



KOOPBANK

2020

ANNUAL

REPORT

CYPRUS TURKISH COOPERATIVE CENTRAL BANK LIMITED

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CYPRUS TURKISH COOPERATIVE CENTRAL BANK LIMITED

BOARD OF DIRECTORS

Şerife Kanan
Fatma Kınış
Hüseyin Çavuş
Mustafa Akyön
Kemal Ataman

Chairman
Member (Responsible for Internal Systems)
Member
Member
Member (General Manager)

SENIOR MANAGEMENT

Kemal Ataman
Orhan Bürüncük
Mehmet Öksüzoğluları
Nevzat Üstün
Öztan Güröz
Kemal Özçınar

General Manager
Asst.General Manager
Asst.General Manager
Asst.General Manager
Asst.General Manager
Asst.General Manager(a)

CHIEF ACCOUNTANT

Banu Moralı

Manager

INTERNAL SYSTEMS

Mustafa Atagül
Hasan Uysal
Canan Özkıran
Özlem Alemdar Aksu

Internal Audit Unit Officer
Risk Management Unit Officer
Internal Control Unit Officer
Compliance Unit Officer

EXTERNAL AUDITORS

ERDAL & CO.

Chartered Accountants

CYPRUS TURKISH COOPERATIVE CENTRAL BANK LIMITED

BOARD OF DIRECTORS' REPORT

We present our Board of Director's Report and Auditors' Report together with Balance Sheet as at 31 December 2020 and 2020 Profit and Loss Account to the Registrar of Co-operative Companies.

Profit for the year 2020 is satisfactory. Our business volume is satisfactory.

All Administrative and other expenses have been deducted and provisions have been made in the accounts for doubtful debts in accordance with the Provisions Decree issued under the Banking Law. As the Board of Directors, we submit and recommend the distribution of the total profit of 367,283,980.-TL obtained by adding the retained earnings from 2020 to the Bank's net profit of 29,125,344.-TL and after the provision of 3,158,359.-TL in the bank accounts for Corporate and Income Taxes, as shown below, and the financial statements audited by the auditor for the approval of the Council of Ministers through the Registrar of Co-operative Companies.

Statutory Reserve	2,912,534 TL
Carried Forward to 2021	364,371,446 TL

Approved by the Board of Directors on 28.04.2021.

On Behalf of the Board of Directors,

Kemal Ataman
General Manager and Member of the Board of Directors

Nicosia.

CYPRUS TURKISH COOPERATIVE CENTRAL BANK LIMITED

BOARD OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

As per the Banking Law, the Board of Directors is responsible for;

- Carrying out the Bank's activities within the framework of corporate governance principles and complying with applicable laws and other regulations in reliable manner,
- Compliance with procedures and principles and the Uniform Chart of Accounts set out by the TRNC Central Bank and maintaining complete and accurate accounting records in due course,
- Preparation of financial reports to meet information needs in a clear, concise, reliable, accurate, comparable and timely manner and ensure that they are convenient to audit, analysis and interpretation,
- Establishment and fair presentation of financial reporting system in line with Bank's operations, as well as the establishment of the necessary internal control system to prevent occurrence of significant errors and fraud during preparation of financial reporting,
- Evaluation of the validity of going concern basis and maintaining the continuity of going concern assumption.

The Board of Directors select accounting policies appropriate to the Bank's structure and apply them consistently to make reasonable and prudent decisions and estimates.

Those responsible with governance are responsible for overseeing the Bank's financial reporting process.

The Board of Directors is responsible for the establishment of the financial reporting system including the setting up of the accounting process of the operations of financial statements, their approval, audit, submission to the competent authorities and publication of the reports, establishment of financial reporting systems and determine their duties and responsibilities, rendering sufficient information systems and oversight of their overall execution in accordance with methods and provisions specified in Accounting systems and Retention of Documents Decree enacted under the Banking Law. In connection with the aforesaid obligations, with regards to the accounting and reporting systems, the Board of Directors is responsible for taking measures required for the determination of the key policies, the clear preparation of job descriptions in accordance with the workflow diagram of duties, authorities, and responsibilities, the rendering of sufficient internal and external information systems, the clear definition of authorities and responsibilities, and the oversight of execution in this regard.

Registrar of Co-operative Companies requires the Administrative Officers each year, at the earliest and at the time to be determined by the Chapter 114 Co-operative Companies Law:

a) To prepare Bank's Balance Sheet as at 31 December , and the detailed Profit and Loss account by the Secretary of the General Manager and sent to the Registrar

b) To prepare a report on the Bank's activities during the year to be presented at the Annual General Meeting.

Pursuant to the Cyprus Turkish Co-operative Central Bank Limited Articles of Association, the Board of Directors is obliged to act prudently and reasonably. Otherwise, Co-operative Companies will be liable for any loss and damage that may occur as a result of their actions contrary to the Law and Regulation and the provisions of this Articles.

On Behalf of the Board of Directors,

Şerife Kanan
Chairman

Kemal Ataman
Member / General Manager

Fatma Kınış
Member
(Responsible for Internal Systems)

Orhan Bürüncük
Asst.General Manager
(Responsible for Financial
Reporting)

Hüseyin Çavuş
Member

Mustafa Akyön
Member

Banu Moralı
Chief Accountant

CYPRUS TURKISH COOPERATIVE CENTRAL BANK LIMITED
INDEPENDENT AUDITORS' REPORT FOR THE ACCOUNTING PERIOD ENDED
31 DECEMBER 2020

We have audited the financial statements on pages 6 to 36 which have been prepared under the historical cost convention and in accordance with the accounting policies set out on pages 20-22.

Responsibilities of Board of Directors and Auditors

As described on page 3, the Directors of the Bank are responsible for the financial statements. Our responsibility is to express an opinion on the financial statements based on our audit.

Basis of our opinion

We have conducted our audit in accordance with independent auditing principles and with provisions of the Independent Auditor Institutions Decree published under the 62/2017 Banking Law. Audit includes planning and conducting so as to obtain reasonable assurance as to whether the financial statements are free from material misstatement. The independent audit procedures include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessment of the accounting principles used, significant accounting estimates made by the Board of Directors and the overall presentation of the financial statements. These procedures are determined according to the professional judgment of the auditor which includes consideration of the risk of material misstatement whether caused by error or fraud in the financial statements. Independent audit also include the assessment of the operation of the Bank's internal systems, whether sufficiently used and the infrastructure of the system in use is appropriate for the Bank's structure and whether the Bank has effective internal control system. We believe that audit evidence we have obtained during the audit is sufficient and appropriate to provide reasonable basis for our opinion.

Opinion in Accordance with the 62/2017 Banking Law

In our opinion, the financial statements of Cyprus Turkish Co-operative Bank Limited as at 31 December 2020, give a true view in all material respects in accordance with 62/2017 Banking Law and all relevant legislation published under this Law, as explained in Note IB-14, except for the effects of the following matters;

- Pursuant to the protocol signed with the Ministry of Finance in September 2019, the total of loans with State guarantee exceeds the maximum limit stipulated by the Banking Law by 4,061,190,527 Turkish Liras,
- The total of big risks exceeds the maximum limit stipulated by the Banking Law by 2,212,119,373 Turkish Liras.

Opinion in Accordance with the Companies Law, Chapter 114

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit. In our opinion, proper books of account, have been kept by the Bank, so far as appears from our examination of those books. The Bank's balance sheet and profit and loss account audited are in agreement with the accounting records.

In our opinion and to the best of our information and according to the explanations given to us, the accounts give the information required by Chapter 114 the Co-operative Companies Law in the manner so required and, with all material respects, so as to give a true and fair view of the state of affairs in the Bank's Balance Sheet as at 31 December 2020 and in the case of the Profit and Loss account, of the profit for the year 2020.

Doğan Çakır
Responsible Auditor

ERDAL & CO.

Eral Erdal BSc FCA
Responsible Partner

address: Bedrettin Demirel Cad, No: 100 Kat 2, PO Box 410 Nicosia, Cyprus, Mersin 10 – Turkey
phone: +90 (392) 227 26 63 **fax:** +90 (392) 227 71 51 **mail:** info@erdalco.com **web:** www.erdalco.com

CYPRUS TURKISH COOPERATIVE CENTRAL BANK LIMITED

**THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT'S STATEMENT REGARDING
FINANCIAL STATEMENTS PERTAINING TO THE ACCOUNTING PERIOD ENDED
31 DECEMBER 2020**

The financial statements and the related disclosures and notes on pages 6 to 36 are in compliance with the provisions of the Accounting Systems and Retention of Documents Decree enacted under the Banking Law and with accounting records.

Şerife Kanan
Chairman

Kemal Ataman
Member / General Manager

Orhan Bürüncük
Asst.General Manager
(Responsible for Financial Reporting)

Fatma Kınış
Member
(Responsible for Internal Systems)

