



KOOPBANK

ANNUAL REPORT & ACCOUNTS 2013



Cyprus Turkish Cooperative Central Bank is a member of the
International Co-operative Alliance (ICA)

Cyprus Turkish Co-operative Central Bank Ltd

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BANK PROFILE

The Co-operative Movement in Cyprus, considered as one of the well organized and the strongest in the world, was introduced at the beginning of the 20th Century and the first Co-operative Society was founded in 1909.

In 1937 the Co-operative Central Bank was founded. Its purpose was to provide credit for those member societies that are in need, through self-financing within the Co-operative Movement.

According to the Constitution of Cyprus and the Treaty of Establishment enacted in 1959 when Cyprus acquired its independence, both the Cyprus Co-operative Central Bank and the Co-operative Movement on the island were split into two separate parts, as Turkish and Greek Cypriot.

Today, at the center of the Co-operative credit system of the Turkish Republic of Northern Cyprus is the Cyprus Turkish Co-operative Central Bank Ltd.(KOOPBANK), which was established in 1959 as a tertiary Co-operative Society. Members of the Bank are the Co-operative Societies, which are obliged by the Co-operative Law to deposit their liquid funds with the Bank.

KOOPBANK, in addition to its obligation to comply with the Co-operative Societies Law and Rules, is at the same time subject to the Banking Law of 2001.

Today, KOOPBANK provides the following services:

- It acts as the Central Banker to the local Co-operative Societies by giving loans to those Societies in need and accepting deposits from those with surplus funds.
- It is the lender of last resort for Co-operative Societies involved in banking activities.
- To assist the agricultural development, it provides government-subsidized loans directly to the farmers. These loans are usually long-term and at low rates of interest.
- Through its agricultural oriented subsidiaries, it provides a whole range of agricultural requisites including fertilizers, insecticides, machinery and equipment for farmers usually on credit basis until the ingathering of the crop.
- As part of its strategy to build an integrated financial services group, the Bank's wholly-owned subsidiary Şeker Insurance(Kıbrıs) Ltd. has been a major insurance company in the country providing insurance services to all sectors. Financing of farmers for land development and land leveling.
- Financing the local authorities and the State for several of their projects.

As well as the above specialized services, Koopbank offers a comprehensive range of retail, corporate and foreign banking services through its 19 branches and its numerous correspondents abroad. It is the major bank in the financial system of the country in terms of its size and the use of technology, such that at least one person from each household is a customer of the cooperative societies.



In its dedication to serve better for its customers and member societies, Koopbank has continuously been working towards improving its service quality and expanding the range of its products and services to meet the ever-changing demands.



BOARD OF DIRECTORS AND SENIOR OFFICERS

Board of Directors

Doğan Şahali
Chairman

Turgay Balık
Member

Eren Adataş
Member

Handan Aksoy
Member

Ferudun Güven
Member

Auditors

Erdal & Co
Chartered Accountants

Senior Officers

Gülhan Alp
General Manager

Akay Aktuğ
Assistant General Manager

Kemal Ataman
Assistant General Manager

As of 9 May 2014



REPORT OF THE DIRECTORS

1. The Board of Directors has pleased in submitting their Report for the year 2013 together with the Audited Balance Sheet and the Profit and Loss Account as of 31st December 2013.

2. Profit and Loss Account

The Net Profit of the Bank for the year 2013 arising from its ordinary activities in the Banking, Commercial and Industrial fields, before making any transfers to Provision for Doubtful Accounts, was TRY 24,154,594 compared to TRY 19,011,290 for the year 2012, reflecting an increase of 27.05% . In 2013, the Net Profit amounted to TRY 21,633,993 whereas corresponding amount for the previous year was TRY 17,184,244

The Bank also had an extraordinary income of TRY 54,255 consisting of TRY 7,769 Entrance Fees from New Shareholders, TRY 46,486 from Rental Income. The corresponding figure for the previous year was TRY 104,637 consisting of, TRY 9,243 from entrance fees, TRY 92,394 from rental income and TRY 3,000 from others.

3. Taxation

In respect of 2013, a provision of TRY 2,574,856 was made for the taxation liability, leaving an overall Net Income of TRY 21,633,993 for the year, after taxation is deducted.

4. Under the Co-operative Societies Law, The Bank is subject to a levy, up to 15% of its annual Net Profit from ordinary activities as compulsory contribution to the statutory Co-operative Societies Audit and Supervision Fund. The exact amount of such contribution is determined by the Registrar of Turkish Co-operative Societies. In the accounts for 2013 no provision was made for this purpose following an understanding with the registrar to that effect.
5. As explained above, the remaining balances of TRY 21,633,993 are credited to the General Reserve Account in accordance with the statutory regulations in force. Under the regulations made pursuant to the Cooperative Societies Law and Bank's by-Law; the Bank Reserves are not available for distribution as a dividend or appropriation for any purpose; hence they are of the nature of additional permanent capital.

6. Activities of the Bank

In the banking field, the Bank operating through nineteen banking branches in Northern Cyprus, provides a comprehensive range of domestic and foreign banking services. In the industrial and commercial fields, the Bank comprises mainly in agriculture-based production companies through its three Cooperative

Subsidiaries. It makes a significant contribution to the economy of the Turkish Republic of Northern Cyprus.

7. The Bank also acts as a principal agent of the State, for financial support and other services provided for the agricultural sector through the network of rural Co-operative Societies, all of which are shareholder members of the Bank.

8. Deposits

Time deposits as of 31.12.2013 are amounted to TRY 2,394,643,383 compared to TRY 2,015,740,368 of the previous year, showing a 18,8% increase. On the other hand, demand deposits as of 31.12.2013 are amounted to 197,213,942 TRY as compared to TRY 184,399,901 of the previous year, which shows a 6,95% increase.

9. Advances, Loans and other Accounts Receivable

The outstanding advances and loans together with other accounts receivable less provision for doubtful accounts, was TRY 2,077,976,305 compared to TRY 1,902,844,544 at the end of previous year, showing an increase of 9,2%.

10. Capital and Reserves

The Capital and Reserves of the Bank as of 31.12.2013 amounted to TRY 234,830,003 as compared to TRY 210,968,476 on 31.12.2012 showing an increase of 11,31%.

The reserves of the Bank increased to TRY 23,861,527 as compared with the previous year; this increase in reserves is due to the TRY 24,208,849 profit for 2013 and TRY 206,080 increase from revaluation, in terms of Turkish Lira, of the foreign currency cost of the overseas investments held by the Bank.

11. We wish to take this opportunity to express our sincere appreciation to our general Manager and his immediate assistance as well as to the managers and staff for their hard work and devotion to their duty during 2013.

On behalf of the Board

Doğan Şahali

Chairman



DIRECTORS' RESPONSIBILITIES IN RESPECT OF FINANCIAL STATEMENTS

1. **Rule 65 of the Rules, made under section 54 of the Cooperative Societies Law, Cap. 114.**

Preparation of Annual Report and Accounts

The Board of Directors shall within the period prescribed by the Turkish Cypriot Registrar of Co-operative Societies and as soon as possible;

- a) Ensure that the General Manager prepares the Bank's Balance Sheet as of 31st of December of the preceding year and its detailed Profit and Loss Account for the year then ended and submits it to the Turkish Cypriot Registrar of Co-operative Societies.
- b) Prepare a report concerning the activities of the Bank during the said year for submission to the Annual General Meeting.

2. **Rule 12 of the By-Law of the Cyprus Turkish Co-operative Central Bank Ltd. made under the Co-operative Societies Law.**

The Board of Directors shall manage the affairs of the Bank with prudence reserve and reason. They will otherwise be responsible for any loss arising from action contrary to the Co-operative Societies Law. The Rule made there under and these Rules.

CYPRUS TURKISH COOPERATIVE CENTRAL BANK LIMITED

INDEPENDENT AUDITORS' REPORT FOR THE ACCOUNTING PERIOD 1 JANUARY 2013-31 DECEMBER 2013

We have audited the accounts on pages 6 to 38 which have been prepared under the historical cost convention and in accordance with the accounting policies set out on page 9. As described on page 3 the directors of the bank are responsible for the preparation of accounts. Our responsibility is to express an opinion based on our audit.

We have conducted our audit in accordance with applicable auditing principles. Those principles require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement taking into consideration the operation of the Bank's internal systems, effectiveness of the internal control system, sufficient use of internal systems and the appropriateness of the infrastructure and the systems in use to the Bank's structure. An audit includes 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. We believe that our audit provides reasonable basis for our opinion.

Report in accordance with Principles Relating to the Establishments Authorised to carry out Independent Audits of the Banks Decree

In our opinion, the said financial statements, with all material respects, have been examined on a test basis under Article 34 (3) of the Banking Law No:39/2001 and the following matter has been identified.

- The total of loans secured by State guarantee exceeded the limit as prescribed by the 39/2001 Banking Law by 1,279,404,860 (One billion two hundred and seventy nine million, four hundred and four thousand, eighty hundred and sixty) Turkish Lira.

Except for the matter above the financial statements is in conformity with the uniform chart of accounts, uniform balance sheet and profit and loss statement, notes to the financial statements, accounting and valuation standards in accordance with Article 29 (3), the records of the bank in accordance with Article 30 of the above mentioned Law and as explained in note-IB (14). Internal systems and internal control procedures have been reviewed and found appropriate as stated in note IB-14.

