions exceeding the limits set for foreign countries by reporting them to the Central Bank.

3.8 Money Transfers

In 2024, the total value of remittances received from banks abroad was 96.1 billion TRY, representing a 51.30 percent increase compared to the previous year. In wire transfer transactions on behalf of banks, Turkish lira transfer amounts reached 46.9 billion TRY in 2024, an increase of 21.2 billion TRY compared to the previous year. Considering the currencies of incoming remittances, there was an increase of 82.71 percent in Turkish lira, 27.65 percent in US dollars, and 1.44 percent in sterling compared to the previous year. The euro fell by 13.31 percent. Turkish lira remittances account for 48.74 percent of total transfers.

In 2024, outgoing transfers on behalf of banks totaled 83 billion TRY in all currencies, reaching a higher level than the total outgoing transfers in the previous two years. In 2024, Turkish lira transfer amounts in remittance transactions on behalf of banks increased by 6.4 billion TRY compared to the previous year, reaching 23.8 billion TRY. An analysis of the rate of change in outgoing remittance amounts compared to the previous year shows an increase of 109.06 percent in sterling, 22.51 percent in US dollars, 53.43 percent in euros, and 36.81 percent in Turkish lira. The total amount of outgoing Turkish lira transfers constitutes 28.7 percent of outgoing transfers.

Table 3.12 Money Transfers on Behalf of Banks

YEAR	TRY		FX (TRY Equivalent)		TOTAL (TRY+FX)	
	INCOMING	OUTGOING	INCOMING	OUTGOING	INCOMING	OUTGOING
2016	1,389,149,249	1,210,420,000	1,381,036,656	1,035,806,579	2,770,185,905	2,246,226,579
2017	2,141,763,761	2,272,415,350	2,097,542,534	1,549,004,068	4,239,306,295	3,821,419,418
2018	2,605,774,892	2,721,235,000	2,997,037,426	3,688,037,344	5,602,812,318	6,409,272,344
2019	4,044,054,064	4,057,105,000	2,343,903,152	4,229,425,454	6,387,957,216	8,286,530,454
2020	4,938,790,454	5,633,079,942	3,802,882,259	3,680,059,765	8,741,672,713	9,313,139,707
2021	7,135,430,428	7,554,804,000	5,752,710,133	5,445,188,659	12,888,140,561	12,999,992,659
2022	13,533,609,895	10,707,850,000	17,006,356,065	13,716,353,881	30,539,965,960	24,424,203,881
2023	25,646,390,832	17,396,038,500	37,894,946,790	32,064,171,369	63,541,337,622	49,460,209,869
2024	46,857,263,259	23,798,899,999	49,278,827,749	59,197,223,438	96,136,091,008	82,996,123,437

Source: Central Bank of the TRNC

3.9 Reserve Management

The reserves of the Central Bank of the TRNC are carried out within the framework of the established reserve management procedures and principles and reserve management policy. Central Bank of the TRNC holds necessary amount of reserves to meet the payments of the banking sector and the Treasury, to give confidence to the financial sector and to provide protection against international uncertainties and risks. While achieving this goal, the most important points are safe investment, liquidity and return. Safe investment is the preservation of existing reserves and prevention of loss of value despite internal and external impacts.

Within the scope of the Reserve Management Policy, the reserves of the Bank are managed by forming two basic portfolios: liquid portfolio and investment portfolio. The liquid portfolio includes financial instruments with a maturity of less than 32 days that meet all operational needs of the bank. The investment portfolio consists of financial instruments with a maturity of 32 days or longer and is used to evaluate funds other than the resources allocated for the liquid portfolio.

Within the framework of reserve management, the following operations are carried out, including liquidity and investment portfolio.

- All kinds of deposit transactions
- Current/forward foreign exchange transactions
- Foreign exchange transactions/trading of gold
- Purchase/sale of government treasures, securities issued or guaranteed by central banks
- Purchase/sale of debt instruments issued by banks,
- Reverse Repurchase Transactions (Reverse Repo)/Repurchase transactions (Repo)
- Purchase/sale of derivative instruments based on the above types of transactions.

Development of the Manageable Reserves

By the end of 2024, TRY manageable reserves increased by 215.19 percent compared to the previous year-end, reaching 56,276 million TRY from 17,854 million TRY. Manageable reserves denominated in US dollars decreased by 24.21 percent to 464 million US dollars, manageable reserves denominated in euros decreased by 26.14 percent to 513 million euros, and manageable reserves denominated in pounds sterling decreased by 1.61 percent to 1,162 million pounds sterling.

3.10 Public Treasurership and Debt Management

The relationship between the Central Bank of the TRNC and the Government is set out in Article 5(3) and 25 of the Central Bank of the TRNC Law No. 41/2001. According to Article 5 (3) of the Law, *“The Central Bank shall be the financial and economic advisor, financial agent and treasurer of the government. The relation of the Central Bank with the government shall be maintained through the Minister of Treasury Affairs.”*

Paragraph 1 of Article 25 of the Law states that the Bank carries out all kinds of domestic and international collections and payments of the Government, all Treasury transactions and all kinds of domestic and international money transfers and money orders. Paragraph 2 states that the Council of Ministers may decide that the funds of specific organizations it determines must be deposited to the Central Bank and the interest to be applied to the accounts to be opened in this way will be determined by the Central Bank.

The Central Bank is assigned to carry out the secretariat works of the Debt Management Committee pursuant to the Article 5 (2) of the Public Finance and Debt Management Law of the Turkish Republic of Northern Cyprus. The Bank made 52 decisions after evaluating the debt requests made to the Debt Management Committee in 2024. Among these decisions, 32 pertain to public institutions, 12 to cooperatives, and 8 to municipalities.

Debt Management Committee consists of one Chairman and three members:

- Ministry Undersecretary or Ministry General Coordinator (Chairman)
- Central Bank Governor (Member)
- Central Bank Deputy Governor (Affiliated to the Markets Department) (Member)
- Manager of the Department in Charge of Treasury Affairs (Member)

In 2022, in addition to the Turkish Lira denominated government domestic borrowing bond auctions issued through the Bank in order to meet the financing needs of the TRNC Ministry of Finance, US dollar and euro denominated government domestic borrowing bond auctions were held for the first time. In 2024, a total of 5 Government Domestic Borrowing Bonds (3 in USD and 2 in TRY) were auctioned through the Bank. In these auctions, 66.8 million US dollars and 1,215 million Turkish lira were borrowed.