Mustafa Akyön
Member

Hüseyin Çavuş
Member

Banu Moralı
Chief Accountant

**CYPRUS TURKISH CO-OPERATIVE CENTRAL BANK LTD
COMPARATIVE BALANCE SHEET**

ASSETS	Note	CURRENT PERIOD (31/12/2020)			PREVIOUS PERIOD (31/12/2019)		
		TL	FC	TOTAL	TL	FC	TOTAL
I - CASH BALANCES		28,029,134	20,405,398	48,434,532	27,172,512	17,443,209	44,615,721
A. Cash-TL balances		28,029,134		28,029,134	27,172,512		27,172,512
B. Cash-foreign currency			19,078,019	19,078,019		14,198,896	14,198,896
C. Other liquid assets			1,327,379	1,327,379		3,244,313	3,244,313
II - BANK BALANCES	(1)	384,062,993	2,243,540,447	2,627,603,440	361,129,323	1,639,359,181	2,000,488,504
A. TRNC Central Bank		259,521,025	1,766,918,203	2,026,439,228	182,560,396	951,453,227	1,134,013,623
B. Other Banks		124,541,968	476,622,244	601,164,212	178,568,927	687,905,954	866,474,881
1) Domestic Banks		8		8	8		8
2) Foreign Banks		124,541,960	476,622,244	601,164,204	178,568,919	687,905,954	866,474,873
3) Reverse Repo Receivables							
III - SECURITIES PORTFOLIO (NET)	(2)	38,975,097	787,304,000	826,279,097	34,547,877	553,907,993	588,455,870
A. Treasury Bills							
B. Other bills							
C. Equity shares							
D. Other securities		38,975,097	787,304,000	826,279,097	34,547,877	553,907,993	588,455,870
IV - LOANS AND ADVANCES	(3)	3,892,653,288	1,620,629,624	5,513,282,912	3,605,686,068	1,195,411,105	4,801,097,173
A. Short term		111,200,947	149,384,864	260,585,811	102,912,819	117,598,894	220,511,713
B. Medium and long term		3,781,452,341	1,471,244,760	5,252,697,101	3,502,773,249	1,077,812,211	4,580,585,460
V - LOANS IN ARREARS (NET)	(4)	504,694	3,105,895	3,610,589	1,471,402	2,182,168	3,653,570
A. Loans and other receivables with limited repayment capacity (Net)		100,403	346,102	446,505	994,288	987,014	1,981,302
1) Gross receivable balances		108,067	354,977	463,044	1,036,691	1,012,322	2,049,013
2) Specific provision		7,664	8,875	16,539	42,403	25,308	67,711
B. Doubtful debts and other receivables (Net)		404,291	2,759,793	3,164,084	477,114	1,195,154	1,672,268
1) Gross receivable balances		465,310	2,943,779	3,409,089	521,419	1,283,176	1,804,595
2) Specific provision		61,019	183,986	245,005	44,305	88,022	132,327
C. Bad debts and receivables (Net)							
1) Gross receivable balances		12,148,736	136,857,550	149,006,287	11,833,809	138,068,571	149,902,381
2) Specific provision		12,148,736	136,857,550	149,006,287	11,833,809	138,068,571	149,902,381
VI - PREPAYMENTS AND ACCRUED INCOME		3,411,590	1,675,207	5,086,797	3,587,872	1,009,298	4,597,170
A. Loans and advances		1,829,121	65,554	1,894,675	629,350		629,350
B. Securities portfolio		985,618	845,931	1,831,549	2,484,501	843,630	3,328,131
C. Other		596,851	763,722	1,360,573	474,021	165,668	639,689
VII - FINANCIAL LEASING RECEIVABLES (NET)							
A. Financial leasing receivables							
B. Unearned income							
VIII- RESERVE DEPOSITS AT THE CENTRAL BANK		231,839,390	392,971,102	624,810,492	252,108,010	250,810,131	502,918,141
IX- SUNDRY RECEIVABLES	(5)	327,816	236,176	563,992	155,229	149,828	305,057
X- PARTICIPATIONS (NET)	(6)						
A. Financial participations							
B. Other participations							
XI- SUBSIDIARIES (NET)	(6)	44,252,873		44,252,873	29,639,504		29,639,504
A. Financial subsidiaries		23,947,545		23,947,545	12,840,239		12,840,239
B. Other subsidiaries		20,305,328		20,305,328	16,799,265		16,799,265
XII- LONG TERM INVESTMENTS	(7)	74,942		74,942	74,942		74,942
A. Equity shares							
B. Other pledged securities		74,942		74,942	74,942		74,942
XIII - FIXED ASSETS	(8)	44,859,679		44,859,679	45,420,136		45,420,136
A. Book value		74,038,846		74,038,846	71,255,909		71,255,909
B. Accumulated depreciation		29,179,167		29,179,167	25,835,773		25,835,773
XIV- OTHER ASSETS	(9)	23,811,193	4,781,131	28,592,324	13,583,304	2,739,649	16,322,953
TOTAL ASSETS		4,692,802,689	5,074,648,980	9,767,451,669	4,374,576,179	3,663,012,562	8,037,588,741

(*) Used by banks authorized by law.

Şerife Kanan
Chairman

Kemal Ataman
Member /General Manager

Fatma Kınış
Member (Responsible for Internal Systems)

Orhan Bürüncük
Asst.General Manager
Responsible for Financial
Reporting

Hüseyin Çavuş
Member

Mustafa Akyön
Member

Banu Moralı
Chief Accountant

CYPRUS TURKISH CO-OPERATIVE CENTRAL BANK LTD
COMPARATIVE BALANCE SHEET

LIABILITIES		CURRENT PERIOD (31/12/2020)			PREVIOUS PERIOD (31/12/2019)			
		Note	TL	FC	TOTAL	TL	FC	TOTAL
I -	DEPOSITS	(10)	4,048,993,078	4,990,546,805	9,039,539,883	3,826,242,621	3,456,033,876	7,282,276,497
	A. Saving deposits		2,574,571,879	3,579,392,198	6,153,964,077	2,420,689,507	2,511,486,338	4,932,175,845
	B. Official deposits		686,093,308	174,660,098	860,753,406	681,770,804	134,967,427	816,738,231
	C. Commerical deposits		724,998,912	991,689,502	1,716,688,414	661,153,620	614,652,284	1,275,805,904
	D. Other institution deposits		61,297,970	89,011,393	150,309,363	59,557,355	80,617,611	140,174,966
	E. Bank deposits		2,031,009	155,793,614	157,824,623	3,071,335	114,310,216	117,381,551
	F. Gold reserve accounts							
II -	FUNDS OBTAINED FROM REPOS	(11)						
III -	FUNDS BORROWED	(12)						
	A. TRNC Central Bank							
	B. Other funds borrowed							
	1) Domestic bank and institutions							
	2) Foreign bank and institutions							
	3) Capital loans							
IV -	FUNDS	(13)	371,105		371,105	393,891		393,891
V -	SECURITIES ISSUED (NET)	(14)						
	A. Bonds							
	B. Asset backed securities							
	C. Debentures							
VI -	EXPENSE ACCRUALS AND DEFERRED INCOME		23,634,968	16,737,273	40,372,241	19,981,026	15,782,192	35,763,218
	A. Deposits		21,988,048	15,326,854	37,314,902	18,966,482	14,932,560	33,899,042
	B. Borrowed funds							
	C. Other		1,646,920	1,410,419	3,057,339	1,014,544	849,632	1,864,176
VII -	FINANCIAL LEASING PAYABLES (NET)							
	A. Financial leasing payables							
	B. Deferred financial leasing expenses							
VIII -	TAXES, DUTIES AND SOCIAL SECURITY PREMIUMS PAYABLE		33,087,488	1,276,406	34,363,894	128,663,606	25,074,472	153,738,078
IX -	IMPORT TRANSFER ACCOUNTS							
X -	SUNDRY LIABILITIES	(15)	120,456,902	16,060,065	136,516,967	79,857,226	12,121,306	91,978,532
XI -	PROVISIONS		29,818,141		29,818,141	26,099,074		26,099,074
	A. Retirement pay compensation							
	B. General provision for loans		6,739,935		6,739,935	4,392,695		4,392,695
	C. Corporation and Income Tax provisions		2,591,092		2,591,092	1,046,918		1,046,918
	D. Other provisions		20,487,114		20,487,114	20,659,461		20,659,461
XII -	OTHER LIABILITIES	(16)	19,750,957	447,420	20,198,377	15,573,589	6,564,787	22,138,376
XIII -	SHAREHOLDERS' FUNDS	(17)	98,987,081		98,987,081	84,749,229		84,749,229
	A. Share capital paid-up		26,476,351		26,476,351	26,325,529		26,325,529
	1) Nominal share capital		50,000,000		50,000,000	50,000,000		50,000,000
	2) Unpaid share capital		23,523,649		23,523,649	23,674,471		23,674,471
	B. Statutory reserves		38,397,775		38,397,775	36,104,565		36,104,565
	1) Statutory reserves		38,397,775		38,397,775	36,104,565		36,104,565
	2) Share premium							
	3) Other legal reserves							
	C. General reserves							
	D. Statutory revaluation fund		7,718		7,718	7,718		7,718
	E. Revaluation balances	(18)	34,105,237		34,105,237	22,311,417		22,311,417
	F. Loss							
	1) Current period loss							
	2) Previous period losses							
XIV -	PROFIT		367,283,980		367,283,980	340,451,846		340,451,846
	A. Current period profit		29,125,344		29,125,344	22,932,104		22,932,104
	B. Previous period profits		338,158,636		338,158,636	317,519,742		317,519,742
TOTAL LIABILITIES			4,742,383,700	5,025,067,969	9,767,451,669	4,522,012,108	3,515,576,633	8,037,588,741
COMMITMENTS AND CONTINGENT LIABILITY			(1)					
I -	GUARANTEES AND ACCEPTANCES	(2)	23,057,298	15,371,371	38,428,669	16,019,037	13,515,670	29,534,707
II -	COMMITMENTS	(3)	477,254,059	73,142,814	550,396,873	143,594,589	8,938,627	152,533,216
III -	FOREX & INTEREST RATES OPERATIONS	(4)						
IV -	ASSETS HELD UNDER TRUST AND PLEDGED ASSETS		289,025,192	1,459,698,990	1,748,724,182	251,681,853	1,207,483,747	1,459,165,600
TOTAL			789,336,549	1,548,213,175	2,337,549,724	411,295,479	1,229,938,044	1,641,233,523

Şerife Kanan
Chairman

Kemal Ataman
Member /General Manager

Fatma Kınış
Member (Responsible for Internal Systems)

Orhan Bürüncük
Asst.General Manager
Responsible for Financial
Reporting

Hüseyin Çavuş
Member

Mustafa Akyön
Member

Banu Moralı
Chief Accountant

CYPRUS TURKISH CO-OPERATIVE CENTRAL BANK LTD
COMPARATIVE STATEMENT OF PROFIT AND LOSS

	CURRENT PERIOD (31/12/2020)	PREVIOUS PERIOD (31/12/2019)
Note		
I - INTEREST INCOME		
A. Interest income from loans		
1) Interest income from TL loans	618,010,871	770,926,363
a - Short term	566,096,516	708,550,967
b - Medium and long term	439,929,790	610,161,053
2) Interest income from foreign currency loans	429,252,084	597,273,646
a - Short term	10,677,706	12,887,407
b - Medium and long term	120,135,688	90,628,211
3) Interest income from loans in arrears	110,850,020	82,127,692
Interest income from reserve deposits at the Central Bank	9,285,668	8,500,519
B. Interest income received from banks	6,031,038	7,761,703
1) TRNC Central Bank	7,560,857	21,385,020
2) Domestic banks	39,155,687	31,878,766
3) Foreign banks	13,633,028	16,275,563
4) Interest income from reverse repos	25,522,659	15,603,203
D. Interest income from securities portfolio	5,196,106	9,109,806
1) TRNC Development Bank securities	5,196,106	9,109,806
2) Other securities		
E. Other interest income	1,705	1,804
II - INTEREST EXPENSES		
A. Interest expense payable to deposits	433,138,345	642,914,709
1) Saving deposits	342,597,067	552,011,573
2) Official deposits	273,302,056	451,220,872
3) Commercial deposits	9,337,972	25,772,339
4) Other institution deposits	59,693,828	74,097,260
5) Bank deposits	115,314	265,594
B. Interest expense payable to foreign currency deposits	147,897	655,508
1) Saving deposits	90,381,685	87,299,280
2) Official deposits	63,255,337	60,950,632
3) Commercial deposits	3,906,958	3,679,619
4) Other institution deposits	17,248,748	16,789,708
5) Bank deposits	2,270,646	2,529,839
6) Gold reserve accounts	3,699,996	3,349,482
C. Repo Interest Expense		
D. Interest expense payable on borrowings	159,593	3,603,856
1) TRNC Central Bank	95,278	3,571,285
2) Domestic banks		
3) Foreign banks		
4) Other institutions	64,315	32,571
E. Interest on debentures and securities issued		
F. Other interest expense		
III - NET INTEREST INCOME [I - II]	184,872,526	128,011,654
IV - OTHER INCOME		
A. Fees and commissions received	793,978,656	513,432,411
1) From cash loans	17,068,581	18,648,213
2) From non-cash loans	4,957,738	5,058,721
3) Other	633,593	624,393
B. Profit from capital market operations	11,477,250	12,965,099
C. Foreign exchange profits		
D. Dividends received from subsidiaries and participations	757,657,730	456,618,876
E. Extraordinary income	13,918	42,747
F. Other non-interest income		
V - OTHER OPERATING EXPENSES		
A. Fees and commissions paid	946,567,479	616,202,989
1) On cash loans	1,821,658	1,203,281
2) On non-cash loans	291,677	151,286
3) Other	1,529,981	1,051,995
B. Loss on capital market operations		
C. Foreign exchange losses	757,171,602	450,121,721
D. Personnel expenses	75,068,316	72,263,778
E. Retirement pay compensation		
F. Rental expenses	1,257,834	1,006,408
G. Depreciation	3,343,394	2,947,128
H. Taxes and duties	1,984,570	677,195
I. Extraordinary expenses		
□. Provision for doubtful debts	3,913,880	12,754,403
K. Other provisions	6,738,534	9,401,346
L. Other non-interest expenses	95,267,691	65,827,729
VI - NET OTHER INCOME [IV - V]	-152,588,823	-102,770,578
VII - PROFIT BEFORE TAXATION [III + VI]	32,283,703	25,241,076
VIII - TAXATION	3,158,359	2,308,972
IX - NET PROFIT AFTER TAXATION [VII - VIII]	29,125,344	22,932,104