Opinion Under Cooperative 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, the bank has kept proper books of account, so far, as appears from our examination of those books. The balance sheet of the bank and profit and loss account dealt with by the report are in agreement with the books of account.



In our opinion and to the best of information obtained and according to the explanations given to us, the accounts in all material respects, give the information required by Chapter 114, the Cooperative Companies Law in the manner so required and give a true and fair view of the Bank's financial position as at 31 December 2013 and of the profit for the year 2013.

Responsible Partner

Erdal & Co.

Sgd.Hüseyin Erdal FCA Sgd.Firuz Fehmi BA (Hons) FCA Sgd.Eral Erdal Bsc (Hons) FCA

Nicosia, 9.05.2014

Independent Auditors Authorised by the Central Bank

Financial Highlights

(TRY, US\$ in actual)

	2013		2012		Growth	
	US\$	TRY	US\$	TRY	US\$%	TRY%
Total Assets	1,430,656,952	2,990,073,029	1,470,648,675	2,588,341,667	-2,72	15,52
Loans, Net	990,142,771	2,069,398,391	1,064,201,086	1,872,993,911	-6,96	10,49
Total Deposits	1,240,123,122	2,591,857,325	1,250,079,698	2,200,140,269	-0,80	17,80
Shareholders Equity & Reserves	112,358,853	234,830,003	119,868,452	210,968,476	-6,26	11,31
Net Interest Income	23,587,438	49,297,746	41,534,694	73,101,062	-43,21	-32,56
Net Profit/Loss	10,351,193	21,633,993	9,763,775	17,184,244	6,02	25,89

End Year Conversion Rates : 1 US \$ = 2.0900TRY for 2013

1 US \$ = 1.7600 TRY for 2012



BALANCE SHEETS
(As at 31.12.2013 and 31.12.2012)

ASSETS		(31/12/2013)			(31/12/2012)		
	Note	LC	FC	TOTAL	LC	FC	TOTAL
CASH AND EQUIVALENTS		8,815,004	4,033,702	12,848,706	10,351,053	3,307,422	13,658,475
A. Cash balances -Turkish Lira		8,815,004		8,815,004	10,351,053	0	10,351,053
B. Cash balances -Foreign Currency			3,733,143	3,733,143		3,197,114	3,197,114
C. Others			300,559	300,559	0	110,308	110,308
BANKS	(1)	140,235,681	483,207,437	623,443,118	159,406,314	267,800,123	427,206,437
A. Due from the Central Bank		126,792,854	319,933,094	446,725,948	149,483,988	205,625,995	355,109,983
B. Due from banks		13,442,827	163,274,343	176,717,170	9,922,326	62,174,128	72,096,454
1) Domestic banks		526		526	1,667	0	1,667
2) Foreign banks		13,442,301	163,274,343	176,716,644	9,920,659	62,174,128	72,094,787
OTHER FINANCIAL INSTITUTIONS				0	0	0	0
MARKETABLE SECURITIES [Net]	(2)	42,290,945	3,191,379	45,482,324	41,972,068	2,924,276	44,896,344
A. Government bonds and treasury bills		0	0	0	0	0	0
B. Other bonds		0	0	0	0	0	0
C. Equity shares		0	0	0	0	0	0
D. Other marketable securities		42,290,945	3,191,379	45,482,324	41,972,068	2,924,276	44,896,344
LOANS	(3)	1,661,850,340	402,250,283	2,064,100,623	1,527,896,835	340,758,573	1,868,655,408
A. Short-term		1,622,566,608	295,922,359	1,918,488,967	1,499,055,914	239,195,050	1,738,250,964
B. Medium and Long term		39,283,732	106,327,924	145,611,656	28,840,921	101,563,523	130,404,444
LOANS IN ARREARS [Net]	(4)	1,881,754	3,416,014	5,297,768	2,073,809	2,264,694	4,338,503
A. Loans with limited recovery [Net]		955,872	2,917,093	3,872,964	898,171	1,508,930	2,407,101
1) Gross receivables		1,081,257	3,010,689	4,091,946	1,024,334	1,581,950	2,606,284
2) Provision for loan losses (-)		125,386	93,596	218,982	126,163	73,020	199,183
B. Loans with doubtful recovery [Net]		925,883	498,921	1,424,804	1,175,638	755,764	1,931,402
1) Gross receivables		1,069,300	547,667	1,616,967	1,307,854	854,327	2,162,181
2) Provision for loan losses (-)		143,417	48,746	192,163	132,216	98,563	230,779
C. Loans considered as loss [Net]		0	0	0			
1) Gross receivables		8,106,258	56,275,383	64,381,641	8,069,144	58,292,192	66,361,336
2) Provision for loan losses (-)		8,106,258	56,275,383	64,381,641	8,069,144	58,292,192	66,361,336
INTEREST&OTHER INCOME ACCRUALS		1,192,520	635,734	1,828,254	3,459,019	520,452	3,979,471
A. Loans		292,355	376,319	668,674	186,124	310,266	496,390
B. Marketable securities		841,183	1,739	842,922	3,223,980	1,443	3,225,423
C. Other		58,982	257,676	316,658	48,915	208,743	257,658
LEASING RECEIVABLES [Net]				0		0	0
A. Leasing receivables				0	0	0	0
B. Unearned income (-)				0	0	0	0
RESERVE DEPOSITS AT THE CENTRAL BANK		141,449,411	56,640,955	198,090,366	126,274,818	43,159,524	169,434,342
MISCELLANEOUS RECEIVABLES	(5)	55,966	37,546	93,512	71,634	63,244	134,878
PARTICIPATIONS [Net]	(6)	0	0	0	0	0	0
A. Financial services				0	0	0	0
B. Others				0	0	0	0
SUBSIDIARIES [Net]	(6)	18,409,768	0	18,409,768	16,862,464	0	16,862,464
A. Financial services		8,361,449		8,361,449	7,570,498	0	7,570,498
B. Other		10,048,319		10,048,319	9,291,966	0	9,291,966
LONG-TERM SECURITIES [Net]	(7)	3,202	1,455,424	1,458,626	15,978,290	3,653,930	19,632,220
A. Equities				0	0	0	0
B. Other long-term securities		3,202	1,455,424	1,458,626	15,978,290	3,653,930	19,632,220
FIXED ASSETS [Net]	(8)	13,822,443	0	13,822,443	13,439,061	0	13,439,061
A. Book value		27,537,425		27,537,425	25,674,723	0	25,674,723
B. Accumulated depreciation (-)		13,714,982		13,714,982	12,235,662	0	12,235,662
OTHER ASSETS	(9)	5,085,904	111,617	5,197,521	5,648,860	455,204	6,104,064
TOTAL ASSETS	(19)	2,035,092,938	954,980,091	2,990,073,029	1,923,434,225	664,907,442	2,588,341,667