To address the short-term financing needs of public institutions and organizations in 2024, the TRNC Ministry of Finance issued special category treasury bonds. In the bond auctions organized through the Bank, a total of 37 special bond auctions were held in US dollars. As a result of these auctions, a total of 95.7 million US dollars has been borrowed.

Foreign currency borrowings were converted into Turkish lira using swaps to avoid exchange rate risk, enabling the public sector to borrow at a lower cost. Additionally, the Ministry of Finance of the Turkish Republic of Northern Cyprus issued one special treasury bond with a nominal value of 18.5 million Turkish lira in 2024.

3.11 Risk Center

Pursuant to the Notification on the Risk Center Operations, which entered into force on 01.04.2013, the notifications received by the institutions as of the end of the month are consolidated by the Risk Center.

The credit limit and risk information combined on the basis of the customer are periodically communicated to the participating institutions without providing the institution name. In addition, institutions can access the credit risk information of real or legal persons who are not their customers through the “E-Operation” platform in real time by obtaining consent, in accordance with the Prospectus of Operating Rules.

Individuals may obtain risk information about themselves from the Bank's Risk Center upon request, provided they verify their identity. Network service software has been developed to enable individuals to obtain the report in question electronically via the E-Government Citizen Portal, with the aim of launching the service in 2025.

Consolidated risk information is published monthly on the Bank's website globally by maturity and financing issues.

Table 3.13 Real-Time Risk Center Inquiries by Type

Company Type	2022	2023	2024	% Change 2022- 2023	% Change 2023- 2024
Foreign Company	27	22	24	-18.52	9.09
Local Company	4,260	4,762	4,977	11.78	4.51
Cooperatives	1	0	0	-100.00	0.00
Natural Persons	54,832	63,517	64,565	15.84	1.65
Public Institutions and Organizations	15	31	32	106.67	3.23
Unlimited and Limited Partnership	79	82	81	3.80	-1.22
International Company	6	6	2	0.00	-66.67
Free Port Company	61	77	95	26.23	23.38
Overseas Company	0	2	2	0.00	0.00
Total	59,281	68,499	69,778	15.55	1.87

Source: Central Bank of the TRNC

3.12 Accountability and Communication

3.12.1 Relations with the Government

The relationship between the Central Bank of the TRNC and the Government is set out in Article 5(3) and 25 of the Central Bank of the TRNC Law No. 41/2001. According to Article 5 (3) of the Law, *“The Central Bank shall be the financial and economic advisor, financial agent and treasurer of the government. The relation of the Central Bank with the government shall be maintained through the Minister of Treasury Affairs.”* In this framework, the Bank provided the necessary contributions on the issues requested in 2024.

3.12.2 Reporting

Articles 42 and 43 of the Central Bank Law determine the Bank’s principles and procedures for submitting a report and preparing a bulletin. Article 42 of the Law consists the provision, *“The Governor of the Central Bank, shall report to the Council of Ministers in April and October of each year on the activities of the Central Bank and the monetary and credit policy implemented and to be implemented. The Central Bank shall inform the Turkish Republic of Northern Cyprus Assembly, Economy, Finance, Budget and Planning Committee twice a year regarding its activities.”* Article 43 is about the Central Bank’s task to issue a bulletin at the end of quarterly periods.

Table 3.14 Central Bank of the TRNC - Publications

Publication Name	Publication Period
1) Central Bank of the TRNC Quarterly Bulletins	2023-IV
	2023-IV (English Version)
	2024-I
	2024-I (English Version)
	2024-II
	2024-II (English Version)
	2024-III
2) Central Bank of the TRNC Annual Report	2024-III (English Version)
	2023 Annual Report
	2023 Annual Report (English Version)

Source: Central Bank of the TRNC

3.12.3 Communication

The public is informed regularly about the activities of the Bank through the press and the Bank's own official website. Press releases, announcements, regulations and statistical data are published on the Bank's website. In addition, the Bank analyses national and international economic developments and informs the public with its annual report, quarterly bulletin, and other special purpose reports.

a. Participation in the Panel Discussion on “Financial and Economic Developments in Turkey and the TRNC in an Inflationary Environment”

On May 14, 2024, President Rifat Günay participated as a speaker in the panel discussion titled “Financial and Economic Developments in Turkey and the TRNC in an Inflationary Environment,” organized by the Faculty of Business and Economics at Eastern Mediterranean University. Other speakers on the panel included Minister of Economy and Energy Olgun Amcaoğlu, Member of the Board of Directors of the International Economic Association and former President of the Turkish Economic Association Prof. Dr. Ercan Uygur, and President of the Banks Association of Northern Cyprus Olgun Önal.

b. Statistics

The Bank regularly publishes monetary and banking data, money supply, risk center, Bank balance sheet data, and GDBB statistics on its website to inform the public and meet the data needs of those interested in the subject. Money-bank data is presented in a way that allows users to perform dynamic queries and access data for the desired period in Excel.

Balance of Payments Statistics

In June 2020, the Bank and the Turkish Republic of Northern Cyprus Statistical Institute signed a 'Protocol on Cooperation on the Generation of Balance of Payments Statistics.' The purpose of this protocol is to establish information sharing, cooperation, and task distribution mechanisms. The goal is to produce comparable, consistent, transparent, timely, accurate, and reliable balance of payments statistics. Under this protocol, the balance of payments statistics are prepared in accordance with the IMF's Sixth Manual format as a result of joint efforts by the Bank and the Statistical Institute.

All economic activities must be recorded when preparing Balance of Payments Statistics. At this point, the importance of quick access to administrative records becomes apparent once again. In order for Balance of Payments Statistics to guide policymakers with the most accurate data, it is planned to update the survey applications that will determine tourism and education revenues and to conduct fieldwork in accordance with international rules. In the second half of 2024, fieldwork was conducted for the ‘Passenger Identification Survey’, consisting of 4 questions, to create a sample for the Tourism Survey, which will begin fieldwork in 2025. The ultimate goal is to access fast and reliable data from the source through the improvement of administrative records. In addition to the bank reports currently collected, bank reports will also be prepared in accordance with the objectives of the Balance of Payments Statistics.