Serife Kanan
Chairman

Kemal Ataman
Member /General Manager

Fatma Kınış
Member (Responsible for Internal Systems)

Orhan Bürüncük
Asst.General Manager
Responsible for Financial Reporting

Hüseyin Çavuş
Member

Mustafa Akyön
Member

Banu Moralı
Chief Accountant

I - NOTES TO THE ACCOUNTS AND DISCLOSURES REGARDING THE FINANCIAL STRUCTURE OF THE BANK:

A) ACCOUNTING POLICIES:

(1) **General information about the bank should be included.**

Accounts other than subsidiaries are prepared on the basis of the Historical Cost Convention and Subsidiaries are prepared according to the equity method.

(2) Depreciation is provided for using the following rates.

Building	%3,03-20
Fixtures and fittings	%10-25
Information technology devices and systems	%10-33.33
Vehicles	%15
Special costs	%20

(3) Except for the non-performing receivables as stated in the Bank's Loans and Other Receivables Qualities and Provisions, Decree published by the Central Bank of the TRNC, all accounts have been prepared according to the accrual principle.

(4) In accordance with Article 7(4) of the Decree on the Qualities of Banks' Loans and Other Receivables and Provisions, the Bank has made a provision for the bad loans regardless of the value of collateral specific for entire amount of non-performing loans.

(5) Foreign Currency Transactions:

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Assets and liabilities other than loans in arrears in TRNC and overseas have been translated at the rates of exchange ruling at 31 December 2020. Foreign currency loans in arrears have been translated at the exchange rate on the date they were classified monetary foreign currency non-performing loan.

B) NOTES AND DISCLOSURES RELATED TO THE CURRENT PERIOD:

(1) Date of approval of the balance sheet is 28 April 2021.

(2) **LEGAL STRUCTURE OF THE BANK:**

Cyprus Turkish Co-operative Central Bank Limited is a co-operative institution registered under Chapter 114 Co-operative Companies Law and is subject to the TRNC Banking Law No. 62/2017 in regard of its banking activities.

a) The term of office of the Administrative Officers appointed to the Cyprus Turkish Cooperative Central Bank Limited Administrative Committee was extended by the Council of Ministers for 2 (two) years with the recommendation of the Deputy Registrar of Cooperative Companies on 24 March 2018. No extension have been identified after this date.

b) The Bank's Board of Directors and senior executives and internal system managers are stated on page 1 of the financial report. Changes in senior managers and auditors;

- An Independent Audit Agreement was signed with Erdal&Co Audit Firm on 04 November 2020.
- The Board memberships of Ramadan Durmazler ended on March 15, 2021, İsmet Dirgen on April 14, 2021, and the Board memberships of Bülent Arkin and Nuri Erhat, who were appointed to replace these members were approved by the Central Bank of the TRNC on April 21,

c) The qualifications of bank executives and auditors are in accordance with by the TRNC Banking Law No. 62/2017.

d) The Board of Directors, who are appointed in accordance with the Co-operative Companies Law and our Administrative Officers, are stated as the Board of Directors in the financial report.

e) The external auditor of the bank is a firm approved by the Central Bank for carrying out audits.

(3) **Changes in accounting policies and their monetary effects, if any, should be explained.**

No changes have been made in the accounting policies.

(4) **The opinion of the independent audit firm on the validity of the concepts of continuity of the business, periodicity and consistency, which are considered as the basic assumptions of accounting, should be included.**

The Bank fully complies with the matching and consistency, concepts that are considered the fundamental principles of accounting. The going concern of the Bank has been evaluated by the Bank within the framework of the explanations below and has not been affected.

The extraordinary Covid 19 epidemic in 2020 adversely affected many sectors in our country and all over the world. In a short time, the epidemic caused serious health problems by affecting all humanity. The banking sector, which is the building block of the financial system, has also been greatly affected. The banking sector has taken the necessary measures in a short time to protect itself from the negative effects of this epidemic and to perform its banking functions safely. Banks have taken measures to protect their employees on the one hand and their customers on the other. In addition, it offered loan restructuring, installment deferral and loan support packages to its financially affected customers.

Our bank has also been flexible in this regard, offering postponement for installment payments, loan restructuring opportunities and government-supported loan packages. With regard to loan interest rates considering its customers with payment difficulties increases to interest rates were not increased throughout 2020.

As a result of these developments, our Bank carries a credit risk due to non-repayable loans and loan installments.

In addition, due to the pandemic, care has been taken to minimize risks and protect public and personnel health by developing capabilities to work from home and by introducing rotation of personnel.

(5) There have been no changes in the valuation methods applied.

(6) **Securities portfolio (Including participations, subsidiaries, long term investments) valuation methods:**

Securities belonging to the bank are valued by taking into account the acquisition cost or the realized value decreases, however the premium paid or the discount received in the purchase of the securities is calculated on an accrual basis and included in the acquisition cost.

- TRNC Development Bank Bonds are not registered in any stock exchange and 2% of their commitments banks are legally required to be acquired by banks at the rate of 2% of their commitments.

- TC Treasury Bonds are registered in the Istanbul Stock Exchange.

- Affiliates, Subsidiaries and Affiliated Securities

- Şeker Sigorta (Cyprus) Ltd, the sole financial subsidiary of the bank, and its non-financial subsidiaries Milk and Oil Products Production and Marketing Cooperative (Koop-Süt) Limited, Mixed Animal Feed, Harup Products and LP Gas Production and Marketing Cooperative Limited and Agricultural Supplies , Makine ve Gıda Pazarlama Kooperatifi Limited's investment values have been valued according to the equity method.

The depreciation method used, the change in the method in the current period and its monetary impact should be explained.

The Straight Line Depreciation method has been used. No changes have been made in the method.

(7) **Currency risk exposure due to foreign currency transactions and what the hedging strategies consist of should be explained.**

In order to protect against the exchange rate risk that may arise from foreign currency accounts consisting of different types and different amounts included in the assets and liabilities of the balance sheet, the Bank implements foreign currency asset-liability management; position, exchange rate, price, liquidity, maturity risks and the position limits that should be kept according to the foreign currency types specified in the Banking Law. The Bank has a long position in USD of 1,031,449,895 TL. Due to the conversion of a certain amount of government-guaranteed TL loans into USD in 1998.

(8) **USD and GBP Foreign exchange rates used in the preparation of the Balance Sheet and the bid rates published by the bank on the last five working days of the current accounting period.**

	<u>Current Period</u>	<u>Previous period</u>
	TL	TL
US Dollar :	7.4330	5.9040
<u>Preceding the Balance Sheet date:</u>		
1. Day Bid Rate	7.3260	5.9020
2. Day Bid Rate	7.3140	5.9120
3. Day Bid Rate	7.4030	5.8930
4. Day Bid Rate	7.5030	5.8960
5. Day Bid Rate	7.5340	5.9020
	<u>Current Period</u>	<u>Previous period</u>
	TL	TL
STG :	10.1600	7.7700
<u>Previous period:</u>		
1. Day Bid Rate	9.9750	7.7470
2. Day Bid Rate	9.8780	7.7510
3. Day Bid Rate	10.0070	7.6640
4. Day Bid Rate	10.1750	7.6480
5. Day Bid Rate	10.2290	7.6580

(9) **Total insurance value of the asset values:**

	<u>Book Value</u>	<u>Current Period 31.12.2020</u>	<u>Insurance Value</u>
	TL	Acc.Depreciation TL	TL
Assets	74,076,825	29,179,166	60,933,285
Fixtures fittings and equipment	23,038,582	18,017,332	23,473,435
Immovable Properties	47,357,566	7,811,636	37,459,850
Leasehold improvements costs	3,642,698	3,350,198	
Assets To Be Disposed of	37,979		
	<u>Book Value</u>	<u>Previous Period 31.12.2019</u>	<u>Insurance Value</u>
	TL	Acc.Depreciation TL	TL
Assets	71,293,888	25,835,773	48,933,748
Fixtures fittings and equipment	20,255,645	16,075,603	19,718,368
Immovable Properties	47,357,566	6,480,255	29,215,380
Leasehold improvements amount	3,642,698	3,279,915	
Assets To Be Disposed of	37,979		

(10) Material, contingent, and conditional losses and gains the value of which could not be estimated.

None.

(11) An up to date explanation need to be made in case of new information obtained post balance sheet with regard to a matter existing at the balance sheet date.

a) Post balance sheet matters and transactions not yet completed and their effects on the financial statements.

b) The effect on foreign currency transactions and items and financial statements of material changes to the exchanged rates occurring after the balance sheet date and that non-disclosure would affect the evaluation and decision making by the users of financial statements over the financial statements.

None.

(12) Material items affecting the balance sheet in a significant way that need to be disclosed in order to make the balance sheet more clear explainable and understandable:

Unless otherwise specified, amounts are expressed in Turkish Lira (TRL).