LIABILITIES

	Note	(31/12/2013)			(31/12/2012)		
		LC	FC	TOTAL	LC	FC	TOTAL
DEPOSITS	(10)	1,816,512,429	775,344,896	2,591,857,325	1,668,759,523	531,380,746	2,200,140,269
A. Saving deposits		1,202,868,731	612,598,113	1,815,466,844	1,136,649,163	446,111,329	1,582,760,492
B. Government deposits		282,716,107	21,550,065	304,266,172	247,505,229	14,103,732	261,608,961
C. Commercial deposits		43,240,230	18,251,860	61,492,090	39,166,713	15,950,065	55,116,778
D. Other deposits		269,582,370	69,711,656	339,294,026	211,872,020	49,971,187	261,843,207
E. Bank deposits		18,104,991	53,233,202	71,338,193	33,566,398	5,244,433	38,810,831
F. Gold deposit accounts				0	0	0	0
INTERBANK FUNDS BORROWED	(11)		1,455,424	1,455,424	300,000	3,653,930	3,953,930
FUNDS BORROWED	(12)	55,500,000	3,135,000	58,635,000	54,000,000	17,710,800	71,710,800
A. The Central Bank funds borrowed		55,500,000	3,135,000	58,635,000	54,000,000	8,910,800	62,910,800
B. Other funds borrowed				0	0	8,800,000	8,800,000
1) Domestic banks and other institutions				0	0	0	0
2) Foreign banks, institutions and funds				0	0	8,800,000	8,800,000
3) Subordinated debts				0	0	0	0
FUNDS	(13)	960,068		960,068	1,960,170	0	1,960,170
SECURITIES ISSUED [Net] (12)	(14)	0	0	00	0	0	0
A. Bond				0	0	0	0
B. Asset-backed securities				0	0	0	0
C. Bills				0	0	0	0
INTEREST & OTHER EXPENSES ACCRUALS		6,746,474	6,570,950	13,317,424	7,314,658	5,861,058	13,175,716
A. Deposits		6,746,474	6,570,950	13,317,424	7,001,262	3,741,644	10,742,906
B. Funds borrowed				0	0	667,535	667,535
C. Other				0	313,396	1,451,879	1,765,275
LEASING PAYABLES [Net]		0	0	0	0	0	0
A. Leasing payables					0	0	0
B. Deferred leasing expenses (-)					0	0	0
TAXES, DUTIES AND FEES PAYABLE		5,351,260	197,954	5,549,214	4,615,079	148,665	4,763,744
IMPORT TRANSFER ORDERS				0	0	0	0
MISCELLANEOUS PAYABLES [13]	(15)	15,114,847	1,893,375	17,008,222	14,833,513	1,862,208	16,695,721
PROVISIONS		58,190,080	0	58,190,080	55,012,493	0	55,012,493
A. Provision for end-of service benefits		34,072,890		34,072,890	30,871,309	0	30,871,309
B. General provision for loan losses		3,674,365		3,674,365	4,073,751	0	4,073,751
C. Provision for taxes		1,364,413		1,364,413	975,887	0	975,887
D. Other provisions		19,078,412		19,078,412	19,091,546	0	19,091,546
OTHER LIABILITIES (10)	(16)	7,478,498	791,771	8,270,269	9,453,659	506,688	9,960,347
SHAREHOLDERS' EQUITY (16)	(17)	52,687,078	0	52,687,078	48,741,121	0	48,741,121
A. Paid-in share capital (17)		21,593,074		21,593,074	21,199,117		21,199,117
1) Registered share capital		50,000,000		50,000,000	50,000,000		50,000,000
2) Unpaid capital (-)		28,406,926		28,406,926	28,800,883		28,800,883
B. Legal reserves		18,658,919		18,658,919	16,940,496	0	16,940,496
1) I. And II. legal reserves		18,658,919		18,658,919	16,940,496	0	16,940,496
2) Share premiums				0	0	0	0
3) Other legal reserves				0	0	0	0
Optional reserves				0	0	0	0
D. Revaluation surplus		1,147,473		1,147,473	941,393	0	941,393
E. Revaluation differences (14)	(18)	11,287,612		11,287,612	9,660,115	0	9,660,115
F. Loss				0	0	0	0
1) Current period loss				0	0	0	0
2) Previous years' losses				0	0	0	0
PROFIT		182,142,925	0	182,142,925	162,227,356	0	162,227,356
A. Current period profit		21,633,993		21,633,993	17,184,244	0	17,184,244
B. Previous years' profit		160,508,932		160,508,932	145,043,112	0	145,043,112
TOTAL LIABILITIES and (15)	(19)	2,200,683,659	789,389,370	2,990,073,029	2,027,217,571	561,124,096	2,588,341,667
CONTINGENCIES & COMMITMENTS	(2)	15,441,589	10,862,427	26,304,016	15,633,375	12,092,426	27,725,801
ENDORSEMENTS AND WARRANTIES		144,518,081	707,473,376	851,991,457	146,097,690	630,379,750	776,477,440
TOTAL		228,478,155	723,285,590	951,763,745	214,063,050	646,645,395	860,708,445



PROFIT AND LOSS ACCOUNTS

(For the years ended 31.12.2013 and 31.12.2012)

	Note	(31/12/2013)	(31/12/2012)
INTEREST INCOME	(1)	212,939,321	234.334.309
A. Interest income on loans		195,784,516	216.269.703
1) Interest income on loans-Turkish Lira		163,325,874	186.227.488
a - Short-term		157,544,149	181.618.583
b - Medium and long-term		5,781,725	4.608.905
2) Interest income on loans-foreign currency		30,644,928	28.117.146
a - Short-term		21,868,186	19.421.677
b - Medium and long-term		8,776,742	8.695.469
3) Interest income on loans in arrears		1,813,714	1.925.069
Interest income on reserve deposits at the			
B. Central Bank		5,272,357	6.199.796
C. Interest income received from banks		9,149,098	5.637.022
1) The Central Bank		6,371,482	3.307.383
2) Domestic banks			0
3) Foreign banks		2,777,616	2.329.639
D. Interest income on interbank operations		0	0
E. Interest income on marketable securities		2,161,976	5.433.127
1) Development Bank of the TRNC Bonds		1,788,411	1.949.748
2) Other marketable securities		373,565	3.483.379
F. Other interest income	(3)	571,374	794.661
INTEREST EXPENSES	(1)	163,641,575	161.233.247
A. Interest paid for deposits		136,387,054	136.030.213
1) Savings deposits		110,599,669	113.203.439
2) Government deposits		4,369,670	3.012.143
3) Commercial deposits		19,047,058	17.769.780
4) Other deposits		33,363	30.331
5) Bank deposits		2,337,294	2.014.520
B. Interest paid for foreign currency deposits		23,488,091	20.347.785
1) Savings deposits		19,801,432	17.332.574
2) Government deposits		556,185	613.429
3) Commercial deposits		2,103,409	1.676.693
4) Other deposits		476,356	498.193
5) Bank deposits		550,709	226.896
6) Gold deposit accounts		0	0
C. Interest paid for interbank operations		111,480	456.577
D. Interest paid for funds borrowed		3,571,603	4.233.858
1) To the Central Bank		3,525,833	3,538.838
2) To domestic banks			
3) To foreign banks		45,770	695.020
4) Other			0
E. Interest paid for securities issued			0
F. Other interest expenses	(3)	83,347	164.814
NET INTEREST INCOME		49,297,746	73.101.062
OPERATING INCOME	(1)	93,294,739	43.542.793
A. Fees and commissions received		7,711,977	8.439.834
1) Loans		2,143,982	2.336.726
2) Contingent liabilities		223,852	263.642
3) Other		5,344,143	5.839.466

B.	Income on capital market operations	0	0
C.	Income on foreign exchange operations	74,375,882	23.538.184
D.	Dividend from participations and subsidiaries	886,329	0
E.	Extraordinary income		0
F.	Other operating income	(3) 10,320,551	11.564.775
OPERATING EXPENSES		(1) 118,383,636	97.527.927
A.	Fees and commissions paid	900,946	698.101
	1) Loans	177,679	205.832
	2) Contingent liabilities		0
	3) Other	723,267	492.269
B.	Loss on capital market operations		0
C.	Loss on foreign exchange operations	51,331,445	30.058.269
D.	Personnel expenses	31,378,854	29.643.543
E.	Provision for end-of-service benefits	3,811,794	2.218.369
F.	Rental expenses	349,994	295.798
G.	Depreciation expenses	1,526,076	1.300.604
H.	Taxes and duties	206,569	222.853
I.	Extraordinary expenses		0
J.	Provision for loans in arrears	(2) 3,100,026	8.941.738
K.	Other provisions	(2) 2,106,027	851.140
L.	Other operating expenses	(3) 23,671,905	23.297.512
NET OPERATING INCOME		-25,088,897	-53.985.134
PROFIT/LOSS BEFORE TAX		24,208,849	19.115.928
PROVISION FOR TAX		2,574,856	1.931.684
NET PROFIT		21,633,993	17.184.244



Cash Flow Statements

For the years ended 31st December 2013 and 31st December 2012

	31st December 2013 (TRY)	31st December 2012 (TRY)
I- Cash Flows from Banking Activities (Core Business)		
Interest Income Received	212,939,321	234,334,308
Interest Expenses Paid	-163,641,575	-161,233,247
Dividend Received	886,329	0
Commissions and Fees Received	7,711,977	8,439,834
Other Income	10,320,551	11,564,775
Recoveries on Loans and other Receivables Written-Off	0	0
Payments to personnel and other service providers	-31,378,854	-29,643,543
Taxes Paid	-206,569	-222,853
Other Collections (_____)	0	0
Other Payments (_____)	-38,041,624	-39,534,946
Cash Flows from Banking Activities before Changes in Operating Assets and Liabilities	-1,410,444	23,704,328
Changes in Operating Assets and Liabilities		
<u>Increase/Decrease in Operating Assets:</u>		
(Increase)/Decrease in Securities – Net	-585,980	19,874,718
(Increase)/Decrease in Due from Banks – Net	-196,236,681	-72,509,883
(Increase)/Decrease in Loans – Net	-196,404,480	-138,693,165
(Increase)/Decrease in Other Assets	-8,930,609	-11,019,382
<u>(Increase)/Decrease in Operating Liabilities:</u>		
Increase/(Decrease) in Deposits – Net	391,717,056	152,591,386
Increase/(Decrease) in Funds Borrowed – Net	-13,075,800	31,028,700
Increase/(Decrease) in Securities Issued – Net	0	0
Increase/(Decrease) in Other Liabilities - Net	-771,419	485,023
Net Cash Inflows from Banking Activities	-25,698,357	5,461,725
II- Cash Flows from Investing Activities		
Acquisition of Investments and Affiliated Companies	0	0
Sales of Investments and Affiliated Companies	0	0
Purchase of Bank Premises and Equipment	-1,705,445	-456,992
Sales of Bank Premises and Equipment	48,823	246,421
Purchases of Other Long-Term Investments		
Sales of Other Long-Term Investments		
Other Cash Inflows (_____)	1,479,320	1,054,182
Other Cash Outflows (_____)		0
Net Cash Outflows used in Investing Activities	-177,302	843,611

Cash Flow Statements Continued:

II- Cash Flows from Capital Financing Activities

Cash Inflows through Funds Borrowed and Securities Issued	0	0
Repayments for Funds Borrowed and Securities Issued	0	0
Cash Increase in Share Capital	393,957	710,128
Dividends Paid	0	0
Other Cash Inflows (_____)	1,674,091	4,108,117
Other Cash Outflows (_____)	-46,593	0