3.13 Corporate Services

3.13.1 Board Meetings

The Central Bank of the TRNC Board meetings are held at least once a month as many as times required for the execution of the duties, in accordance with the Law no. 41/2001. Accordingly, 34 board meetings were held in 2024.

3.13.2 Corporate Relations

In 2024, the development of relations with both domestic and foreign banking and financial institutions continued. In this context, the communication between the Central Bank of the Republic of Turkey (CBRT), the Banking Regulation and Supervision Agency (BRSA), and the Capital Markets Board (CMB) has continued.

The bank has continued to support international conferences and seminars organized within the country with the aim of contributing to the development of the banking and finance sector and thereby helping to illuminate the country's economic development. Financial assistance was provided for the conference organized by Eastern Mediterranean University in 2024.

3.13.3 New Service Building Project

The Board decided on December 13, 2018, with Decision No. 1025, to select the new bank building project through a competition. In January 2019, a contract was signed with the Chamber of Architects and work commenced. On October 22, 2019, an announcement was made regarding the "Central Bank of TRNC National Architectural Project Competition". The projects participating in the competition were evaluated by the jury members on January 23, 2020, and the winning project and participants were determined. The Central Bank of TRNC signed a contract with the technical team that won the National Architectural Project Competition in October 2020, and work comprising a total of four phases up to the tender preparation stage was initiated within 2020. At this stage, the Central Tender Commission issued a tender on December 4, 2024, numbered 389/2024, for the "Construction of the Central Bank of TRNC Service Building," and the process is ongoing.

3.13.4 Addressing School Needs as Part of the Social Responsibility Project

The Rauf Raif Denktaş Vocational High School, which was completed with the Bank's financing, opened its doors in the 2024-2025 academic year.



The school, named after the Founding President, Mr. Rauf Raif Denktaş, and built on a 7,000-square-meter area in the Metehan District of Nicosia, consists of 5 main blocks and contains 28 classrooms, 14 laboratories, 6 workshops, administrative offices, a library, a multipurpose hall, and an infirmary, among other modern facilities.



3.14 Other

3.14.1 Savings Deposit Insurance and Financial Stability Fund (SDIFSF) Premiums

Based on the authority given by the paragraphs (2) and (3) of Article 11 of the Savings Deposit Insurance and Financial Stability Fund Law No. 32/2009, the Bank collects premiums on savings deposits subject to insurance premiums every three months, based on premium rates determined within the framework of the “Notification on Collection Procedures and Principles for the Savings Deposit Insurance Premiums”. With the “Amendment Notification” published in the Official Gazette No. 140 dated 26.09.2018, the savings deposit insurance premium rate for all banks was changed to 0.125 percent of the total of the deposits subject to insurance. The total amount of TRY and FX investments made by banks to SDIFSF in 2024 was 764,859,967 TRY, while the total amount of these investments in TRY was 156,530,056 TRY and the total amount in FX was 608,329,911 TRY.

3.14.2 All Kinds of Prescribed Deposits, Trusts and Receivables

According to the Article 36 of Banking Law No. 62/2017, the following amounts of the prescribed deposits, participation funds, trust and receivables are required to be notified to the Central Bank of the TRNC. In 2024, necessary actions have been taken regarding the amounts notified to the Bank regarding all kinds of prescribed deposits, trusts and receivables. The table below shows the distribution of the prescribed deposits between 2018 and 2024. In 2024, prescribed deposits recorded a 21.04 percent increase in euros compared to the previous year, while a 48.29 percent decrease was recorded in sterling, a 45.61 percent decrease in Turkish lira, and a 20.97 percent decrease in US dollars. Overall, the total Turkish Lira equivalent of prescribed deposits decreased by 23.37 percent.

Table 3.15 Prescribed Deposits

	TRY	\$	€	£	Total TRY Equivalent
2018	1,521,650	126,593	57,196	327,225	4,709,384
2019	2,450,947	70,353	60,473	193,116	4,772,806
2020	3,213,230	359,065	133,227	482,034	11,842,303
2021	1,112,592	190,435	110,631	377,546	11,797,586
2022	1,085,897	2,516,065	968,557	253,232	73,135,107
2023	2,863,383	216,143	85,091	372,210	25,934,166
2024	1,557,520	170,819	102,996	192,466	19,874,559

Source: Central Bank of the TRNC

3.14.3 Credit Card Interest Rates

Within the scope of Article 12 of the Bank Cards and Credit Cards Law (58/2014), the Bank has the authority to announce the monthly maximum contractual interest rates and default interest rates to be applied to credit cards. In this regard, credit card interest rates, which are calculated in line with the principles effective since January 2015, are published quarterly on our website and in the Official Gazette.

Table 3.16 Credit Card Interest Rates (%)

Effective Date	TRY		FX	
	Maximum Monthly Contract	Maximum Monthly Default Interest	Maximum Monthly Contract	Maximum Monthly Default Interest
01.12.2024	4.63	5.13	1.03	1.53
01.09.2024	4.63	5.13	1.03	1.53
01.06.2024	4.63	5.13	1.03	1.53
01.03.2024	4.11	4.61	1.00	1.50

Source: Central Bank of the TRNC

FINANCIAL TABLES

4. FINANCIAL TABLES

4.1 Balance Sheet - Asset Accounts

As of the end of 2024, the total assets of the Central Bank of the TRNC balance sheet increased by 42.9 percent compared to the previous year, rising to 153,449.7 million TRY. Cash assets, receivables from banks, and securities portfolios, which constituted 95.7 percent of the Central Bank's total assets in 2023, constituted 93.2 percent of total assets at the end of 2024.