(13) Bank's Capital Adequacy Standard Ratio: % 13.60

a) Information on Risk-Weighted Assets;

Risk Weighed Assets, Liabilities and Non-Cash Loans	Current Period
I.MARKET RISK	1,043,988,000
II. OPERATIONAL RISK	442,338,000
III. CREDIT RISK (a+b+c+ç)	1,746,122,625
a. 20% RISK-WEIGHTED ASSETS	923,752,394
b.50% RISK-WEIGHTED ASSETS	338,463,351
c.100% RISK-WEIGHTED ASSETS	483,906,880
ç.COUNTERPARTY CREDIT RISK	
IV.TOTAL RISK-WEIGHTED ASSETS (I + II + III)	3,232,448,625

b) Information on Capital and Reserves;

	Current Period
I.TOTAL TIER I CAPITAL (II + III)	410,583,163
II. CORE TIER I CAPITAL	410,583,163
III. ADDITIONAL TIER I CAPITAL	
IV. TIER II CAPITAL	29,169,987
V. CAPITAL (I + IV)	439,753,150

c) Summary Details of Capital Adequacy Standard Ratio;

	TL, %	TL, %
	Current Period	Previous period
Total Risk-Weighted Assets	3,232,448,625	2,584,660,767
Capital	439,753,150	404,084,564
Capital / RWA (CAR (%))	% 13.60	% 15.63

(14) Opinion of the Independent Audit Institution auditing the financial statements (as per the legislation):

A. Legal structure of the bank:

Cyprus Turkish Co-operative Central Bank Ltd. (Koopbank) was established on 09 September 1959 under Chapter 114 Co-operative Companies Law and started its activities subject to the TRNC Banking Law in force at that time. The Bank is an institution subject to the "TRNC Banking Law" number 62/2017, published in the Official Gazette No. 193 dated November 17, 2017.

B. Information on the Bank's capital structure and shareholders holding 10% or more of the shares are as stated in the balance sheet note III (17) (e), and a share of 23,341,978.-TL, which corresponds to 88.16% of the paid-in capital of 26,476,351.-TL. The share of 3,134,373.-TL, corresponding to 11.84%, belongs to the co-operative companies.

C. The Board of Directors and senior executives and internal systems officers are listed on page 1 of the financial report. Changes in senior executives and auditors are ;

- On March 24, 2018, according to Article 40, paragraph 1 of the Chapter 114 Cooperative Companies Law, Administrative Officer's term of office was extended by 2 years. No extensions have been identified after this date.
- An Independent Audit Agreement was signed with Erdal&Co Audit Firm on 04 November 2020.
- The Board memberships of Ramadan Durmaz ended on March 15, 2021, İsmet Dirgen on April 14, 2021, and the Board memberships of Bülent Arkin and Nuri Erhat, who were appointed to replace these members were approved by the Central Bank of the TRNC on April 21, 2021.

BOARD OF DIRECTORS

Şerife Kanan
Fatma Kınış
Mustafa Akyön
Hüseyin Çavuş
Kemal Ataman

Chairman
Member (Responsible for Internal Systems)
Member
Member
Member (General Manager)

SENIOR MANAGEMENT

Kemal Ataman
Orhan Bürüncük
Özcan Güröz
Mehmet Öksüzogulları
Nevzat Üstün
Kemal Özçınar
Banu Moralı
Mustafa Atagül
Canan Özkıran
Hasan Uysal
Özlem Alemdar Aksu

General Manager and Secretary
Asst.General Manager
Asst.General Manager
Asst.General Manager
Asst.General Manager
Asst.General Manager (POA)
Chief accountant
Internal Audit Unit Officer
Internal Control Unit Officer
Risk Management Unit Officer
Compliance Unit Officer

Ç. To the best of our knowledge, there has been no significant change or development that may affect the Bank's position after the balance sheet period. Explanations regarding the Covid-19 virus outbreak that will affect the Bank's position are stated in note IB 4. No changes to the financial statements are required.

D. Accounting policies have not changed compared to the previous year.

E. The Bank's management representation on the reliability of the Bank's internal control system is satisfactory and the opinion expressed as a result of our audit is explained in article (R).

F. In accordance with the protocol signed with the Ministry of Finance dated September 2019, bail bonds for the year 2020 were audited for the loans amounting to TL 4,935,233,140 belonging to the Agricultural Products Authority, TRNC Telecommunication Department and 1997-1998 Chemical Fertilizers. The bail bonds of these loans for 2021 have not been renewed as of the date this report.

G. Eti Teşebbüsleri Ltd. Şti. loan amounting to TL 75,754 reported by the Bank as Government Guaranteed loan. and Cyprus Fruit and Vegetables (Cypruvex) Limited loan amounting to TL 11,010,735 for 2020 and 2021 have not been seen as of the date of this report. For Cyprus Fruits and Vegetables (Cypruvex) Limited, provision of bail bond has been committed in the protocol signed with the Ministry of Finance in September 2019.

H. As of 31 December 2020, Cyprus Fruits and Vegetables (Cypruvex) Ltd. Loan is reported within the scope of performing loans based on the protocol signed with the Ministry of Finance dated September 2019.

I. According to the provisional article 6 of the Banking Law No. 62/2017, the loans with State Bail shall be paid annually, at a minimum amount of 20% (twenty percent) of the balance as at the date of the Law, within five years at the latest, and must be redeemed by paying all of its interest. It has been determined that the collections for government-guaranteed loans with state bail are below the minimum payment amounts specified in this article.

İ. The loan provided in favor of a risk group has exceeded 25% of the equity, which is the total risk limit that can be provided, by TL 2,811,761.

- J. Of the total cash loan receivables amounting to 5,666,161,332 Turkish Liras included in the financial statements, 4,946,319,629 Turkish Liras are loans given to State Institutions with state bail 152.878,420 Turkish Liras of the remaining 719,841.703 Turkish Liras are non-performing loans, of which In accordance with the regulations in force, of Banking Law No. 2017, specific provision of 149,267,831 Turkish Liras, that is, a total of 97.64%, has been made.
- K. The valuation of 4 Subsidiaries made using the Equity Method is made over temporary accounts. The Subsidiaries are not audited by ourselves.
- L. The efforts to dispose immovable property acquired as a result of receivables of TL 37,979 in accordance with Article 25 Rules relating to Goods and Services, is ongoing as at the date of this report.
- M. The Bank has a long position of TL 1,031,449,895 in USD currency.
- N. The Bank's Leverage Ratio is 3.97%, which is below the minimum rate of 4% stated in the relevant Decree. As of March 2021, Leverage Ratio is above the minimum rate.
- O. All transactions with the Bank's risk group and employees, as well as those who form a risk group with them, are made subject to the Bank's internal controls. Loans extended to the bank's shareholders, employees, subsidiaries and affiliates are stated in the 3rd note regarding the asset items.
- P. All loans are submitted to the credit committee and the rates and conditions applied outside the circular are approved. In all other transactions, special rates and conditions applied outside the circular are made subject to the approval of the general manager and other senior management. No material differences were found between the rates and conditions applied to the Bank's risk group and employees and the persons who form risks, the special rates and conditions applied and the market conditions.

R. Establishment of Internal Systems

- i. The member of the Board of Directors, who does not have any executive duties, has been appointed as the member responsible for internal systems. The qualifications, duties and powers of this member are in compliance with the Communiqué on Internal Audit, Risk Management, Internal Control and Management Systems in Banks issued by the Central Bank of the TRNC.

The Bank maintains its Internal Systems in the TRNC under the Internal Audit, Risk Management and Internal Control and Compliance units. The qualifications of the employees in the Internal Systems Units comply with the Decree.

ii. Internal Audit

- Internal Audit has planned, performed audits and reported in accordance with the Decree.
- The Internal Audit Unit has submitted its reports to the member responsible for Internal Systems, in accordance with the Decree.
- Internal Audit personnel participated in the establishment of control processes.

iii. Compliance Unit

It carried out its activities and reports in accordance with the Decree. The Bank has established the necessary structure and implemented appropriate procedures in order to ensure compliance with legal regulations.

iv. Internal Control Department.

It has fulfilled the purposes stated by the Decree.

- An Internal Control Unit has been established in line with the bank's structure, strategies and policies regarding activities and implementation procedures have been identified in writing, and effective control of implementation and operation has been achieved.
- The information systems were aligned with the scale of the bank, the nature and complexity of its activities and products offered.
- The bank's main and auxiliary systems and an information system is in place.
- Emergency and contingency plan has been put into practice.
- The effectiveness of internal controls, especially in terms of compliance controls, needs to be strengthened.

v. Risk Management

- Scenario Analysis Technique and Assumption Analysis Technique are used in the risk management model. Periodically, the contextual structures of scenario is updated.
- The Bank has monitored and evaluated the risk compositions in the matrix approved by the Decree.
- The bank carried out stress tests and scenario analysis, made simulations.
- The assesment of the loans extended by the Bank and their classification according to the appropriate risk categories were reported to the Central Bank.
- Penetration testing was carried out and finalised by scheduling the improvements.

Thus, in accordance with Article 11 of the Independent Audit Decree.

The procedures and principles determined in the legislation regarding internal systems have been complied with.

Personnel in charge of internal audit and compliance participated in the establishment control process.

The bank has appropriate control activities to manage its own risks.

Risk management models, methodologies and assumptions used for risk measurement and management are regularly evaluated and updated.

Necessary updates are made in the accounting and related internal audits of the organisation for a new financial product or a new service developed by the Bank.

The bank has reliable information systems that provide sufficient financial, operational and appropriate information in a timely and consistent manner. Bank management has a risk management system that is easy to understand and allows them to assess the changing nature of the bank's risk profile.

Anti Money Laundering Law and other regulations the Bank is required to comply has not been breached.

II-NOTES AND EXPLANATIONS ABOUT INTERNAL SYSTEMS

Internal Systems :

Established within the scope of the Decree on Internal Audit, Risk Management, Internal Control and Management Systems in Banks" dated August 12, 2008 and consisting of internal audit, internal control, risk management and compliance units, the internal systems are structured in a way that is compatible with the diversity of the Bank's activities and can respond to changing conditions. .

This restructuring aims to maintain banking activities in compliance with the strategies determined by the senior management, to provide reliable financial and administrative reporting, and to minimize, monitor and control unexpected risks that may adversely affect the Bank's reputation.

Fatma Kınış, who was appointed as the Member of the Board of Directors Responsible for Internal Systems on 13/09/2019 pursuant to the second paragraph of the 4th article of the relevant Decree, continued this duty in 2020 as well.

Internal Audit Unit Officer: Mustafa Atagül
Risk Management Unit Officer: Hasan Uysal
Internal Control Unit Officer: Canan Özkıran
Compliance Unit Officer: Özlem Alemdar Aksu

Units responsible have the qualifications specified in the relevant communiqué. The reports prepared by the Internal System Unit responsible for the activities carried out, in progress and planned to be carried out are submitted to the Board of Directors by the Member of the Board Responsible for Internal Systems within the periods specified in the communiqué.