Net Cash Outflows used in Capital Financing Activities	2,021,455	4,818,245
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Effect of Changes in Foreign Currency Exchange Rates on Cash and Cash Equivalents	23,044,436	-6,520,083
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Increase in Cash and Cash Equivalents	-809,769	4,603,498
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Cash and Cash Equivalents at the Beginning of the Period	13,658,475	9,054,977
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Cash and Cash Equivalents at the End of the Period	12,848,706	13,658,475
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Statement Of Shareholders' Equity
For The Years Ended December 31,2013 and 2012
(TRY)

	Share Capital	Legal Reserves	Other Legal Reserves (x)	General Reserves	Accumulated Retained Profit (Loss)	Current Retained (Loss)	Year Profit	Total
Balances, January 1, 2012	20,488,989	14,403,240	0	6,503,951	122,207,813	25,372,554	0	188,976,547
Transfers to Legal and General Reserves	0	2,537,255	0	0	22,835,299	-25,372,554	0	0
Share Capital Increase	0	0	0	0	0	0	0	0
-Cash	710,128	0	0	0	0	0	0	710,128
-Retained Earnings Emission Premium	0	0	0	0	0	0	0	0
Revaluation Surplus	0	0	0	4,097,557	0	0	0	4,097,557
Others	0	0	0	0	0	0	0	0
Current Year Net Profit	0	0	0	0	0	17,184,244	0	17,184,244
Balances, January 1,2013	21,199,117	16,940,495	0	10,601,508	145,043,112	17,184,244	0	210,968,476
Transfer to Legal and General Reserves	0	1,718,424	0	0	15,465,820	-17,184,244	0	0
Share Capital Increase								
-Cash	393,957	0	0	0	0	0	0	393,957
-Retained Earnings Emission Premium	0	0	0	0	0	0	0	0
				-46,594	0			-46,594
Revaluation Surplus	0	0	0	1,880,171	0	0	0	1,880,171
Others								
Current Year Net Profit	0	0	0	0	0	21,633,993	0	21,633,993
Balances, December 31,2013	21,593,074	18,658,919	0	12,435,085	160,508,932	21,633,993	0	234,830,003



I-NOTES, EXPLANATIONS AND INFORMATION REGARDING THE FINANCIAL STRUCTURE OF THE BANK:

Explanatory Notes of the Current Period Financial Statements;

(1) Information of the date that balance sheet definitely approved

Balance Sheet was approved on the date 09/05/2014 by Board of the Directors

(2) General information about the Bank

Information to be provided under Rule 12 of the Rules made by the TRNC Central Bank pursuant to section 34(3) of Banking Law, No 39/2001:

A.

a) Legal structure of the Bank:

Cyprus Turkish Cooperative Central Bank Limited is registered under Chapter 114, Cooperative Societies Law and in regard of its banking activities it is subject to the Banking Law, Law No 39/2001.

b) Information concerning the capital structure of the Bank and the shareholders possessing 10% or more of its shares is given under Note 11(14).

c) The Board of Directors of the Bank and its top managers are made up of the following persons:

<u>Board of Directors</u>	<u>Senior Officers</u>	<u>Audit Committee</u>	<u>External Auditor</u>	<u>Internal Auditors</u>
Doğan Şahali Turgay Balık Eren Adataş Handan Aksoy Ferudun Güven	Gülhan Alp (General Manager) Akay Aktuğ Kemal Ataman		Erdal & Co.	Mustafa Atagül Nevzat Üstün Cem Hakseven Nebahat Menteş Hakan Akgün Halil Koççat

d) General Manager and four of the members of the Board possess the qualifications required under section 15 and 16 of Part 4 of the Banking Law, No 39/2001.



(3) Principal accounting policies and related financial effects

Principle Accounting Policies

The principal accounting policies followed in the preparation of the accompanying financial statements are as follows:

a) Effect of Hyperinflation

International Accounting Standards No 29 and UITF abstract 9 “Accounting For Operations in Hyperinflationary Economies” recommend adjustments to financial statements using a relatively stable currency of measurement, where such financial statements are designated in the currency of an economy suffering from hyperinflation which is defined as cumulative inflation rate over three years approaching or exceeding 100%.

Law 66/99 enacted on 23 November 1999 provides for the revaluation of certain items in the balance sheets of companies namely, paid up capital and reserves, fixed assets accumulated depreciation provision thereon, stocks and unquoted investments according to a factor provided in the law. The law provides also that as from January 1999 the revaluation loss or profit would be taken directly to the profit and loss account to increase or decrease the operational profit as the case may be.

The purpose is explained in the law to be the marking up of the amounts expressed in Turkish Lira to offset the loss in the value of the Turkish Lira since the dates of acquisition of the said assets and introduction of the capital funds including retained profits. According to the law the net result of the adjustments would be credited to equity capital or deducted according to whether it is a credit or debit balance.

This recommendation has not been applied in the TRNC. Due to the Parliament cancelled the said law (66/99) as from 1.1.2007, the bank has not made any adjustment to financial statements for the revaluation of paid up capital and reserves, fixed assets, accumulated depreciation items.

The value of freehold Immovable Property in London owned by the bank in 1982 for the purpose of to open a branch is marked up annually on every balance sheet date on the basis of TRY value of the sterling value. The sterling value is also adjusted on the basis of independent qualified valuers’ report. The valuers’ report was obtained for 31 December 1999 and valued GBP 320,000. Surplus on revaluation of this transaction is taken directly to the reserves.

b) Accounting Principles

- 1-** Fixed Assets are the ending balance of the accounts, which are calculated as Revaluation Cost minus Revaluated Depreciation Provisions.
- 2-** All income and expense items are recorded on accrual basis. Accrued interest and interest receivables that are classified as non-performing are cancelled and are not recorded as interest income until the actual date of the collection as per the relevant legislation.
- 3-** Full specific provision has been made for group 5 without considering of their collateral.

c) Foreign Currency Transactions

Foreign currency assets and liabilities at each year-end are converted into New Turkish Lira at the year-end foreign currency rates.

Reserve Deposits amounting Cyprus Pound (CY£) 326,198 blocked in the Central Bank of Southern Cyprus since 1974 have been converted into New Turkish Lira at the year-end foreign currency rate 2.84. Full provision has been made for this amount.

(4) Fundamental Accounting Concepts

The accounts have been prepared in accordance with the Fundamental Accounting concepts.

(5) Valuation methods used, any change in the methodology during the current period and financial effects of such changes;

No change has been made

(6) Information on investment securities (subsidiaries, equity participations, and marketable securities);

Marketable Securities

Marketable securities are those which management mainly intend to hold until maturity and are stated at cost as adjusted for the amortization of premiums or discounts on purchases over the period to maturity.



Marketable Securities as of December 31, 2013 and 2012 are comprised of the following.

	2013	2012
	(TRY)	(TRY)
Development Bank of the Turkish Republic of Northern Cyprus Bonds	45,482,324	40,828,961
Turkish Republic Government Bonds and Treasury Bills	0*	4,067,383*
Total Securities Portfolio	45,482,324	44,896,344

- Development Bank of the Turkish Republic of Northern Cyprus bonds are issued under State Guaranty are not quoted on any stock exchange and are convertible to cash on demand. The banks are obliged to invest 2% of their total deposits in Development Bank Bonds.
- Republic of Turkey Government Bonds and Treasury Bills are quoted on Istanbul Stock Exchange and are stated at cost or prices quoted in the Official Gazette by Turkish Central Bank whichever is lower. The cost of foreign currency denominated securities is translated at year-end exchange rates. Interest earned for holding securities are included in interest income.

Equity Participations, Subsidiaries and Long-term Securities:

Equity Participations and subsidiaries value have been revaluated under the law 66/1999 for the year 2006. Since the said law (66/1999) has been cancelled as from 1.1.2007 equity participations and subsidiaries are not revaluated for the year 2013.

Depreciation method used, any change in the methodology during the current period and financial effects of such changes:

Depreciation has been calculated on the "straight-line basis" and no change has been made in the depreciation method during the current period.

(7) The composition of strategies for providing a hedge against the exchange rate risk resulting from other foreign currency transactions.

Market fluctuations of exchange rates, interest rates and prices are monitored instantaneously, while positions are taken with strict adherence to legal limitations as well as the Bank's own transaction and control limits, thus preventing any breaches of these limits. A long position exists of US Dollar.

(8) Foreign currency assets and liabilities at each year-end are translated into Turkish Lira at the year-end foreign currency rates. As at 31 December 2013 and 31 December 2012, foreign currency assets and liabilities of the Bank are mainly in GBP£ and US\$.