Table 4.1 Balance Sheet

			% Share		% Change
ASSETS	2023	2024	2023	2024	
Cash Assets and Receivables from Banks	55,267,151,477	95,015,732,525	51.48	61.92	71.92
Securities Portfolio	47,506,902,644	47,935,149,669	44.24	31.24	0.90
Loans	634,742,925	3,059,777,559	0.59	1.99	382.05
Market Operations	29,438,200	-	0.03	-	-
Fixed Assets (Net)	11,564,042	16,391,528	0.01	0.01	41.75
Other Assets	3,915,405,034	7,422,599,750	3.65	4.84	89.57
Total	107,365,204,322	153,449,651,031	100.00	100.00	42.92
LIABILITIES					
Public Deposits	2,204,474,502	2,535,864,173	2.05	1.65	15.03
Bank Deposits	19,610,294,651	23,663,382,606	18.27	15.42	20.67
Other Deposits	42,544,835	57,172,611	0.04	0.04	34.38
Reserve Requirements	15,013,380,580	20,391,475,177	13.98	13.29	35.82
Funds	8,025,160,594	886,911,345	7.47	0.58	-88.95
Market Operations	54,974,958,496	92,018,979,633	51.20	59.97	67.38
Other Liabilities	421,790,681	3,491,485,566	0.39	2.28	727.78
Equity	1,780,800,362	3,553,513,829	1.66	2.32	99.55
Profit	5,291,799,621	6,850,866,091	4.93	4.46	29.46
Total	107,365,204,322	153,449,651,031	100.00	100.00	42.92

Source: Central Bank of the TRNC

4.1.1 Cash Assets and Receivables from Banks

Cash assets and receivables from banks, which have the largest share in total assets, increased by 71.9 percent compared to the end of the previous year. Cash and receivables from banks, which stood at 55,267.2 million TRY at the end of 2023, increased to 95,015.7 million TRY at the end of 2024, accounting for 61.9 percent of total assets. Bank deposits increased by 82.6 percent in 2024 compared to the previous year, rising from 49,637.4 million TRY to 90,659.8 million TRY.

Table 4.2 Cash and Cash Equivalents

	2023	2024
Cash Assets and Receivables from Banks	55,267,151,477	95,015,732,525
Cash	5,570,400,541	4,275,739,086
Gold	48,366,433	75,578,388
Bank Deposits	49,637,355,073	90,659,826,037
Foreign Correspondents	11,029,430	4,589,014

Source: Central Bank of the TRNC

4.1.2 Securities Portfolio

In 2024, the securities portfolio item, whose share in total assets was 44.2 percent in 2023, increased by 0.9 percent from 47,506.9 million TRY to 47,935.2 million TRY, while its share in total assets declined to 31.2 percent.

4.1.3 Loans

The loans item on the balance sheet of the Central Bank of TRNC increased by 382.1 percent in 2024 compared to the previous year and amounted to 3,059.8 million TRY, all of which consists of short-term advances to the treasury. No loans were extended to the banking sector in 2024.

Table 4.3 Loans

	2023	2024
Loans	634,742,925	3,059,777,559
Short-Term Advances to the Treasury	634,742,925	3,059,777,559
Banking	-	-

Source: Central Bank of the TRNC

4.1.4 Non-Performing Loans (Net)

Pursuant to the Executive Board decision No. 700 dated February 26, 2009, the foreign currency receivables monitored in the non-performing receivables are started to be monitored in TRY accounts based on the exchange rate on 31.12.2008. Total balance of 0.1 million TRY belonging to K. Yatırım Bank, 0.4 million TRY belonging to K. Hür Bank, 2.6 million TRY belonging to K. Kredi Bank and 9.4 million TRY belonging to Everest Bank monitored under non-performing loans. While the NPL of the Central Bank is 12.5 million TRY, it does not have a net balance at the end of 2024, as it was at the end of 2023, due to the fact that a 100% provision has been provided for these receivables.

4.1.5 Fixed Assets (Net)

The net fixed assets consisting of immovable and fixtures increased by 41.8 percent at the end of 2024 compared to the end of 2023 and reached 16.4 million TRY.

Table 4.4 Fixed Assets

	2023	2024
Fixed Assets	11,564,042	16,391,528
Immovables	980,191	891,646
Fixtures	10,583,851	15,499,882

Source: Central Bank of the TRNC

4.1.6 Other Assets

The total of 3,915.4 million TRY in 2023 increased by 89.6 percent year-on-year to 7,422.6 million TRY in 2024.

Table 4.5 Other Assets

	2023	2024
Other Assets	3,915,405,034	7,422,599,750
Temporary Receivables	566,573	20,309,183
Transitory Account	3,914,838,461	7,402,290,567

Source: Central Bank of the TRNC

4.2 Balance Sheet - Liability Accounts

At end-2024, market transactions, which have the largest share in total liabilities, increased by 67.4 percent year-on-year, while bank deposits, which have the second largest share, rose by 20.7 percent.

4.2.1 Bank Deposits

The banks' deposits item, which shows the total deposits of banks in the TRNC, increased by 20.7 percent compared to end-2023 and amounted to 23,663.4 million TRY at the end of 2024.

Table 4.6 Bank Deposits

	2023	2024
Bank Deposits	19,610,294,651	23,663,382,606
Bank Deposits	19,363,883,146	23,663,382,606
Blocked Accounts	246,411,505	-

Source: Central Bank of the TRNC

4.2.2 Money Market Operations

As of the end of 2024, the total amount of Central Bank bonds included in market operations reached 29,030.4 million TRY. Meanwhile, the total amount of IMM (Interbank Money Market) was 62,988.6 million TRY and the total amount of OMO transaction debts did not exhibit a balance. Accordingly, Central Bank securities and IMM transaction debts increased by 22.3 percent and 101.8 percent, respectively.

Table 4.7 Money Market Operations

	2023	2024
Market Operations	54,974,958,496	92,018,979,633
Central Bank Bonds	23,738,386,290	29,030,385,850
Money Market Operations	31,207,250,038	62,988,593,783
Open Market Operations	29,322,168	-

Source: Central Bank of the TRNC

4.2.3 Reserve Requirements

As of the end of 2024, reserve requirements held at the Central Bank increased by 35.8 percent compared to the previous year and reached 20,391.5 million TRY.

4.2.4 Public Deposits

As of the end of 2024, public deposits increased by 331.4 million TRY compared to the previous year. Total public deposits increased by 15 percent compared to the end of 2023 and amounted to 2,535.9 million TRY, as of the end of 2024.

4.2.5 Other Deposits

As of the end of 2024, other deposits increased by 34.4 percent compared to the end of 2023 and reached 57.2 million TRY.

4.2.6 Funds

As of the end of 2024, it decreased by 89 percent compared to the end of the previous year, from 8,025.2 million TRY to 886.9 million TRY.