Functioning of the Internal Audit System

The Bank's Internal Audit Unit carries out its activities under the Bank's Board of Directors in accordance with the communiqué "Internal Audit, Risk Management, Internal Control and Management Systems in Banks" regulated under the 3rd paragraph of Article 15 of the Banks Law No. 39/2001.

The Internal Audit Unit audits within the framework of a risk-focused audit approach, whether the activities carried out by all Head Office units, Bank branches and subsidiaries are carried out in line with the law and other relevant legislation as well as internal strategies, policies, principles and targets. The Internal Audit Unit continues its activities that will contribute to the decision-making processes of the senior management by informing the Bank's senior management. The Unit, which has six inspectors in its staff and operates in accordance with the "Internal Audit, Risk Management, Internal Control and Management Systems in Banks" decree, in addition to auditing the compliance of the Bank's activities with the business processes to which they are subject, as well as the effectiveness, efficiency and effectiveness of the transaction steps that make up the essential processes. It also evaluated the secondary processes by inspecting it. The suggestions that the inspectors included in the audit reports or conveyed in relation to any transaction/application were shared with the relevant Branch and Department, and the progress of the proposal was followed.

In the upcoming period, the Internal Audit Unit will carry out the activities of executing the internal audit plan, which will be prepared in line with the targets and policies determined by the Bank's Senior Management and within the framework of the modern audit approach, reporting the results to the Board of Directors through the Internal Systems Officer, and monitoring the measures to be taken based on the audit reports, with a high responsibility and duty awareness will continue.

Functioning of Internal Control Systems

Internal Control activities at the Bank are structured to cover all branches and head office units of the Bank and all activities within the framework of the decree on Internal Audit, Risk Management, Internal Control and Management Systems in Banks".

Control programs for branches are prepared in such a way as to ensure that all branches are subject to periodic controls, and systematic and other deficiencies are identified and suggestions for improvement are made.

Controls carried out in branches and Head Office units; In order to ensure that the Bank is in a fast and up-to-date structure in line with its objectives in every respect, it is tried to be constantly reviewed and renewed in parallel with technological developments.

It is aimed to make a significant contribution to the healthier execution of the Bank's activities and to increase the service quality with the studies and suggestions developed to increase the efficiency of Internal Control activities.

Operation of the Risk Management System

The basic approach of the Bank in risk management activities is to establish a risk culture throughout the Bank and to identify, measure, monitor and control the risks that are or will be exposed.

Bank's risk management activities; It includes balance sheet risks such as credit risk, market risk, operational risk and liquidity risk. These risks are defined and controlled by creating risk matrices.

The Bank's currency risk and liquidity risks are tried to be kept under control through scenario analyzes and stress tests prepared by the risk management unit.

The activities of the risk management unit, the results of risk analyzes and risk indicators are reported to the Board of Directors in semi-annual periods.

As a result of the bank's risk management activities;

-The Bank's senior management showed the necessary sensitivity in terms of compliance with both internal and external legislation during the year. As a result, the capital adequacy ratio was 13.60% and the liquidity ratio was approximately 14.74%, in line with the criteria of the TRNC Central Bank.

-Studies on the collection of state-guaranteed loans continued throughout 2020. Due to the interests of the bank and the sector, it is important to collect the said loans within a certain plan.

-From the point of view of currency risk, the bank's long position in dollar currency is tried to be minimized by increasing both on-balance sheet short positions in Sterling and Euro and by off-balance sheet transactions.

In the Bank's Asset-Liability Management process, interest rate risk and market risk reports are prepared with the "Present Value" approach, with the reports created as a result of the service received from the Riskturk software company, by calculating the cash flows of all interest-sensitive financial assets and liabilities, taking into account the time to maturity, and the resulting maturity. Measures are developed and various limit adjustments are made to prevent possible damages due to gaps (Gap).

As a result, all units, which were established and/or restructured in accordance with the Internal Systems Decree, continued to comply with internal and external legislation and to manage the risks arising from Bank's activities with increasing sensitivity in 2020. In this way, the increase in the trust and reputation of the Bank had a positive impact on the deposit and asset size figures in the Bank's balance sheet.

Functioning of the Compliance System

Within the scope of the Decree on the Internal Systems of Banks, the compliance of new transactions and products related to all activities carried out or planned to be carried out by the Bank, and the internal policies and rules are controlled by the Compliance Unit.

The accounts held at the bank and the transactions related to these accounts were examined, supported by various reports.

Suspicious Transaction Reports and Cash Transaction Reports over €10,000 and equivalent have been made to the relevant authorities in accordance with the Law. Trainings, were organized in order to raise awareness of the Bank's personnel on the Law. Developments on the Law will continue to be announced to the personnel through new trainings.

Evaluations Regarding Risk Categories:

Credit Risk: Credit risk, which may adversely affect the bank, arising from the partial and/or complete failure of the credit customer to fulfill its obligations pursuant to the contract signed; With the decision of the Board of Directors, it is aimed to gradually reduce the credit risk with the scoring works to be carried out at the customer as a result of the entry into force of the credits regulation. State-backed loans, which are included in the bank's assets and have not yet started to be repaid, also negatively affect the credit risk. Apart from this, loans extended to the Bank's Risk Group and large loans are followed in accordance with legal restrictions.

Operational Risk: The Basic Indicator Method is used for operational risk, which expresses the losses that may arise due to external factors such as inadequacy in internal transactions and controls, bank management, employees, computer system or natural disasters, in accordance with the legal regulations.

Currency Risk: The exchange rate risk, which expresses the possibility of loss that the Bank may be exposed to due to the mismatch in foreign currency assets and liabilities as a result of changes in foreign exchange rates, has reached high levels due to the government-guaranteed loans held in USD at the Bank. This situation, which creates a favorable outcome for the bank as long as there is an increase in the exchange rates, will have an adverse effect on the bank accounts if there is a decrease in the exchange rates. Increases in exchange rates will adversely affect the Bank's GBP position.

Liquidity Risk: Cash flows are controlled daily and necessary adjustments are made in positions in order to minimize the liquidity risk, which is defined as the risk of not having enough cash or cash inflows to meet the cash outflows fully and on time as a result of imbalance and insufficiency in cash flows.

III - NOTES AND DISCLOSURES TO THE BALANCE SHEET AND MEMORANDUM ACCOUNTS:

i) NOTES AND DISCLOSURES TO THE ASSETS:

1. Information relating to Bank Accounts:

a) Balances with TRNC Central Bank;

	Current Period		Previous Period	
	TL	FC	TL	FC
Unpledged Current Balances	29,521,025	443,888,403	38,560,396	459,935,627
Unpledged Deposit Balances				
Interbank Money Market Transactions	230,000,000	1,149,497,000	144,000,000	358,806,000
Pledged Balances		173,532,800		132,711,600
TOTAL	259,521,025	1,766,918,203	182,560,396	951,453,227

b) Bank Balances with Overseas Banks;

	Unpledged Balances		Pledged Balances	
	Current Period	Previous Period	Current Period	Previous Period
Turkey	559,825,730	840,978,603	23,155,378	17,353,925
EU Countries	18,183,097	8,142,345		
USA and Canada				
OECD Countries' *				
Offshore Zone				
Other				
TOTAL	578,008,826	849,120,948	23,155,378	17,353,925

* OECD Countries other than Turkey, EU Countries, USA and Canada.

c) Reverse Repo Receivables: None

	Current Period		Previous Period	
	TL	FC	TL	FC
Domestic Transactions				
TRNC Central Bank				
Banks				
Other Financial Institutions and Corporations				
Other Institutions and Corporations				
Real Persons				
Overseas Transactions				
Central Banks				
Banks				
Other Financial Institutions and Corporations				
Other Institutions and Corporations				
Real Persons				
TOTAL				

2. Securities Portfolio;

- a) i - Increases in values in the securities portfolio are not recorded in the accounts.
-o- TL of the balance of securities portfolio is due to the increase in the securities portfolio revaluation account.
ii - Share have been shown at cost.
- iii - 181,404,097 TL of the securities portfolio balance is held due to legal requirements.

b) Analysis of securities portfolio:

Types of Securities	Current Period		Previous Period	
	TL	FC	TL	FC
TRNC Central Bank Securities		644,875,000		454,740,000
TRNC Development Bank Securities	38,975,097	142,429,000	34,547,877	99,167,993
Turkish Treasury Bills				
Turkish Government Bonds				
Other OECD Countries Bonds and Bills				
Other Countries Bonds and Bills				
Other				
TOTAL	38,975,097	787,304,000	34,547,877	553,907,993

3. Information related to Loans account:

a) Loans given to bank personnel and shareholders:

	Current Period		Previous Period	
	Cash	Non-Cash	Cash	Non-Cash
Loans directly given to shareholders				
Loans given to legal entity shareholders	8,047,743	9,496,478	27,949,560	7,564,218
Loans given to individual shareholders				
Indirect loans given to shareholders				
Loans given to personnel	9,345,657		9,920,316	
TOTAL	17,393,400	9,496,478	37,869,876	7,564,218

* Co-operatives are taken into account as legal entity partners.

b) Group I and Group II loans, other receivables and restructured and/or rescheduled loans and other receivables:

Loans	Standard, Performing Loans and Other Receivables		Loans and Other Receivables Under Follow-up	
	Loans and Other Receivables	Rescheduled Loans and Other Receivables	Loans and Other Receivables	Rescheduled Loans and Other Receivables
Bills Discounted	54,840			
Export Loans				
Import Loans	4,961,734			
Export Guarantee Investment Loans				
Other Investment Loans				
Business Loans	332,792,880		4,946,106,384	
Special Loans	12,886,101			
Funded Loans				
Consumer Loans	142,683,108		1,078,757	
Credit Cards	63,911,685			
Security Purchase Loans For Customers				
TRNC Central Bank Funded Loans				
Loans Given Through TRNC Central Bank				
Other Loans	8,807,423			
TOTAL	566,097,771		4,947,185,141	

c) Loan Classification by Users:

	Current Period	Previous Period
Public	4,948,846,948	4,401,162,556
Private	564,435,964	399,934,617
TOTAL	5,513,282,912	4,801,097,173

d) Loan Classification-Domestic and Overseas:

	Current Period	Previous Period
Domestic Loans	5,513,282,912	4,801,097,173
Overseas Loans		
TOTAL	5,513,282,912	4,801,097,173

e) Loans Given to Investments and Subsidiaries:

	Current Period	Previous Period
Direct Loans to Participations and Subsidiaries	32,054,281	32,604,409
Indirect Loans to Participations and Subsidiaries		
TOTAL	32,054,281	32,604,409

f) The share of the bank's top 100 cash loan customers in the total cash loans portfolio and the number of cash loan customers that make up 50% of the loan portfolio,

The first hundred largest cash loan customers make up 92,56% of the total cash loan portfolio and 1(one) cash loan customers make up 50% of the cash loan portfolio.

g) The share of the bank's top 100 non-cash loan customers in the total non-cash loan portfolio and the number of non-cash loan customers constituting 50% of the loan portfolio,

The first hundred largest non-cash loan customers make up 69,78% of the total non-cash loan portfolio and 24(twenty four) customers holds 50% thereof.

h) The share of cash and non-cash receivables from the Bank's top 100 loan customers in total on-balance sheet and off-balance sheet assets and the number of customers constituting 50% of the cash and non-cash loan portfolio are disclosed.