The exchange rate used in revaluation of foreign currency items during the preparation of the balance sheet and the Bank's published US dollar and GB Pound currencies purchase rates for the last five working days of the period are as follows:

	Current Period	Previous Period
The Bank's "Exchange rate for the Evaluation of Foreign Currency Items" (1 US dollar \$=.....TRY)	2,0900 TRY	1.7600 TRY
US dollar purchase rates for the 5 working days before balance sheet date:		
Purchase Rate of the 1st day	2,1200 TRY	1.7750 TRY
Purchase Rate of the 2nd day	2,1400 TRY	1.7750 TRY
Purchase Rate of the 3rd day	2,0800 TRY	1.7750 TRY
Purchase Rate of the 4th day	2,0700 TRY	1.7750 TRY
Purchase Rate of the 5th day	2,0700 TRY	1.7780 TRY
	Current Period	Previous Period
The Bank's "Exchange rate for the Evaluation of Foreign Currency Items" (1 Sterling Stg=.....TRY)	3,5100 TRY	2.8660 TRY
Sterling purchase rates for the 5 working days before balance sheet date:		
Purchase Rate of the 1st day	3,5000 TRY	2.8770 TRY
Purchase Rate of the 2nd day	3,5400 TRY	2.8770 TRY
Purchase Rate of the 3rd day	3,4200 TRY	2.8770 TRY
Purchase Rate of the 4th day	3,3800 TRY	2.8820 TRY
Purchase Rate of the 5th day	3,3900 TRY	2.8760 TRY



(9) Movable and Immovable Insured Values:

The book value of the movables and immovable, their accumulated depreciation and total insured value are given below:

Current 31/12/2013	Period:	Book Value	Accumulated Depreciation	Insurance Coverage
Movables		12,632,721	9,279,300	2,470,254
Immovables		14,904,704	4,435,682	2,873,090
Immovables held for resale		1,486,236	0	547,235

Previous Period: 31/12/2012

	Book Value	Accumulated Depreciation	Insurance Coverage
Movables	11,692,081	8,414,962	2,692,737
Immovables	13,982,071	3,820,700	4,035,046
Immovables held for resale	2,387,876	0	689,279

(10) Information on contingent losses and gains, which are significant but cannot be quantified:

All significant contingent losses and gains are quantified and stated in the balance sheet as of 31 December 2013.

(11)

a) Information on events occurring after the balance sheet date which effect the financial activities and/or financial structure significantly and therefore require explanation

None

b) Changes which occurred in exchange rates after the date of the balance sheet which are of mere importance to affect the use of and decisions based on the balance sheets and their impact on foreign currency transactions and items in the balance sheets as well as the effects on the Banks' foreign activities.

No significant exchange rate changed occurred after the date of the balance sheet.

(12) Other issues that significantly affect the balance sheet or require an explanation for the balance sheet to be clear and comprehensible:

The financial statements give a true and fair view of the financial position of the Bank as of 31 December 2013.

(13) INFORMATION REGARDING THE FINANCIAL STRUCTURE

a) Information related to capital adequacy standard ratio:

	Risk Weights			
	0%	20%	50%	100%
Risk Weighted Assets, Liabilities and Non-Cash Loans				
Balance Sheet Items (Net)	0	0	0	0
Cash	12,548,147	300,559	0	0
Due from Central Bank	446,725,948	0	0	0
Interbank Money Market Placements	0	0	0	0
Due from Banks	0	144,973,654	0	31,743,516
Reserve Deposits	45,482,324	0	0	0
Marketable Securities	198,090,366	0	0	0
Loans	1,753,066,052	0	82,154,378	220,688,238
Loans under Follow-Up (Net)	0	0	0	5,297,768
Interest and Income Accruals	1,370,919	214,412	64,164	178,759
Miscellaneous Receivables	0	0	0	10,048,319
Long-Term Securities	1,455,424	0	0	3,202
Immovables held for resale	0	0	0	1,486,236
Fixed Assets	0	0	0	12,511,899
Other Assets	2,777,150	0	0	859,515
Off Balance Sheet Items	0	0	0	0
Guarantees and Pledges	15,022,490	970,038	9,560,105	751,384
Commitments	3,423,097	0	865,745	14,080,351
Not Risk Weighted Accounts	0	0	0	12
Total Risk Weighted Assets	2,479,961,917	146,458,663	92,644,392	297,649,199
Currency Risk	0	0	0	377,763,000
Total	0	29,291,732	46,322,196	675,412,199

b) Information about the shareholders' equity items:

	Current Period	Previous Period
CORE CAPITAL	220,916,242	199,260,545
Paid-In Capital	21,593,074	21,199,117
Legal Reserves	18,658,919	16,940,496
Statutory and Extraordinary Reserves	0	0
Accumulated Retained Profit After Tax Provision and Current Retained Profit	182,142,925	162,227,356
Current Retained Loss and Accumulated Retained Loss	0	0
TOTAL SUPPLEMENTARY CAPITAL	25,748,878	24,314,687
General Provisions	3,674,365	4,073,751
Fixed Assets Revaluation Fund	1,147,473	941,393
Marketable Securities and Investment Securities Value Increased Fund	0	0
Provision For Possible Losses	9,639,428	9,639,428



Marketable Securities Revaluation Fund	11,287,612	9,660,115
TOTAL CAPITAL	246,665,120	223,575,232
Total Capital For The Ratio	240,476,654	215,955,407
DEDUCTIONS FROM THE CAPITAL	18,032,080	28,704,472
Investments in unconsolidated Financial Companies Whose main Activities are Money and Capital Markets, and that Operate with Licenses Provided in accordance with Special Laws	8,361,449	7,570,498
Special Cost Expenses	1,310,544	943,964
Prepaid Expenses	168,132	162,460
The Negative Difference Between the Market Values and the Carrying Amounts for Unconsolidated Investments, Subsidiaries, Other Investments, and Fixed Assets	0	0
Subordinated Loans given to Other Banks Which Operate in TRNC	0	0
Goodwill	0	0
Capitalized Expenses	8,191,955	20,027,550
Total Shareholders' Equity	223,923,250	188,357,359

c) Summary information about the capital adequacy ratio:

	Current Period	Previous Period
Total Risk-Weighted Assets	751,026,127	668,218,726
Shareholders' Equity	223,923,250	188,357,359
Shareholders' Equity / RWA (%) (*)	%29,82	%28,19

(*)RWA: Total Risk – Weighted Assets

(14) Opinion of the Independent Auditor Firm auditing the financial statements should be given (in accordance with the regulation).

- Cyprus Turkish Cooperative Central Bank Limited is registered under Chapter 114 Cooperative Societies Law and is subject to the Banking Law, No. 39/2001.
- Information concerning the capital structure of the Bank and the shareholders with shareholding of 10% and above is disclosed in note III (17)(e).
- The representation of the Bank's management on the reliability of its internal control systems is satisfactory.
- The Board of Directors, senior management and internal auditors are stated on the first page of the report. The changes are stated in Note I (2) B (c).
- Bank managers and auditors possess the qualifications as required by the Banking Law No.39/2001
- There has been no change made to the accounting policies since last year.
- After the balance sheet period, to the best of our knowledge, there have not been any major changes and developments that may affect the position of the Bank.
- Loans totaling 1,304,634 TL should be accounted for in Non-Performing Loans accounts as required by the Provision Decree.
- Audit Reports regarding the Annual Accounts of the 3 out of 4 subsidiaries that have been valued according to the Equity Method were not available.
The Subsidiary that has been audited was not audited by our firm.

- j) The loan that has been provided to a public body has exceeded the limit prescribed by the 39/2001 Banking Law.
- k) The overseas building of the Bank in the Fixed Assets has been subject to evaluation in the year end as it is recorded in GBP and increase of 206,080 TL has been transferred to revaluation reserve.
- l) i. Establishment of the Internal Systems.
The non-executive Board Member responsible for Internal Systems has resigned on 3/4/2014 and the Board of Directors has not yet appointed the successor.
The Bank currently carries out the Internal Systems under Internal Audit, Risk Management, Internal Control and Compliance Units. The qualifications of the employees in these units comply with the regulations, in the Decree.
- ii. Internal Audit
The structuring of the Internal Audit Unit and making it function in line with the regulations is underway. Internal Audit planning, reporting and execution have been performed in accordance with the Decree.
The assessment on the loans provided by the Bank and their analysis into risk categories have been reported to the Central Bank.
The Bank has followed and evaluated its risk compositions in the matrix as prescribed by Decree.
- iii. Compliance
The operations and the reports have been executed in accordance with the Decree. The Bank has established the required structure and implemented the appropriate procedures to ensure compatibility with the rules and regulations.
- iv. Internal Control
The Internal Control Unit has fulfilled the requirements of the regulations.
- Internal System Units have been established, strategies and policies on the Bank's activities and their implementation methods have been documented and active control of the process has been achieved in accordance with the Bank's structure.
 - Work is underway towards making the information systems compatible with scale of the Bank and also characteristics and complexity of the products and services offered by the Bank.
 - Work is underway to activate the emergency and contingency plan.
- v. Risk Management
Work is underway to fulfill the requirements of the regulations regarding the activities, responsibilities and report of the Risk Management Unit. The bank has carried out stress testing and scenario analysis.



II- FOOTNOTES AND EXPLANATIONS ON INTERNAL SYSTEMS:

Internal systems which embody Internal Audit, Risk Management, Internal Control and Compliance Units were established according to the “Internal Audit, Risk Management, Internal Control and Management Systems regulations dated 12 August 2008 under the Banking Law No 39/2001, are compatible with the diversity of the Bank's activities and structured in a manner to respond to changing circumstances.

The goal of this structuring is to ensure the compatibility of the banking activities with the strategies defined by the senior officers, implementation of reliable financial and managerial reporting, and to minimize, monitor and control the unexpected risks that could affect the Bank's reputation.