Table 4.8 Funds

	2023	2024
Funds	8,025,160,594	886,911,345
Central Bank Funds	222,079,284	5,755,584
Treasury Funds	3,599,338	4,242,869
Other Funds	7,799,481,972	876,912,892

Source: Central Bank of the TRNC

4.2.7 Equity

As a result of the 141.3 percent and 54.6 percent year-on-year increases in provisions and reserves, respectively, in 2024 year-end, total equity reached 3,553.5 million TRY. Following these changes, reserves and provisions amounted to 2,259.5 million TRY and 1,274 million TRY, respectively, as of year-end 2024.

As stated in Article 8 of the Central Bank of the TRNC Law No. 41/2001, the Bank has a paid-in capital of 20 million TRY owned by the Turkish Republic of Northern Cyprus.

Table 4.9 Equity

	2023	2024
Equity	1,780,800,362	3,553,513,829
Capital	20,000,000	20,000,000
Reserves	936,529,005	2,259,478,910
Provisions	824,271,357	1,274,034,919

Source: Central Bank of the TRNC

4.3 Profit and Loss Statement

In 2024, the Bank's profit increased by 29.5 percent compared to the previous year and amounted to 6,850.9 million TRY. In 2024, total revenues increased by 159.8 percent and total expenditures by 355.1 percent compared to the previous year.

Profits from Turkish lira transactions, which accounted for 74.1 percent of revenues in 2024, increased by 342.4 percent year-on-year to 16,985.3 million TRY. In the same period, foreign exchange profits increased by 19.1 percent to 5,931.3 million TRY.

Total expenditures, which were 3,530.4 million TRY in 2023, increased by 355.1 percent to 16,067.8 million TRY in 2024. Total TRY transaction expenses, which have the largest share among expense items, increased by 658 percent year-on-year to 13,204.5 million TRY as of end-2024. The foreign exchange losses item, which has the second highest share in expenditures with 11.9 percent in 2024, increased by 101.2 percent compared to the previous year. The TRY in cash and effective insurance premiums item, which has the third highest share in expenses with 2.2 percent, increased by 37.7 percent compared to the previous year. The share of personnel expenditures in total expenditures declined to 1.5 percent. The decline in the Provisions Paid to Pension Fund, which was 224 million TRY in 2023, became 5.2 million TRY in 2024. Other expenses and losses increased to 256.3 million TRY.

Table 4.10 Profit/Loss

	2023	2024	% Share		%
			2023	2024	Change
REVENUES					
Profit on Foreign Currency Exchange	4,982,405,288	5,931,333,921	56.48	25.88	19.05
Profit on Turkish Lira Transactions	3,839,487,974	16,985,332,747	43.52	74.11	342.39
Miscellaneous Profits	309,421	2,040,019	0.00	0.01	559.30
Total Revenues	8,822,202,683	22,918,706,686	100.00	100.00	159.78
EXPENDITURES					
Personnel Expenditures	327,720,018	234,744,816	9.28	1.46	-28.37
Administrative Expenditures	6,478,185	10,590,110	0.18	0.07	63.47
Insurance Premiums for Banknotes and Foreign Exchange Banknotes	67,145,001	99,763,561	1.90	0.62	48.58
Insurance Premiums for TRY Cash and Foreign Exchange Banknotes	254,104,999	350,000,000	7.20	2.18	37.74
Foreign Currency Exchange Expenditures	946,962,112	1,905,515,349	26.82	11.86	101.22
TRY Transaction Expenditures	1,742,104,994	13,204,450,306	49.35	82.18	657.96
Depreciation Charges	4,798,374	6,439,852	0.14	0.04	34.21
Other Expenditures and Losses	181,089,379	256,336,602	5.13	1.60	41.55
Total Expenditures	3,530,403,062	16,067,840,595	100.00	100.00	355.13
Profit	5,291,799,621	6,850,866,091			29.46

Source: Central Bank of the TRNC

4.4 Profit Distribution - 2024

Article 44 of the Central Bank of the TRNC Law No. 41/2001 regulates the use of profits. According to the aforementioned article, 25 percent of the profit is transferred to the reserves and the remaining to the Treasury. 6,850.9 million TRY, which is the profit for 2024 is distributed as shown in the table below.

Table 4.11 Profit Distribution

	Retained Profit	% Share
Retained Reserve	1,712,716,523	25.00
Received on Treasury Debt Account	4,957,456,073	72.36
Transferred to the Treasury	180,693,495	2.64
2024 Profit	6,850,866,091	100.00

Source: Central Bank of the TRNC

TABLES

5. TABLES

Central Bank of the TRNC Balance Sheet- 31.12.2024 (TRY)

Assets	TRY	FX	TRY Total	FX Total	Grand Total
I- Current Assets			18,760,350,754	86,669,829,931	142,950,882,194
Cash	868,301	4,274,870,785			
Gold		75,578,388			
Securities Portfolio	108,996,204	47,826,153,465			
Bank Deposits	56,171,187,758	34,488,638,279			
Foreign Correspondents		4,589,014			
II- Fixed Assets			16,391,528		16,391,528
Immovables	1,577,090				
Depreciation Charges (-)	-685,444				
Fixtures	35,009,675				
Depreciation Charges (-)	-19,509,793				
III- Loans			3,059,777,559		3,059,777,559
Advance Accounts			3,059,777,559		
a- Short Term Advances to the Treasury	3,059,777,559				
b- Advance Under Treasury Guaranteed Bills					
c- Commercial Bank Securities					
IV- Market Operations				-	-
a- IMM Transactions					
b- Open Market Operations		-			
V- Other Assets			7,415,786,922	6,812,828	7,422,599,750
A- Temporary Receivables	20,309,183				
B- Non-Performing Loans (Net)					
a- Non-Performing Loans	12,511,964				
b- Provisions for Non-Performing Loans (-)	12,511,964				
C- Transitory Account	7,395,477,739	6,812,828			
TOTAL					153,449,651,031

Source: Central Bank of the TRNC

Central Bank of the TRNC Balance Sheet- 31.12.2024 (TRY)