The first hundred largest cash and non-cash loan customers make up 53,84% of the total assets (including off-balance-sheet items) and 1 (one) customers make up 50% of the total cash and non-cash loan portfolio of the bank.

4. Loans in Arrears:

a) Total Non-performing Loans -Movements in the Year:

	III. Group Loans and Other Receivables with Limited Repayment	IV. Group Doubtful Debts and Other Receivables	V. Group Bad Debts and Other ve Receivables
Balances Brought Forward	2,049,013	1,804,595	149,902,381
Additions in the Year (+)	3,736,283		
Transfer from Other Non-Performing Loans		5,246,700	3,440,230
Transfer to Other Non-Performing Loans	-5,246,700	-3,440,230	
Collections in the Period (-)	-75,552	-201,976	-4,336,324
Write Offs (-)			
Balances at the end of Period	463,044	3,409,089	149,006,287
Specific provision (-)	-16,539	-245,005	-149,006,287
Net Book Value	446,505	3,164,084	

b) Foreign Currency Non-Performing Loans-Movements in the Year:

	III. Group Loans and Other Receivables with Limited Repayment Capacity	IV. Group Doubtful Debts and Other Receivables	V. Group Bad Debts and Other Receivables
Current Period:			
Balances Brought Forward	354,977	2,943,779	136,857,550
Specific Provision (-)	8,875	183,986	136,857,550
Net Book Value	346,102	2,759,793	
Previous Period:			
Balance Brought Forward	1,012,322	1,283,176	138,068,571
Specific Provision (-)	25,308	88,022	138,068,571
Net Book Value	987,014	1,195,154	

c) Bad Debts and Other Receivables Analyzed By Types of Securities and Provisions Made:

Security Group	Loans Given	Provision
Unsecured	5,250,842	5,250,842
Group I - Cash Security	100,145	100,145
Group II - Immovable Security	136,439,753	136,439,753
Group III - Movable Security	7,215,006	7,215,006
Group IV - Other Security	541	541
TOTAL	149,006,287	149,006,287

* In accordance with Article 7(4) of the Decree on the Qualifications of Banks' Loans and Other Receivables and Provisions, the Bank has set aside special provisions for the total non-performing loan amount, regardless of the collateral amount, for the loans that are in the nature of loss.

d) Bad Loans and Receivables Policy of the Bank:

Before taking any legal action, a final notice is sent to the user of the loan and a 15-day period is given, after which legal action is initiated for the loss loans that are irrecoverable losses. As a result of the court, action after the completion of the execution phase specified in the orders of the Court, the collection of the receivables from the debtors and the guarantors is made for the remaining balance of receivables.

5. Details of receivables from sales of assets with instalments included in the Other Receivables account: None

	Current Period	Previous Period
Sale of investments, subsidiaries and joint ventures		
Sale of immovable property		
Other asset sales		

6. Details Regarding Investments, Subsidiaries:

a) 0 (Zero) TL balance of the affiliates and subsidiaries account consists of the increase in value resulting from the valuation of these assets at the stock market price.

b) Analysis and Book Values of investments and subsidiaries by sector:

	Participations		Subsidiaries	
	Current Period	Previous Period	Current Period	Previous Period
Banks				
Insurance Companies			23,947,545	12,840,239
Finance Companies				
Other financial investments				
Other non-financial investments and subsidiaries			20,305,328	16,799,265

c) Bank Share of Investment in investments and Subsidiaries:

Title	Address	Banks Share of Investment and Voting	Group Holding (%)	Current Year Profit	Market Value
Şeker Sigorta (Kıbrıs) Ltd	Lefkoşa	%100	%100	5,690,619	23,947,545
Süt ve Sıvı Yağ Üretim Pazarlama Koop Ltd.	Lefkoşa	%79.41	%100	4,035,580	5,804,140
Karma Hayvan Yemi, Harup Ürünleri ve LP Gaz Üretim ve Pazarlama Kooperatifi Ltd.	Gönyeli	%97.78	%100	573,074	14,501,188
Zirai Makine ve Gıda Pazarlama Koop Ltd.	Lefkoşa	%97.78	%100	253,209	
Vaka Ltd	Lefkoşa	%40	%40		
Ada Havacılık ve Taşımacılık A.Ş.	Lefkoşa	%15	%15		

d) investments Quoted on Stock Exchange; None

	Current Period	Previous Period
Quoted on local Stock Exchange		
Quoted on overseas Stock Exchange		

e) (3) Subsidiaries quoted on Stock Exchange; None

	Current Period	Previous Period
Quoted on local Stock Exchange		
Quoted on overseas Stock Exchange		

f) Number of bonus shares received from investments and subsidiaries as a result of capitalization of reserves;

Number of bonus shares received	Current Period	Previous Period
Investments		
Subsidiaries		

g) Details of receivables from and debts due to investments and Subsidiaries;

	Financial investments and Subsidiaries Balance	Non-Financial investments and Subsidiaries Balance
RECEIVABLES		
- Banks and Other Financial Institutions		
- Debentures and Similar Securities		
- Loans (Including Doubtful Debts)		32,054,281
- Interest and Income Accruals		
- Financial Leasing Receivables (NET) (*)		
- Other Receivables		
BORROWINGS		
- Deposits	18,111,045	27,365,756
- Borrowed Funds		
- Securities Issued		
- Interest and expense prepayments	33,284	50,159
- Financial leasing liabilities		
- Other liabilities		
OFF-BALANCE-SHEET COMMITMENTS AND LIABILITIES		

*To be used by banks, authorized by law.

7.) Details about Long-Term Investments;

	Current Period	Previous Period
1 -Debt securities, Turkish Treasury Bonds		
2 - Repo related items		
3 - Other: Investment in share capital	74,942	74,942
4 -Provision for loss in value (-)		
TOTAL	74,942	74,942

8. a) Details Regarding Fixed Assets of The Bank;

	Immovable Property	Vehicles	Other Fixed Assets	Total
Balance from previous year:				
Cost	51,000,264	1,677,262	18,578,383	71,255,909
Accumulated depreciation (-)	9,760,170	1,101,152	14,974,451	25,835,773
Net Book Value	41,240,094	576,110	3,603,932	45,420,136
Current Period:				
Net book value at the beginning of the year	41,240,094	576,110	3,603,932	45,420,136
Purchases			2,809,414	2,809,414
Sales and disposals - Net (-)			26,477	26,477
Diminution in value				
Depreciation charge (-)	1,401,664	136,289	1,805,441	3,343,394
Net Exchange differences (-)				
Closing Net Book Value	39,838,430	439,821	4,581,428	44,859,679

b) According to the current TRNC Banking Law, the amount of assets acquired and disposed of in return for receivables is TL 37,979.

9. Details of Other Assets;

a) If the other assets item of the balance sheet exceeds 10% of the balance sheet total (excluding off-balance sheet commitments), the names and amounts of the sub-accounts that make up at least 20% of these are disclosed;

Other assets do not exceed 10% of total assets of the Bank.

b) Information on prepaid expenses, taxes and similar transactions are additionally disclosed.

The amount of prepaid expenses of the bank in 2020 is 52,305 TL. This amount consists of insurance expenses.

The Bank is subject to Corporate Tax.

The tax breakdown that the bank paid with withholding in 2020 is given below.

1. Interest accrued to the bank by the banks in the TRNC, rental income and withholding tax deposited to the TRNC Income and Tax Office 1,800,041 TL
2. A total of 4,084,877 TL of withholding tax, 2,284,836 TL of which was withheld from the interest accrued to the bank by banks in Turkey and that was deposited to the relevant Tax Office in the TR, was paid in advance by withholding tax.
3. The total of prepaid advance taxes is 6,235,941 TL.

ii) NOTES AND DISCLOSURES TO THE LIABILITIES:

10. Breakdown of Deposits ;

a) Details of Deposits Analyzed By Residual Maturity

Current Period	On Demand	7 Days Notice	Within 1 Month	Within 3 Month	Within 6 Month	Within 1 Year	Over 1 Year
Resident Accounts							
1) Savings Accounts	178,636,324		2,361,990,385	11,677,434	300,747	16,178,399	
2) Official, Commercial and Other Institutions Deposits	206,391,525		1,225,331,902	39,183,686	463,543	1,019,534	
3) Foreign Currency Savings	67,223,223		2,757,360,608	40,107,234	44,755,625	582,243,766	
4) Foreign Currency Official Commercial and Other institutions Deposits	65,901,726		860,922,964	13,718,849	11,598,615	303,218,839	
Non-Resident Accounts							
1) Savings Accounts	530,023		5,219,775	17,631	11,408	9,753	
2) Official, Commercial and Other Institutions Deposits							
3) Foreign Currency Savings	59,382		47,147,135	6,648,019	142,755	33,704,451	
4) Foreign Currency Official Commercial and Other institutions Deposits							
Banks Deposit							
Local Banks	5,744,456		152,080,167				
Overseas Banks							
Off-Shore Banks							
Other							
TOTAL	524,486,659		7,410,052,936	111,352,853	57,272,693	936,374,742	

Previous Period	On Demand	7 Days Notice	Within 1 Month	Within 3 Month	Within 6 Month	Within 1 Year	Over 1 Year
Resident Accounts							
1) Savings Accounts	143,894,256		2,241,496,825	16,066,439	549,085	13,546,214	
2) Official, Commercial and Other Institutions Deposits	198,215,134		1,132,283,747	70,680,560	429,599	872,738	
3) Foreign Currency Savings	43,405,109		1,906,013,647	32,908,021	33,450,341	439,991,693	
4) Foreign Currency Official Commercial and Other institutions Deposits	47,644,693		523,628,796	7,254,830	16,707,875	235,001,128	
Non-Resident Accounts							
1) Savings Accounts	426,751		4,673,561	16,587	10,609	9,181	
2) Official, Commercial and Other Institutions Deposits							
3) Foreign Currency Savings	71,585		30,581,741	437,489	110,386	24,516,325	
4) Foreign Currency Official Commercial and Other institutions Deposits							
Banks Deposit							
Local Banks	3,888,744		113,492,808				
Overseas Banks							
Off-Shore Banks							
Other							
TOTAL	437,546,272		5,952,171,125	127,363,926	51,257,895	713,937,279	

b) Deposits covered by the Savings Insurance Fund Scheme;

Savings Accounts	Current Period		Previous Period	
	TL	FC	TL	FC
Savings Accounts	2,570,821,358	3,575,242,472	2,417,400,954	2,508,563,285
Other Covered Accounts	550,426,700	114,807,960	550,746,967	96,097,746
TOTAL	3,121,248,058	3,690,050,432	2,968,147,921	2,604,661,030

3* As per clause 11 (4) of the Law 32/2009, deposit totalling 3,743,153 TL and FX 4,149,726 are exempt and are deducted from savings accounts totals.