The instructions for Internal Audit Unit, Risk Management Unit, Internal Control Unit and Compliance Unit have been prepared and unit supervisors have been appointed by the Board of Directors.

Chief Auditor	: Mustafa Atagül
Risk Management Department Manager	: Hasan Uysal
Internal Control Department Manager	: Canan Özkıran
Compliance Officer	: Özlem Alemdar Aksu

The unit supervisors meet the necessary qualifications specified by the regulations. The reports on the activities that have been carried out, currently being carried out and planned to be carried out in the future by the unit supervisors, are presented to the Board of Directors by the Internal System Supervisor at times specified by the regulations.

Operation of the Internal Audit System

The Internal Audit Unit of the Bank reports to the Board of Directors and operates in accordance with the “Internal Audit, Risk Management, Internal Control and Management Systems” regulations issued under the Banking Law No.39/2001 clause 15(3).

In addition to the audits made in the domestic branches and head office, commercial, agricultural and personal loans and payment system audits are also have been made. The findings from these audits are being reported to the senior officers and necessary alterations are requested. Except the periodic routine inspections, complaints from customers are also assessed and required measures are taken. In the inspections held during 2013, no findings of importance that could affect the bank capital or income negatively have been found.

Our auditors that monitor the changes in the risk composition and inform the Board of Directors on the measures to be taken with their reports also contribute to the marketing vision of our Bank with their periodic findings and suggestions.

Our auditors will be working with a sense of responsibility and duty in the forthcoming period to help our Bank achieve its identified goals and to increase the added value of our Bank by benefiting from technological opportunities as well.

Operation of Internal Control System

The Internal Control activities of our bank are structured within the framework provided by the Banking Law No. 39/2001 Internal Systems regulations with a vision to cover all domestic branches and head office units.

The control programs for the branches are prepared to make all branches subject to periodic control and systematic and other deficiencies are found and suggestions are made to amend them.

The controls held in the branches and head office units are continuously reviewed and renewed parallel to the advances in technology, in order to keep them compatible with the Bank's objectives in every aspect, fast and up to date.

With the work and suggestions towards making Internal Control activities more effective, a healthier functioning of banking activities and an increased level of service quality are targeted.

Operation of Risk Management System

The basic approach of our bank in its risk management activities is to place the risk culture in the organization, identify, measure, monitor and control the risks that the bank is being or may be exposed to.

The risk management activities of our bank include balance sheet risks such as credit risk, market risk, operational risk, and liquidity risk. These risks have been identified and taken under control by constructing risk matrices.

The banks exchange rate and liquidity risks are held under control by the developed scenario analysis and stress tests.

Activities of the risk management unit are reported to the Board of Directors semi-annually along with the risk analysis test results and risk parameters.



Risk management activity results;

- The senior officers of the bank have been sensitive to comply with both the internal and external regulations. As a result of this, in line with the TRNC Central Bank criteria, capital adequacy ratio has been 29.82% and cash ratio has been 18.83%.
- Activities for the collection of government guaranteed loans have continued in 2013. It is of high importance that these loans are collected within the scope of a predetermined plan for the benefits of the bank and the sector.
- From the exchange rate risk point of view, we are working to minimize Bank's long-term position in US Dollar by balance sheet or off balance sheet transactions.

As a conclusion, our units that have been constituted under the Internal Systems regulations have not only been compatible with the internal and external regulations but at the same time they have continued to manage the risks arising from the banks activities with an increasing sensitivity. By this means, the increase in the trust and reputation of the bank have affected the deposits and size of assets in the Bank's balance sheet positively.

Operation of the Compliance Unit

Within the framework of the Internal Systems regulations, the control of the compatibility of Bank's internal policies and regulations with the activities of the Bank and the goods and services that Bank offers and will be planning to offer are held by the Compliance Unit.

Pursuant to the 4/2008 Prevention of Laundering Proceeds of Crime Law, Suspicious Transaction Notifications and Notifications for Cash Transactions that equal to €10,000 and above have been made. In order to raise awareness of the personnel on this matter, trainings that are part of the Compliance Program have been held. The personnel will be kept updated about this matter by ongoing trainings.

III- NOTES AND EXPLANATIONS ON THE BALANCE SHEET AND MEMORANDUM ACCOUNTS

i) INFORMATION AND DISCLOSURES RELATED TO ASSETS ITEMS

(1) Information about bank accounts

a) Information related to the account of the Central Bank of TRNC

	Current Period		Previous Period	
	LC	FC	LC	FC
Demand Unrestricted Amount	126,792,854	295,134,944	149,483,988	171,678,225
Time Unrestricted Amount		24,798,150	0	33,947,770
Total	126,792,854	319,933,094	149,483,988	205,625,995

b) Information of foreign bank accounts:

	Unrestricted Amount		Restricted Amount	
	Current Period	Previous Period	Current Period	Previous Period
Turkey	138,169,722	40,008,725	31,743,516	27,216,679
European Union Countries	6,803,406	4,869,383	0	0
USA, Canada	0	0	0	0
OECD Countries	0	0	0	0
Off-Shore Banking Regions	0	0	0	0
Other	0	0	0	0
Total	144,973,128	44,878,108	31,743,516	27,216,679

c) Information on receivables from reverse repo transactions;

	Current Period		Previous Period	
	LC	FC	LC	FC
From local transactions				
Central Bank of TRNC	0	0	0	0
Banks	0	0	0	0
Other Financial Institutions and Organizations	0	0	0	0
Other Institutions and Organizations	0	0	0	0
Real Persons	0	0	0	0
From International Transactions				
Central Banks	0	0	0	0
Banks	0	0	0	0
Other Financial Institutions and Organizations	0	0	0	0
Other Institutions and Organizations	0	0	0	0
Real Persons	0	0	0	0



(2) Information about Marketing Securities

(a)i- Surplus on revaluation of marketable securities is -0-.

ii- The Bank's marketable securities portfolio is stated at initial acquisition cost.

iii- Securities held to meet legal requirements.

Total of TRY 45,482,324 is held to meet legal requirements.

(b) Information on investment securities available for sale subject to repurchase agreements:

	Current Period		Previous Period	
	LC	FC	LC	FC
Development Bank of the TRNC Bonds	42,290,945	3,191,379	38,148,357	2,680,603
TR Government Bonds and Treasury Bills	0	0	3,823,711	243,673
Total	42,290,945	3,191,379	41,972,068	2,924,276

(3) Information related to loans:

(a) Information on all types of loans and advances given to shareholders and employees of the Bank:

	Current Period		Previous Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders				
Corporate Shareholders	13,071,088	11,618,779	23,929,527	12,510,510
Real Person Shareholders	0	0	0	0
Indirect Loans Granted to Shareholders	0	0	0	0
Loans Granted to Employees	12,838,031	0	11,576,093	0

(b) Information about the first and second group loans and other receivables including loans that have been restructured or rescheduled

Cash Loans	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Discount Notes	3,307,829	0	80,300	0
Export Loans	0	0	0	0
Import Loans	13,190,984	0	0	0
Loans Given to Financial Sector	131,805,255	0	1,734,005,810	0
Specialized Loans	11,410,660	0	0	0
Consumer Loans	115,536,249	0	5,318,739	0
Credit Cards	38,785,489	0	539,967	0
Fund Purpose Loans	238,580	0	0	0
Central Bank Based Loans	0	0	0	0
Other	9,880,761	0	0	0
Total	324,155,807	0	1,739,944,816	0

(c) Loans according to type of borrowers:

	Current Period	Previous Period
Public Sector	1,736,213,831	1,557,648,455
Private Sector	327,886,792	311,006,953
Total	2,064,100,623	1,868,655,408

(d) International and domestic loans:

	Current Period	Previous Period
Domestic Loans	2,064,100,623	1,868,655,408
International Loans	0	0
Total	2,064,100,623	1,868,655,408

(e) Loans granted to subsidiaries and participations;

	Current Period	Previous Period
Direct Loans Granted to Subsidiaries and Participations	13,952,489	17,315,277
Indirect Loans Granted to Subsidiaries and Participations	0	0
TOTAL	13,952,489	17,315,277

(f) The share of the Bank's receivables from the top 100 cash borrowers in the overall cash loan portfolio stands at 87.75% and this figure represents 1 borrowers.

(g) The share of Bank's receivables from the top 100 non-cash borrowers in the overall non-cash portfolio stands at 86.38% and this figure represents 3 borrowers.

(h) The share of Bank's cash and non-cash receivables from the top 100 borrowers under balance-sheet and non-balance sheet assets portfolio stands at 62.84% and this figure represents 1 borrowers.