Liabilities	TRY	FX	TRY Total	FX Total	Grand Total
I - Equity			3,553,513,829		3,553,513,829
Capital	20,000,000				
Reserves	2,259,478,910				
Provisions	1,274,034,919				
II - Foreign Sources			57,712,990,248	81,840,795,297	139,553,785,545
A- Deposits			9,168,708,018	17,087,711,372	
a- Public Deposits	1,912,091,318	623,772,855			
b- Bank Deposits	7,244,529,392	16,418,853,214			
c- Blocked Accounts					
d- Personal Deposits	12,085,782	45,085,303			
e- Other Deposits	1,526				
B- Reserve Requirements			4,824,856,058	15,566,619,119	
C- Market Operations			43,041,070,229	48,977,909,404	
a- Central Bank Securities		29,030,385,850			
b- Money Market Operations	43,041,070,229	19,947,523,554			
c- Open Market Operations		-			
D- Funds			678,355,943	208,555,402	
a- Central Bank Funds	5,755,584				
b- Treasury Funds	3,836,367	406,502			
c- Other Funds	668,763,992	208,148,900			
III - Other Liabilities			1,806,661,500	1,684,824,065	3,491,485,565
a- Temporary Debts	230,372				
b- Transitory Account	1,806,431,128	1,684,824,065			
IV - Profit			6,850,866,091		6,850,866,091
TOTAL					153,449,651,031

Source: Central Bank of the TRNC

Central Bank of the TRNC Balance Sheet - 31.12.2023 (TRY)

Assets	TRY	FX	TRY Total	FX Total	Grand Total
I- Current Assets			17,827,267,509	84,946,786,612	102,774,054,121
Cash	456,339	5,569,944,202			
Gold		48,366,433			
Securities Portfolio	86,563,347	47,420,339,297			
Bank Deposits	17,740,247,823	31,897,107,250			
Foreign Correspondents		11,029,430			
II- Fixed Assets			11,564,042		11,564,042
Immovables	1,577,090				
Depreciation Charges (-)	596,899				
Fixtures	23,917,448				
Depreciation Charges (-)	13,333,597				
III- Loans			634,742,925		634,742,925
Advance Accounts			634,742,925		
a- Short Term Advances to the Treasury	634,742,925				
b- Advance Under Treasury Guaranteed Bills					
c- Commercial Bank Securities					
IV- Market Operations				29,438,200	29,438,200
a- IMM Transactions					
b- Open Market Operations		29,438,200			
V- Other Assets			3,910,983,218	4,421,816	3,915,405,034
A- Temporary Receivables	566,573				
B- Non-Performing Loans (Net)					
a- Non-Performing Loans	12,511,964				
b- Provisions for Non-Performing Loans (-)	12,511,964				
C- Transitory Account	3,910,416,645	4,421,816			
TOTAL					107,365,204,322

Source: Central Bank of the TRNC

Central Bank of the TRNC Balance Sheet- 31.12.2023 (TRY)

Liabilities	TRY	FX	TRY Total	FX Total	Grand Total
I - Equity			1,780,800,363		1,780,800,363
Capital	20,000,000				
Reserves	936,529,005				
Provisions	824,271,358				
II - Foreign Sources			17,216,257,527	82,654,556,132	99,870,813,659
A- Deposits			3,100,197,597	18,757,116,392	
a- Public Deposits	999,359,701	1,205,114,802			
b- Bank Deposits	2,095,917,079	17,267,966,067			
c- Blocked Accounts		246,411,505			
d- Personal Deposits	4,919,490	37,624,018			
e- Other Deposits	1,327				
B- Reserve Requirements			2,272,980,989	12,740,399,591	
C- Market Operations			10,506,972,168	44,467,986,328	
a- Central Bank Securities		23,738,386,290			
b- Money Market Operations	10,477,650,000	20,729,600,038			
c- Open Market Operations	29,322,168	-			
D- Funds			1,336,106,773	6,689,053,821	
a- Central Bank Funds	222,079,284				
b- Treasury Funds	3,245,166	354,172			
c- Other Funds	1,110,782,322	6,688,699,649			
III - Other Liabilities			276,498,257	145,292,422	421,790,679
a- Temporary Debts	131,928				
b- Transitory Account	276,366,329	145,292,422			
IV - Profit			5,291,799,621		5,291,799,621
TOTAL					107,365,204,322

Source: Central Bank of the TRNC

Central Bank of the TRNC Profit and Loss Table by Years (TRY)

Date	Profit (Loss)	Date	Profit (Loss)
2001	12,022,535	2013	61,100,258
2002	11,837,476	2014	66,522,923
2003	14,100,468	2015	110,530,354
2004	27,718,821	2016	133,906,573
2005	48,415,266	2017	203,235,577
2006	23,817,485	2018	329,374,409
2007	32,953,888	2019	343,621,837
2008	34,397,584	2020	341,905,185
2009	53,879,493	2021	506,451,271
2010	38,706,980	2022	1,184,700,778
2011	60,793,021	2023	5,291,799,621
2012	59,185,678	2024	6,850,866,091

Source: Central Bank of the TRNC

Central Bank of the TRNC Selected Asset Items (TRY)

Date	Liquid Assets	Loans	Other Assets	Total Assets
31 Dec. 20	16,353,005,072	51,791,967	279,486,590	16,684,283,629
31 Dec. 21	28,446,896,103	507,900,695	298,614,296	29,253,411,094
31 Dec. 22	51,065,484,220	638,083,191	1,318,718,119	53,022,285,530
31 Dec. 23	102,774,054,121	634,742,925	3,956,407,276	107,365,204,322
31 Dec. 24	142,950,882,194	3,059,777,559	7,438,991,278	153,449,651,031

Source: Central Bank of the TRNC

Central Bank of the TRNC Selected Liability Items (TRY)

Date	Equity (Excluding Profit)	Deposits	Reserve Requirements	Other Liabilities	Total Liabilities
31 Dec. 20	719,302,337	5,468,896,150	2,930,655,027	7,565,430,115	16,684,283,629
31 Dec. 21	869,658,488	9,721,281,482	4,920,454,350	13,742,016,774	29,253,411,094
31 Dec. 22	1,163,375,168	13,932,982,685	7,989,843,275	29,936,084,402	53,022,285,530
31 Dec. 23	1,780,800,363	21,857,313,989	15,013,380,580	68,713,709,390	107,365,204,322
31 Dec. 24	3,553,513,829	26,256,419,390	20,391,475,177	103,248,242,634	153,449,651,031

Source: Central Bank of the TRNC

Central Bank of the TRNC Liquid Assets (TRY)