11) Funds Derived From Repo Transactions:None

	Current Period		Previous Period	
	TL	FC	TL	FC
Local Transactions				
Financial Institutions and Corporations				
Other Institutions and Corporations				
Real Persons				
Overseas Transactions				
Financial Institutions and Corporations				
Other Institutions and Corporations				
Real Persons				

12. Funds Borrowed:

a. Funds Borrowed From Central Bank; None

	Current Period		Previous Period	
	TL	FC	TL	FC
Central Bank Loans				
Interbank Money Market Transactions				
TOTAL				

b. Other Funds Borrowed; None

	Current Period		Previous Period	
	TL	FC	TL	FC
Short-Term				
Medium and Long-Term				

c) Additional explanations regarding the areas where the liabilities of banks are concentrated should be made on the basis of customers and sector groups providing funds.

13. Disclosures relating to funds.

a) Current Period

Term of Borrowing		Interest Details		Currency		
Short	Medium and Long	Fixed-Rate	Variable	USD	TL	Other
*	67,968	%5			67,968	
	303,137	%12			303,137	

b) Previous Period

Term of Borrowing		Interest Details		Currency		
Short	Medium and Long	Fixed-Rate	Variable	USD	TL	Other
	70,822	%5			70,822	
	323,069	%12			323,069	

14. The Bank has not issued any securities.

a) Current Period

Term of Borrowing		Interest Details		Currency		
Short	Medium and Long	Fixed-Rate	Variable	USD	TL	Other

b) Previous Period

Term of Borrowing		Interest Details		Currency		
Short	Medium and Long	Fixed-Rate	Variable	USD	TL	Other

15. a) Details of Sundry Liabilities; None

	Current Period	Previous Period
Cash Value of the Securities Obtained		

b) The nature of the cash guarantees received is explained.

None

16. Details of Other Liabilities;

If the other liabilities item account in the balance sheet exceeds 10% of the balance sheet total (excluding off-balance sheet commitments), their the names and amounts of the sub-accounts constituting at least 20% of them;

Other liabilities do not exceed 10% of the total assets of the bank.

17. Details of Shareholders' Funds;

a) Paid-up capital;

	Current Period	Previous Period
Ordinary Share Capital	26,476,351	26,325,529
Preferential, Privileged Share Capital		

b) Whether the registered capital system is applied in the bank and if so, the ceiling of the authorized capital:

Capital System	Paid-up Capital	Ceiling of Authorized Capital
Variable registered capital system	26,476,351	50,000,000

c) Details of increase made to the authorized and paid-up capital in the current period:

Date of Increase	Value of Increase	Cash Issue	Capitalised Reserves	Capitalised Revaluation Funds
1.1.20-31.12.20	150,822	150,822		

According to the bank's articles of association and bylaws, customers who will use a loan from the bank must be a member of the bank. In accordance with this rule, deflection costs sold to loan customers are added to the paid-in capital as a capital increase for that year.

d) Details of capitalized revaluation fund in the current period: None

Fixed Assets Revaluation	Revaluation of Participations	Profit on Sale of Immovable Property	Profit on Sale of Participations	Revaluation of Intangible Assets

e) Disclosure of Institutions and persons who have 10% or more voting rights and/or share in the capital:

None.

Name/Title	Value of Holding	Ratio of Holding	Paid-up Holding	Unpaid Holding

f) No call has been made on the unissued shares of the bank since the year-end to date.

g) Privileges of the 'A' and 'B' Shares of the Bank:

None

18. Statutory Revaluation Fund:

	Current Period		Previous Period	
	TL	FC	TL	FC
Investments and Subsidiaries	34,105,237		22,311,417	
Revaluation Fund				

19. a) Determining the sources of liquidity risk and steps taken, if any, to manage the risk; whether or not constraints have been placed on the the board of directors' limiting the usage of funds in order to meet urgent liquidity needs, and pay maturing liabilities:

The best practices as required by the Basel III directives for banks have been accepted as the basic policy for the Bank's liquidity risk management.

In addition, the system of monitoring and managing the liquidity adequacy known as the Liquidity Coverage Ratio used in international practices has been implemented as a standard in our Bank, and the Liquidity Coverage Ratio table has been started to be created according to bank data at the end of each month. The purpose of the liquidity coverage ratio table is to maintain a stock of high quality liquid assets that can meet the net cash outflows in order to determine the minimum liquidity level while carrying out banking activities. Liquidity risk management is the responsibility of the board of directors. It is fulfilled through ALCO, which also includes senior management. This task; The Asset-Liability Committee (ALCO) is tasked with creating an effective liquidity risk management structure, which includes the strategies, policies and procedures required while maintaining its banking activities. Due to competitive pressures, our Bank takes all measures to prevent practices that will reduce the reliability and effectiveness of liquidity risk management and control, and pays attention to avoid products and practices that may pose a liquidity risk.

b) Bank's Policy on interest rate risk and whether there is harmony between assets' and liabilities' interest rates and whether cost of mismatching is measured.

The Bank is effectively managed by the Asset-Liability Management Committee in order to maintain the balances in assets and liabilities that can be affected by interest rates due to the volatility in the economy.

The Basel Criteria, which are internationally accepted, take into account bank-specific, market-wide or both situations in order to identify the sources of possible liquidity weaknesses and to ensure that the current on- and off-balance sheet position acts in line with the determined liquidity risk appetite. They should regularly perform liquidity stress tests using various stress test scenarios that take into account the market in general or both situations together. Stress test results should be taken into account when determining the liquidity risk management strategy, policies and positions, and emergency and contingency plans should be prepared within this framework. Our bank conducts stress tests periodically. By producing various scenarios, asset liability and profitability analyzes are performed.

c) The Bank's Policy regarding funding of short and long term liquidity needs and untapped liquid sources:

The main sources of financing the bank's short and long term liquidity needs are deposits.

d) Maturity breakdown of certain balance sheet items:

	On Demand	Within 1-3 Months	Within 3-6 Months	Within 6-12 Months	Over 1 Year	Total
Current Period						
Assets						
Liquid Funds	2,074,873,760					2,074,873,760
Bank Balances	297,077,377	304,086,835				601,164,212
Securities Portfolio	19,084,111	658,442,321	48,744,567	100,008,098		826,279,097
Loans	178,819,849	65,791,013	5,872,775	15,722,236	5,247,077,039	5,513,282,912
Long Term Investments	74,942					74,942
Other Assets *	29,118,337					751,776,746
Total Assets	2,599,048,376	1,028,320,169	54,617,342	115,730,334	5,247,077,039	9,767,451,669
Liabilities						
Bank Deposits	8,169,243	67,513,449	9,806,034	72,335,897		157,824,623
Other Deposits***	6,075,412,129	2,073,347,587	205,000,620	508,814,473	19,140,451	8,881,715,260
Funds obtained from other financial institutions						
Securities issued						
Sundry Liabilities	136,516,967					136,516,967
Other Liabilities **	122,944,760	30,773		164,813	1,983,412	591,394,819
Total Liabilities	6,343,043,099	2,140,891,808	214,806,655	581,315,183	21,123,862	9,767,451,669
Net Asset Liquidity Gap	-3,743,994,723	-1,112,571,639	-160,189,313	-465,584,849	5,225,953,176	
Previous Period						
Total Assets	1,928,260,693	814,553,529	59,451,734	70,425,248	4,578,631,037	8,037,588,741
Total Liabilities	5,564,260,425	1,442,064,594	173,395,305	417,127,496	15,539,846	8,037,588,741
Net Asset Liquidity Gap	-3,635,999,732	-627,511,065	-113,943,571	-346,702,248	4,563,091,191	

* NPL (net), interest and income accruals and rediscounts, deposit legal provisions, affiliates-subsiidiaries, assets to be disposed of and fixed assets are not classified and only included in the total of other assets.

** Equity amount has not been reclassified, only included in the total of other liabilities.

*** Deposit required reserves are included in the other deposit demand amount. The statutory saving reserve is included in the other deposits on demand total.

e) Disclosures and footnotes regarding other matters:

None.

iii) NOTES AND DISCLOSURES TO THE MEMORANDUM ACCOUNTS.

1. If there are areas where the bank's off-balance sheet liabilities are particularly concentrated, these are indicated. These explanations can be made according to the status of the bank, on the basis of customer or sector, and geographical region distinction can be made according to different country groups abroad. Customers can be classified as public institutions and organizations, commercial, industrial and service enterprises.

The area where off-balance sheet liabilities are concentrated are the letters of guarantee given to customers due to the growth in domestic business volume.

2. a) Total Amount of Non-cash Loans;

	Current Period	Previous Period
Details of Non-cash Loans Opened as Security for Cash Loans		
Accounts with maturity of less than 1 year		
Accounts with maturity of more than 1 year		
Other off-balance-sheet liabilities	38,428,669	29,534,707
TOTAL	38,428,669	29,534,707

b) Details of Non-cash Loans;

	Current Period		Previous Period	
	TP	FC	TP	FC
Non-cash Loans				
Letter of guarantees	23,057,298	14,957,364	16,019,037	13,515,670
Acceptances				
Documentary credits		414,007		
Endorsements, transfers				
Undertaking of Repurchasing				
Other guarantees and acceptances				
TOTAL	23,057,298	15,371,371	16,019,037	13,515,670

3. Commitments;

	Current Period	Previous Period
Irrevocable commitments	550,396,873	152,533,216
Revocable commitments		
TOTAL	550,396,873	152,533,216

4. Foreign Exchange and Interest Rate Transactions;

None

	Current Period	Previous Period
Forward FX Transactions		
Currency and interest swap transactions		
Currency and interest options		
FX Future Contracts		
Interest future contracts		
Other		
TOTAL		

IV - NOTES AND DISCLOSURES TO THE PROFIT AND LOSS ACCOUNT:

1. a) Interest and commissions received from Investments and Subsidiaries:

	Current Period	Previous Period
Interest received from Subsidiaries and Investments	3,641,936	5,244,324
Commissions and fees received from Subsidiaries and Investments	7,470	7,260

b) Interest and commissions paid to Participations and Subsidiaries;

	Current Period	Previous Period
Interest paid to Subsidiaries and Investments	1,489,732	2,394,870
Commissions and fees paid to Subsidiaries and Investments		

c) Interest received from reverse repo transactions; None

	Current Period		Previous Period	
	TP	FC	TP	FC
Interest received from reverse repos				

d) Interest paid to repo transactions;

	Current Period		Previous Period	
	TP	FC	TP	FC
Interest paid to repo transactions				

2. Breakdown of provisions charge for Loans and Other Receivables;

	Current Period	Previous Period
Specific provision for non-performing loans and other receivables	3,913,881	12,754,403
For unsecured accounts	273,216	337,542
For other accounts	3,640,665	12,416,861
General provision for loans	6,738,534	4,415,466
Provision investments to be held up to maturity		
Provision for for the diminution of value of participations and subsidia		2,819,549
Others		2,166,331

3. If the other items in the income and expense groups I, II, IV and V exceed 10% of the group total, a breakdown of the sub-accounts that make up at least 20% of these items should be given.