(4) The changes in total loans under follow-up:

(a)

	Group III Loans and Receivables with Limited Collectibility	Group IV Doubtful Loans and Receivables	Group V Loans and Receivables Qualified as Loss
Previous Period End Balance	2,606,284	2,162,181	66,361,336
Additions (+)	5,157,750	0	0
Transfers from Other categories of Loans Under Follow-Up(+)	0	2,759,968	2,850,228
Transfers from Other categories of Loans Under Follow-Up(-)	-2,759,968	-2,850,228	0
Collections (-)	-912,120	-454,954	-4,829,923
Write-Offs(-)	0	0	0
Current Period End Balance	4,091,946	1,616,967	64,381,641
Specific Provisions (-)	-218,982	-192,163	-64,381,641
Net Balance on Balance Sheet	3,872,964	1,424,804	0



(b) Information on foreign currency loans and other receivables under follow-up:

	Group III	Group IV	Group V
	Loans and Receivables with Limited Collectibility	Doubtful Loans and Receivables	Loans and Receivables Qualified as Loss
Current Period:			
Period End Balance	3,010,689	547,667	56,275,383
Specific Provisions (-)	93,596	48,746	56,275,383
Net Balance on Balance Sheet	2,917,093	498,921	0
Previous Period:			
Period End Balance	1,581,950	854,327	58,292,192
Specific Provisions (-)	73,020	98,563	58,292,192
Net Balance on Balance Sheet	1,508,930	755,764	0

(c) Breakdown of Uncollectible Loans and Receivables and Specific Provisions provided;

Collateral Group	Loan	Specific Provision
Without Collateral	5,865,023	5,865,023
Group I	69,788	69,788
Group II	52,441,199	52,441,199
Group III	5,821,068	5,821,068
Group IV	184,563	184,563

*Full specific provision has been made for group 5 without considering of their collateral.

(d) Main Features of uncollectible loans and other receivables liquidation policy.

In order to ensure liquidation of non-performing loans, all possible alternatives within the existing legislation are evaluated in a way that repayments are maximized. First administrative initiatives are taken to reach an agreement with the borrower and his guarantors; in case the negotiations for collection, liquidation or fail restructuring of receivables action is taken for collection.

(5) Information on receivables arising from term of sales of assets included in miscellaneous receivables;

	Current Period	Previous Period
From sale of equity participations and subsidiaries	0	0
From sale of immovables	0	172,558
From sale of other assets	0	0

(6) Information on subsidiaries and equity participations;

(a) Surplus on revaluation of subsidiaries and equity participations stock exchange value is -0-.

(b) Sectoral information on financial participations and the related carrying amounts:

Participations	Participations		Subsidiaries	
	Current Period	Previous Period	Current Period	Previous Period
Banks	0	0	0	0
Insurance Companies	0	0	8,361,449	7,570,498
Finance Companies	0	0	0	0
Other Non Financial Participations and Subsidiaries	0	0	10,048,319	9,291,966

(c) Bank's share percentage on equity participations and subsidiaries;

Title	Address (City/ Country)	Bank's Share Percentage- If Different, Voting Percentage (%)	Bank's Risk Group Share Percentage (%)	Current Period Net Profit / Loss	Fair Value
Şeker Sigorta (Kıbrıs) Ltd	Lefkoşa	%100	%100	1,151,282	8,361,449
Süt Koop	Lefkoşa	%79,41	%100	1,841,618	0
Yem Koop	Gönyeli	%97.78	%100	1,288,697	9,177,931
Zirai Makine Koop	Lefkoşa	%97.78	%100	-129,665	870,388
Vaka Ltd	Lefkoşa	%40	%40	0	0
Ada Havacılık ve Taşımacılık	Lefkoşa	%15	%15	0	0

(d) Equity Participations quoted to a stock exchange;

	Current Period	Previous Period
Quoted to domestic stock exchanges	0	0
Quoted to international stock exchanges	0	0

(e) Subsidiaries quoted to a stock exchange ;

	Current Period	Previous Period
Quoted to domestic stock exchanges	0	0
Quoted to international stock exchanges	0	0

(f) Bonus Shares obtained by using internal funds from subsidiaries and equity participations;

Bonus Share obtained	Current Period	Previous Period
Equity Participations	0	0
Subsidiaries	1,674,091	4,108,117



(g) The below table summarizes the amount of assets and liabilities of the Banks' participations and subsidiaries:

	The Participation and Subsidiaries of Financial Services	The Other Participations and Subsidiaries
RECEIVABLES		
I- The Banks and other financial institutions	0	0
• The Bonds and similar securities	0	0
• Loans (including the loans in arrears)	0	13,952,489
• Interest & Income Accruals	0	0
• Leasing Receivables (Net)	0	0
• Other Assets	0	0
PAYABLES		
• Deposits	3,508,531	289,280
• Funds Borrowed	0	0
• Securities Issued	0	0
• Interest & Expense Accruals	0	0
• Leasing Payables	0	0
• Other Liabilities	0	0
NON-CASH LOANS		
• Letter of Credit Commitments	0	0

(7) Information on investment securities held-to-maturity:

	Current Period	Previous Period
Debt Securities	0	0
Quoted in a Stock Exchange	1,455,424	3,953,930
Not Quoted	3,202	15,678,290
Impairment Provision (-)	0	0
Total	1,458,626	19,632,220

(8)

(a) Information on tangible fixed assets (TFA):

	Immovables	Vehicles	Other Fixed Asset	Total
End of Previous Period:				
Cost of Acquisition	13,982,071	862,409	10,830,243	25,674,723
Accumulated Depreciation (-)	3,820,699	748,027	7,666,936	12,235,662
Net Book Value	10,161,372	114,382	3,163,307	13,439,061
End of Current Period				
Net Book Value at the Beginning of the Period	10,161,372	114,382	3,163,307	13,439,061
Additions	721,770	98,221	885,454	1,705,445
Disposals (-)	0	26,242	22,581	48,823
Impairment	0	0	0	0
Depreciation (-)	620,200	27,444	831,676	1,479,320
Currency Translation Differences Resulting from Foreign Investments(+)	206,080	0	0	206,080
Closing Net Book value	10,469,022	158,917	3,194,504	13,822,443

(b) Movables and immovables that were acquired in return for receivables and were held for resale in accordance with the TRNC Banking Law (Law No 39/2001) amounted to TRY 1,486,236.

(9)

(a) Information on other assets;

The “other assets” item of the balance sheet does not exist 10% of total assets.

(b) Information on withholding tax and prepayments.

All co-operative institutions including the Bank were wholly exempt from Corporation and Income Tax until 1.1.1987 Amendments to the Corporation and Income Tax Laws in 1987 made effective from 1st January . In 1987 the tax exemption privilege enjoyed by all cooperatives was removed, except for those in rural areas. However the Banks’ Tax Liability for 2013 was calculated in accordance with the relevant laws. On this basis the total taxation provision made for 2013 is TRY 1,544,559. Withholding tax paid in TRNC and in Turkey TRY 260,060 has been discharged by set off against the taxation liabilities.



ii) INFORMATION AND DISCLOSURES RELATED TO LIABILITIES

(10) Information on deposit:

a) The maturity structure of deposits (Current period):

	Demand	With 7 Days Maturity	Up to 1 Month	1-3 Months	3-6 Months	6 Months to 1 Year
Residents in TRNC						
Saving Deposits	58,248,335	0	1,124,232,342	7,793,246	327,785	8,750,742
Deposit of Public Institutions and other	108,405,636	0	476,932,221	8,183,677	270,902	1,746,271
Foreign Currency Savings Deposits	14,803,292	0	396,308,060	15,260,400	11,579,000	164,659,168
Foreign Currency Deposit of Public Institutions and other	13,704,144	0	67,380,766	4,010,575	2,074,425	22,343,671
Residents in Abroad						
Saving Deposits	157,937		3,332,167	13,113	7,043	6,021
Deposit of Public Institutions and other	0	0	0	0	0	0
Foreign Currency Saving Deposits	497,188	0	4,540,688	346,161	141,144	4,463,012
Foreign Currency Deposit of Public Institutions and other	0	0	0	0	0	0
Bank Deposits						
Domestic Banks	1,397,410	0	69,940,783	0	0	0
Foreign Banks	0	0	0	0	0	0
Off-Shore Banks	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total	197,213,942		2,142,667,027	35,607,172	14,400,299	201,968,885

Maturity structure of deposits (Previous Period):

	Demand	With 7 Days Maturity	Up to 1 Month	1-3 Months	3-6 Months	6 Months to 1 Year
Residents in TRNC						
Saving Deposits	57,149,816	0	1,060,816,873	8,200,485	267,364	10,214,625
Deposit of Public Institutions and other	100,434,545	0	386,020,036	8,361,461	337,862	3,390,058
Foreign Currency Savings Deposits	14,664,121	0	286,557,996	13,070,236	9,613,904	122,205,072
Foreign Currency Deposit of Public Institutions and other	10,901,143	0	50,859,506	3,770,958	2,513,473	11,979,904
Residents in Abroad						
Saving Deposits	0	0	0	0	0	0
Deposit of Public Institutions and other	0	0	0	0	0	0
Foreign Currency Saving Deposits	0	0	0	0	0	0
Foreign Currency Deposit of Public Institutions and other	0	0	0	0	0	0
Bank Deposits						
Domestic Banks	1,250,276	0	37,560,555	0	0	0
Foreign Banks	0	0	0	0	0	0
Off-Shore Banks	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total	184,399,901	0	1,821,814,966	33,403,140	12,732,603	147,789,659

b) Saving deposits under the guarantee of Saving Deposits Insurance Fund

Saving Deposits	Current Period		Previous Period	
	LC	FC	LC	FC
Saving Deposits	1,202,568,695	612,597,613	1,136,246,045	446,111,286
Other Deposits in the Form of Saving Deposits	194,790,019	15,980,244	182,422,158	10,831,074
Total	1,397,358,714	628,577,857	1,318,668,203	456,942,360

(11) Information on funds provided from repurchase agreement transactions:

	Current Period		Previous Period	
	LC	FC	LC	FC
From Domestic Transactions	0	0	0	0
Financial Institutions and Organizations	0	0	0	0
Other Institutions and Organizations	0	0	0	0
Real Persons	0	1,455,424	300,000	3,653,930
From Foreign Transactions	0	0	0	0
Financial Institutions and Organizations	0	0	0	0
Other Institutions and Organizations	0	0	0	0
Real Persons	0	0	0	0

(12)

a) Information on funds borrowed;

	Current Period		Previous Period	
	LC	FC	LC	FC
Short-term	55,500,000	3,135,000	54,000,000	8,910,800
Medium and long-term	0	0	0	8,800,000

b) Concentration of deposits by sectoral groups .