Date	Cash Assets	Gold Deposit	Bank Deposits (TRY)	Bank Deposits (FX)	Foreign Banks	Securities Portfolio	Total
31 Dec. 20	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 Dec. 21	1,476,626,284	19,164,666	4,333,706,334	14,252,288,123	1,759,608	8,363,351,089	28,446,896,103
31 Dec. 22	2,387,349,833	27,466,269	6,958,152,831	22,101,658,935	2,307,907	19,588,548,445	51,065,484,220
31 Dec. 23	5,570,400,541	48,366,433	17,740,247,823	31,897,107,250	11,029,430	47,506,902,644	102,774,054,121
31 Dec. 24	4,275,739,086	75,578,388	56,171,187,758	34,488,638,279	4,589,014	47,935,149,669	142,950,882,194

Source: Central Bank of the TRNC

Loans Extended to the Banking Sector by the Central Bank of TRNC (TRY)

31 Dec. 20	5,028,243	5,028,243
31 Dec. 21	4,477,238	4,477,238
31 Dec. 22	-	-
31 Dec. 23	-	-
31 Dec. 24	-	-

Source: Central Bank of the TRNC

Note: Interest revenue rediscounts are included in the figures.

Deposits in Central Bank of the TRNC (TRY)

Date	Public Deposits		Banks				Other		Total
	TRY	FX	A - Deposits		B - Reserve Requirements		TRY	FX	
			TRY	FX	TRY	FX			
31 Dec. 20	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 Dec. 21	437,260,828	130,405,212	538,918,736	8,286,203,149	843,990,800	4,076,463,550	1,660,347	326,833,210	14,641,735,832
31 Dec. 22	431,147,142	667,502,907	1,786,187,372	10,959,023,885	1,340,550,756	6,649,292,519	2,932,326	86,189,053	21,922,825,960
31 Dec. 23	999,359,701	1,205,114,802	2,095,917,079	17,267,966,067	2,272,980,989	12,740,399,591	4,920,818	284,035,523	36,870,694,569
31 Dec. 24	1,912,091,318	623,772,855	7,244,529,392	16,418,853,214	4,824,856,058	15,566,619,119	12,087,308	45,085,303	46,647. 89,567

Source: Central Bank of the TRNC

Central Bank of the TRNC Exchange Rates

Years	Months	USD		EURO		GBP	
		Buying	Selling	Buying	Selling	Buying	Selling
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		12.9775	13.0009	14.6823	14.7088	17.4530	17.5440
2022		18.6983	18.7320	19.9349	19.9708	22.4892	22.6065
2023		29.4382	29.4913	32.5739	32.6326	37.4417	37.6369
2024	1	30.3053	30.3599	32.8144	32.8735	38.3807	38.5808
	2	31.1201	31.1761	33.6543	33.7149	39.2885	39.4934
	3	32.2854	32.3436	34.8023	34.8650	40.6665	40.8786
	4	32.3389	32.3971	34.6487	34.7111	40.4444	40.6552
	5	32.2489	32.3070	34.8654	34.9282	40.9092	41.1225
	6	32.8262	32.8853	35.1284	35.1917	41.4365	41.6525
	7	33.0304	33.0899	35.7612	35.8256	42.3866	42.6076
	8	33.9233	33.9844	37.6723	37.7402	44.7031	44.9361
	9	34.0900	34.1514	38.0180	38.0865	45.5408	45.7782
	10	34.2095	34.2711	37.0474	37.1142	44.3881	44.6195
	11	34.5794	34.6417	36.5473	36.6131	43.8630	44.0917
	12	35.2233	35.2868	36.7429	36.8091	44.2458	44.4765

Source: Central Bank of the TRNC

Note: Month-end and year-end cross rates.

Cross Exchange Rates

Foreign Currency/USD			
Years	Months	£	€
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		1.3472	1.1314
2022		1.2048	1.0661
2023		1.2740	1.1065
2024	1	1.2686	1.0828
	2	1.2646	1.0814
	3	1.2617	1.0780
	4	1.2528	1.0714
	5	1.2707	1.0811
	6	1.2645	1.0701
	7	1.2855	1.0827
	8	1.3200	1.1105
	9	1.3382	1.1152
	10	1.2998	1.0830
	11	1.2706	1.0569
	12	1.2583	1.0431

Source: Central Bank of the TRNC

Note: Month-end and year-end cross rates.

Interest Rates Applied to TRY and FX Currency Deposits by the Central Bank of TRNC

Effective Date	Currency				Executive Board Decision		Official Gazette	
	TRY	\$	€	£	Date	Number	Date	Number
	Demand	Demand	Demand	Demand				
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
20.05.2022	12.75	0.50	0.25	0.30	17.05.2022	1276	20.05.2022	99
23.06.2022	13.75	1.00	0.50	0.60	22.06.2022	1280	23.06.2022	128
26.07.2023	20.25	1.50	1.00	1.25	25.07.2023	1348	26.07.2023	153
11.10.2023	26.00	1.50	1.00	1.25	10.10.2023	1360	10.10.2023	210
01.12.2023	36.00	2.00	1.25	2.00	27.11.2023	1370	28.11.2023	245
29.03.2024	46.00	2.00	1.25	2.00	28.03.2024	1394	29.03.2024	67

Source: Central Bank of the TRNC

Note: The interest rates applicable to demand deposits in Turkish lira and foreign currency are also valid for time deposits.