	2020 TL	2019 TL
I. Other Non-Interest Incomes		
Specific provision income	8,098,437	27,688,290
General provision income	4,391,294	4,573,939
	<u>12,489,731</u>	<u>32,262,229</u>
II. Other Non-Interest Expenses		
Savings Deposit Insurance Fund	<u>37,818,549</u>	<u>25,897,401</u>

4. Other issues, the disclosure of which is found to be useful:

(1) Net Profit Before Tax

Net profit before tax is shown after deducting doubtful accounts provision, depreciation, personnel expenses, rental expenses and the following expenses.

	2020 TL	2019 TL
Board of Directors Payment	514,690	403,880
External Auditor Fees*	139,200	93,258
Legal Consultancy Fees	310,999	274,502
	<u>964,889</u>	<u>771,640</u>

*The amount included in the External Auditor Fees includes the provision including VAT.

(2) The total receivables of the bank in its loan portfolio as of 31.12.2020 is 5,666,161,332 TL. 4,946,319,629 TL of this amount is under the guarantee of the State.

TL 152,878,420 of the remaining TL 719,841,703 loan consists of non-performing loans. The amount of special provisions set aside for these receivables in accordance with the provisions notification rules is TL 149,267,831. This amount constitutes 97.64% of NPLs.

(3) A pre-tax profit of TL 32,283,703 was achieved from banking activities.

CYPRUS TURKISH CO-OPERATIVE CENTRAL BANK LTD

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

TRANSACTIONS IN EQUITY ITEMS

PREVIOUS PERIOD

Balance at 1 January 2018

Profit Appropriation:

- Dividends

- Transfers to reserves

Share premiums (common stocks issue)

Share Capital Increase:

- Cash injection

- Transfers from statutory revaluation fund

- Transfers from other accounts

Profit resulting from sale of equity participations, subsidiaries and fixed assets

Profit resulting from sale of equity participations, subsidiaries

Bonus shares obtained from equity participations due to increase in

Increase in statutory revaluation fund in 2018

Increase in value of the securities portfolio

Other

Net Profit at 31/12/2018

CURRENT PERIOD

Balances 31 December 2019

Profit Appropriation:

- Dividends

- Transfers to reserves

Share premiums (common stocks issue)

Share Capital Increase:

- Cash injection

- Transfers from statutory revaluation fund

- Transfers from other accounts

Profit resulting from sale of equity participations, subsidiaries and fixed assets

Bonus shares obtained from equity participations due to increase in

the shareholders' funds through sales of fixed assets and investments

Increase in statutory revaluation fund in 2020

Increase in value of the securities portfolio

Other

Net Profit at 31/12/2020

Balances 31 December 2020

	Paid-up Share Capital	First and Second Legal Reserves	Share Premium Account	Other Legal Reserves	General Reserve	Statutory Revaluation Fund of Fixed Assets	Revaluation Fund of Assets of Participations and Subsidiaries	Statutory Revaluation of Securities	Prior Years Profits (Losses)	Current Period Net Profit/ (Loss)	Total Shareholders' Equity
Balance at 1 January 2018	26,015,244	31,641,551				7,718		18,102,988	277,352,608	44,630,148	397,750,257
<u>Profit Appropriation:</u>											
- Dividends											
- Transfers to reserves		4,463,014							40,167,134	-44,630,148	
Share premiums (common stocks issue)											
<u>Share Capital Increase:</u>											
- Cash injection	310,285										310,285
- Transfers from statutory revaluation fund											
- Transfers from other accounts											
Profit resulting from sale of equity participations, subsidiaries and fixed assets											
Profit resulting from sale of equity participations, subsidiaries											
Bonus shares obtained from equity participations due to increase in											
Increase in statutory revaluation fund in 2018								4,208,429			4,208,429
Increase in value of the securities portfolio										22,932,104	22,932,104
Other											
Net Profit at 31/12/2018											
Balances 31 December 2019	26,325,529	36,104,565				7,718		22,311,417	317,519,742	22,932,104	425,201,075
<u>Profit Appropriation:</u>											
- Dividends		2,293,210							20,638,894	-22,932,104	
- Transfers to reserves											
Share premiums (common stocks issue)											
<u>Share Capital Increase:</u>											
- Cash injection	150,822										150,822
- Transfers from statutory revaluation fund											
- Transfers from other accounts											
Profit resulting from sale of equity participations, subsidiaries and fixed assets											
Bonus shares obtained from equity participations due to increase in											
the shareholders' funds through sales of fixed assets and investments											
Increase in statutory revaluation fund in 2020								11,793,820			11,793,820
Increase in value of the securities portfolio											
Other											
Net Profit at 31/12/2020						7,718					
Balances 31 December 2020	26,476,351	38,397,775						34,105,237	338,158,636	29,125,344	466,271,061

CYPRUS TURKISH CO-OPERATIVE CENTRAL BANK LTD
STATEMENT OF CASH FLOW

	CURRENT PERIOD 31.12.2020 TL	PREVIOUS PERIOD 31.12.2019 TL
I- Cash Flow From Banking Operations (Main Activities)		
Interest income and similar items	618,010,871	770,926,363
Interest expenses and similar items	-433,138,345	-642,914,709
Dividends received	13,918	42,747
Fees and commissions received	17,068,581	18,648,213
Other income	19,238,427	38,122,575
Collections from previously written-off loans and other receivables		
Personnel and administration expenses	-75,068,316	-72,263,778
Taxes paid	-1,984,570	-677,195
Other Items Subject to Collection		
Other Items Subject to Payment	-115,501,350	-95,449,267
Operating Profit Before Changes in Operating Assets and Liabilities	28,639,216	16,434,949
Changes in Operational Assets and Liabilities:		
<u>(Increase) Decrease in Operating Assets:</u>		
Net (increase) / decrease in securities portfolio	-237,823,227	-123,441,317
Net (increase) / decrease in banks	-627,114,936	-478,900,772
Net (increase) / decrease in loans	-712,142,759	-768,266,176
Net (increase) / decrease in other assets	-149,523,653	-119,598,292
<u>Increase (decrease) in operating liabilities:</u>		
Net increase (decrease) in deposits	1,757,263,386	1,428,263,907
Net increase (decrease) in funds borrowed		
Net (increase) / decrease in securities portfolio		
Net increase (decrease) in other liabilities	-68,470,443	116,646,404
Net Cash Provided from Banking and Commercial Operations	-9,172,416	1,138,703
II- Cash Flow from Investing Activities		
Cash paid for purchase of equity participations		
Purchase of property and equipment		
Sale of property and equipment	-2,809,414	-1,262,706
Purchase of Intangible Assets	26,477	486,148
Cash paid for purchase of investment securities		
Sale of investment securities		
Other Cash Inflows		
Other Cash Outs	3,343,394	2,636,712
Net Cash (Used in) Provided from Investing Activities	560,457	1,860,154
III- Cash Flow from Financing Activities		
Cash Provided by Credits Provided and Securities Issued		
Credits Provided and Repayments of Issued Securities		
Issued Bank Capital Shares (2020 paid-in capital increase)	150,822	310,285
Dividends Paid		
Other Cash Inflows (31.12.2020 yearly subsidiary value increase)	11,793,820	4,208,429
Other Cash Outs		
Net Cash Provided from Financing Activities	11,944,642	4,518,714
Effect of change in foreign currency evaluation rate of cash and cash equivalents	486,128	6,497,155
Net Increase / (Decrease) in Cash and Cash Equivalents	3,818,811	14,014,726
Cash and Cash Equivalents at the Beginning of the Period	44,615,721	30,600,995
Cash and Cash Equivalents at the End of the Period	48,434,532	44,615,721

CYPRUS TURKISH CO-OPERATIVE CENTRAL BANK LTD
PROFIT APPROPRIATION TABLE

	CURRENT PERIOD 31.12.2020 TL	PREVIOUS PERIOD 31.12.2019 TL
A. APPROPRIATION OF CURRENT YEAR INCOME		
1. CURRENT YEAR INCOME	32,283,703	25,241,076
2. TAXES AND DUTIES PAYABLE (-)		
- Corporation tax	-1,345,601	-849,477
- Income tax	-198,573	-197,441
- Other taxes and duties	-1,614,185	-1,262,054
NET INCOME FOR THE YEAR	29,125,344	22,932,104
3. PRIOR YEARS' LOSSES (-)		
4. LEGAL RESERVES (-)	2,912,534	2,293,210
5. OTHER STATUTORY RESERVES (-)		
NET INCOME AVAILABLE FOR DISTRIBUTION	26,212,810	20,638,894
6. FIRST DIVIDEND TO SHAREHOLDERS (-)		
- To owners of ordinary shares		
- To owners of privileged shares		
7. DIVIDENDS TO PERSONNEL(-)		
8. DIVIDENDS TO BOARD OF DIRECTORS (-)		
9. SECOND DIVIDEND TO SHAREHOLDERS (-)		
- To owners of ordinary shares		
- To owners of privileged shares		
10. STATUTORY RESERVES (Allocated according to "Memorandum and Articles of Association" of the Bank)		
11. GENERAL RESERVE (Retained Profits)		
12. EXTRAORDINARY RESERVES (REMAINED PROFITS)	-26,212,810	-20,638,894
13. OTHER RESERVES (Allocated by the decision of General Assembly)		
14. SPECIAL FUNDS (Allocated as per certain regulations)		
B. DISTRIBUTION OF RESERVES		
1. DISTRIBUTION OF RESERVES(Reserves allocated in prior years and distributed in the current year)		
2. DIVIDEND TO SHAREHOLDERS (-)		
- To owners of ordinary shares('A' and 'B')		
- To owners of privileged shares		
3. DIVIDENDS TO PERSONNEL (-)		
4. DIVIDENDS TO BOARD OF DIRECTORS (-)		
C. EARNINGS PER SHARE		
1. TO OWNERS OF 'A' SHARES (TL, %)		
2. TO OWNERS OF 'B' SHARES (TL, %)		
D. DIVIDEND PER SHARE		
1. TO OWNERS OF 'A' SHARES (TL, %)		
2. TO OWNERS OF 'B' SHARES (TL, %)		