Interest Rates Applied to Reserve Requirements for TRY and FX Deposits by the Central Bank of TRNC

Effective		Currency			Executive Board Decision		Official Gazette	
Date	TRY	\$	€	£	Date	Number	Date	Number
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	8.00	0.20	0.05	0.10	17.02.2021	1178	19.02.2021	40
02.04.2021	9.00	0.20	0.05	0.10	01.04.2021	1190	02.04.2021	75
28.10.2021	6.00	0.20	0.05	0.10	27.10.2021	1233	27.10.2021	237
20.05.2022	6.00	0.25	0.10	0.15	17.05.2022	1276	20.05.2022	99
23.06.2022	6.00	0.50	0.25	0.30	22.06.2022	1280	23.06.2022	128
26.07.2023	6.00	0.75	0.50	0.65	25.07.2023	1348	26.07.2023	153
01.12.2023	15.00	1.00	0.75	1.00	27.11.2023	1370	28.11.2023	245
29.03.2024	15.00	1.00	0.75	1.00	28.03.2024	1394	29.03.2024	67

Source: Central Bank of the TRNC

Rediscount Interest Rates

Effective Date	Currency																
	TRY					\$				€				£			
	Trad.	Ind. Tour. Agri. Edu.	Exp.	Small Business	Advances Against FX	Trad.	Ind. Tour. Edu.	Exp.	Advances Against FX	Trad.	Ind. Tour. Edu.	Exp.	Advances Against FX	Trad.	Ind. Tour. Edu.	Exp.	Advances Against FX
27.12.10	14	12	12	11	11	4	4	4	4	4	4	4	4	4	4	4	5
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
23.06.22	20.00	17.25	17.25	16.25	16.50	4	4	4	4	4	4	4	4	4	4	4	4
26.07.23	35.00	30.00	30.00	28.00	29.00	4	4	4	4	4	4	4	4	4	4	4	4
11.10.23	40.00	32.75	32.75	30.75	32.00	4	4	4	4	4	4	4	4	4	4	4	4
1.12.2023	50.00	42.75	42.75	40.75	42.00	5	5	5	5	5	5	5	5	5	5	5	5
29.03.2024	60.00	52.75	52.75	50.75	52.00	5	5	5	5	5	5	5	5	5	5	5	5
27.11.2024	55.00	48.50	48.50	46.50	50.00	5	5	5	5	5	5	5	5	5	5	5	5

Source: Central Bank of the TRNC

Abbreviations: Trad.: Trading, Ind.: Industry, Tour.: Tourism, Agri.: Agriculture, Edu.: Education, Exp.: Exports.

Bank Liquidity Requirement Ratios (%)

The lowest rate of the liabilities to the liquidity requirements that banks have to keep	10
Banks, total amount of funds they have in foreign banks and total amount of securities purchased abroad;	
1. If it exceeds <u>one</u> time of the equity	12
2. If it exceeds <u>two</u> times of the equity	14
3. If it exceeds <u>three</u> times of the equity	16
4. If it exceeds <u>four</u> times of the equity	18
5. If it exceeds <u>five</u> times of the equity	20

Source: Central Bank of the TRNC

Note: Bank Liquidity Requirement Ratios: It is the Executive Board Decision no. 841 dated February 07, 2013 of Central Bank of the TRNC. It was published in the Official Gazette No. 32 on February 26, 2013 and entered into force on March 1, 2013.

Reserve Requirements Ratios

Effective Date	Description	TRY	FX
31.03.2020	Deposits with up to 3-month maturity	8.00	8.00
	Deposits with a maturity of 3-month to 6-month	7.00	7.00
	Deposits with a maturity of 6-month to 1-year	6.00	6.00
	Deposits with over 1-year maturity	5.00	5.00
	Other liabilities excluding deposits	8.00	8.00
	Precious metal liabilities	0	0

Source: Central Bank of the TRNC

Tariffs

A	Turkish Lira Transactions	Commissions, Fees and Costs
1	Received transfers in TRY	0 (Zero)
2	Sent transfers in TRY	0.0005 commission
3	Sent transfers in TRY	Minimum fee: 250.00 TRY
4	Communication costs charged from sent transfers in TRY	-
B	Foreign Currency Exchange Transactions	Commissions, Fees and Costs
1	Received transfers in FX	-
2	Sent transfers in FX	0.001 commission
3	Sent transfers in FX	Minimum fee: 250.00 TRY

Source: Central Bank of the TRNC

Dishonored Cheques

Years	Months	People Restrained from Using Cheque Books (Number of persons)	
		Monthly Total	Cumulative Total
2016			2,977
2017			2,499
2018			2,374
2019			2,166
2020			1,633
2021			1,356
2022			757
2023			659
2024	1	50	50
	2	62	112
	3	59	171
	4	53	224
	5	68	292
	6	46	338
	7	63	401
	8	89	490
	9	88	578
	10	116	694
	11	89	783
	12	63	846

Source: Central Bank of the TRNC

Money Supply (Million TRY)

Year	Term	M1	Percentage Change	M2	Percentage Change	M3	Percentage Change
2019	I	6,297.8	14.08	29,051.7	9.05	31,227.0	8.95
	II	6,581.7	4.51	30,066.1	3.49	32,390.9	3.73
	III	6,775.1	2.94	30,109.1	0.14	33,243.7	2.63
	IV	7,386.0	9.02	33,164.4	10.15	35,890.3	7.96
2020	I	7,872.2	6.58	34,635.5	4.44	37,612.4	4.80
	II	8,529.4	8.35	35,839.0	3.47	38,294.3	1.81
	III	9,724.8	14.02	40,684.0	13.52	43,787.2	14.34
	IV	10,077.1	3.62	41,842.8	2.85	45,299.2	3.45
2021	I	10,461.4	3.81	45,118.5	7.83	48,624.9	7.34
	II	11,257.1	7.61	47,658.2	5.63	50,639.9	4.14
	III	12,381.7	9.99	49,727.0	4.34	52,622.7	3.92
	IV	17,349.1	40.12	67,053.5	34.84	71,396.0	35.68
2022	I	19,759.9	13.90	74,364.7	10.90	78,623.5	10.12
	II	23,814.8	20.52	82,490.8	10.93	86,691.6	10.26
	III	28,312.8	18.89	92,082.7	11.63	96,243.4	11.02
	IV	34,326.7	21.24	105,913.6	15.02	111,344.3	15.69
2023	I	40,071.5	16.74	116,406.7	9.91	121,302.0	8.94
	II	54,532.1	36.08	156,930.8	34.81	163,014.6	34.39
	III	60,041.8	10.10	169,304.5	7.88	176,924.2	8.53
	IV	67,886.8	13.07	191,745.2	13.25	200,015.7	13.05
2024	I	74,606.5	9.90	210,518.4	9.79	221,519.4	10.75
	II	75,419.7	1.09	220,086.9	4.55	229,227.3	3.48
	III	71,833.9	-4.75	234,646.8	6.62	245,962.4	7.30
	IV	82,829.9	15.31	253,994.9	8.25	266,124.5	8.20

Source: Central Bank of the TRNC

*Central Bank of the Turkish Republic of Northern Cyprus
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