	TRY Deposits	Foreign Currency Deposits	Total Deposits
Real Persons and others	1,260,509,987	642,500,297	1,903,010,284
Cooperative Institutions	255,181,344	58,115,253	313,296,597
Government Corporations	282,716,107	21,496,143	304,212,250
Banks	18,104,991	53,233,202	71,338,193



(13) Explanation on funds**a) Current Period**

Maturity Structure		Interest Structure		Type of Currency			
Short	Medium or Long	Fixed	Variable	EURO	USD	TRY	Other
0	461,902	%5	0	0	0	461,902	0
0	498,166	%12	0	0	0	498,166	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0

b) Previous Period

Maturity Structure		Interest Structure		Type of Currency			
Short	Medium or Long	Fixed	Variable	EURO	USD	TRY	Other
0	1,496,658	%5	0	0	0	1,496,658	0
0	463,512	%12	0	0	0	463,512	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0

(14) Information on Securities issued by the Bank by maturity, interest rate structure and currency.**a) Current Period**

Maturity Structure		Interest Structure		Type of Currency			
Short	Medium or Long	Fixed	Variable	EURO	USD	TRY	Other
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0

b) Previous Period

Maturity Structure		Interest Structure		Type of Currency			
Short	Medium or Long	Fixed	Variable	EURO	USD	TRY	Other
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0

(15)

a) Explanations on miscellaneous payables

	Current Period	Previous Period
Total amount of cash collateral obtained	0	0

b) Information on cash collateral obtained.

None

(16) Other External Sources;

Items constituting at least 20% thereof, in the event that they exceed 10% of the balance sheet total:
Other external sources do not exceed 10% of the balance sheet total.

(17) Information on shareholders' equity:

a) Presentation of paid-in capital:

	Current Period	Previous Period
Common Stock	21,593,074	21,199,117
Preferred Stock	0	0

b) Explanation as to whether the registered share capital system ceiling applicable at bank, if so amount of registered share capital:

Capital System	Paid-in Capital	Ceiling
Registered Variable Capital System	21,593,074	50,000,000

c) Information on share capital increases and their sources; other information on increased capital share in current period:

Date of Increase	Amount Increased	Cash	Reserves	Increase in the Value of Revaluation Fund
1/1/2013-31/12/2013	393,957	393,957	0	0

The Cyprus Turkish Cooperative Central Bank is a cooperative bank formed under cap 114 of the Laws of Cyprus owned by registered Cooperative Societies. Each member society is entitled to representation at the general meeting of the Cyprus Turkish Cooperative Central Bank. Without exception each member society has only one vote. Real and legal persons may also become members which is prerequisite for obtaining credit but do not have voting power at the general meeting. The new shares sold to new real and legal persons during the period 1.1.2012 – 31.12.2012 transferred to paid in capital.



d) Information on share capital increases from revaluation fund;

Fixed Assets Value increase	Participations Value increase	Real estates sales profit	Participations sales profit	Revaluation fund of leasehold improvement
0	0	0	0	0

e) Real persons and institutions with an equity participation and/or voting right of 10% or more;

Name/ Commercial Title	Share	Shareholding (%)	Paid-in Capital	Unpaid Capital
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0

f) Information on commitments of capital commitments and resources. None

g) Information on shareholders equity and preferred stock.

There is no preferred stock holder in accordance with Cooperative Societies Law (Law No 114).

(18) Explanations on marketable securities value increase fund;

	Current Period		Previous Period	
	LC	FC	LC	FC
From participants and subsidiaries	11,287,612	0	9,660,115	0
From investment Securities Available for sale	0	0	0	0

(19)

a) In order to meet the liquidity requirements that may emerge from market fluctuations great care is taken to preserve liquid values.

b) In order to preserve the impacts of interest rate increases and decreases that can arise in the value of interest sensitive assets and liabilities great care is taken by Bank's internal audit and assets and liabilities management

c)The Bank's principal source funding is the internal deposits.

(d) Presentation of assets and liabilities according to their remaining maturities

Current Period	Demand	1-3 Months	3-6 Months	6-12 Months	1 Year and Longer	Total
Assets						
Cash (Cash in Vault, Foreign Currency, Money in Transit, Cheques	459,574,654	0	0	0	0	459,574,654
Purchased)and Balances with the Central Bank of TRNC						
Due from Banks	31,160,033	145,557,137	0	0	0	176,717,170
Investment Securities	45,482,324		0	0	0	45,482,324
Loans	1,875,089,582	4,135,585	46,830,094	12,536,216	125,509,146	2,064,100,623
Investment Securities Held to Maturity	491,559	0	0	0	967,067	1,458,626
Other Assets	3,804,797	0	0	0	0	242,739,632
Total Assets	2,415,602,949	149,692,722	46,830,094	12,536,216	126,476,213	2,990,073,029
Liabilities						
Banks Deposits	1,397,411	29,996,418	4,533,844	35,410,520	0	71,338,193
Other Deposits	619,903,033	1,706,863,376	58,381,279	116,709,232	18,662,212	2,520,519,132
Funds Provided from Other Financial Institutions	58,635,000		0		0	58,635,000
Marketable Securities Issued	0	0	0	0	0	0
Miscellaneous Payables	17,008,222	0	0	0	0	17,008,222
Other Liabilities	86,918,523	2,033	9,403	53,833	758,687	322,572,482
Total Liabilities	783,862,189	1,736,861,827	62,924,526	152,173,585	19,420,899	2,990,073,029
Net Liquidity Gap	1,631,740,760	-1,587,169,105	-16,094,432	-139,637,369	107,055,314	0
Previous Period						
Total Assets	2,183,449,934	35,239,414	13,947,946	11,739,704	133,522,952	2,588,341,667
Total Liabilities	761,499,481	1,457,607,693	44,080,484	93,724,503	20,461,030	2,588,341,667
Net Liquidity Gap	1,421,950,453	-1,422,368,279	-,30,132,538	-81,984,799	113,061,922	0

e) Other disclosures on Bank's activities.



iii) INFORMATION AND DISCLOSURES RELATED TO OFF- BALANCE SHEET ITEMS

(1) Concentration of off-balance sheet liabilities.

Off – balance sheet Liabilities are concentrated on Letters of Guarantee in parallel with the improvement of the business volume in the country.

(2)

a) Total amount of non-cash loans:

	Current Period	Previous Period
Guarantees given against cash loans	0	0
With maturity of 1 year or less than 1 year	0	0
With maturity of more than 1 year	0	0
Other non-cash loans	26,304,016	27,725,801
Total	26,304,016	27,725,801

b) Information about non-cash loans:

	Current Period		Previous Period	
	LC	FC	LC	FC
Non-Cash Loans				
Letters of Guarantee	15,330,147	10,027,488	15,479,089	9,401,986
Bank Acceptances	111,442	358,934	154,286	310,424
Letters of Credit	0	476,005	0	2,380,016
Endorsements	0	0	0	0
Underwriting Commitments	0	0	0	0
Factoring Guarantees	0	0	0	0
Other Guarantees and Warranties	0	0	0	0
Total	15,441,589	10,862,427	15,633,375	12,092,426

(3) Information on commitments;

	Current Period	Previous Period
Irrecoverable Commitments	73,468,272	56,505,204
Recoverable Commitments	0	0
Total	73,468,272	56,505,204

(4) Information related to financial derivative instruments;

	Current Period	Previous Period
Forward FC Transactions	0	0
FC and Interest Swap Transactions	0	0
FC and Interest Option Transactions	0	0
FC Future Transactions	0	0
Future Interest Rate Transactions	0	0
Other	0	0
Total	0	0

IV. INFORMATION AND DISCLOSURES RELATED TO INCOME STATEMENT

(1)

a) Information on interest and commissions received from participations and subsidiaries:

	Current Period	Previous Period
Interest received from participations and subsidiaries	2,136,856	2,194,722
Commissions and fees received from participations and subsidiaries	0	5,301

b) Information on interest and commissions paid to participations and subsidiaries:

	Current Period	Previous Period
Interest paid to participations and subsidiaries	945,234	751,793
Commissions and fees paid to participations and subsidiaries	0	0

c) Interest received from reverse repurchase agreement transactions;

	Current Period		Previous Period	
	LC	FC	LC	FC
Interest received from reverse repurchase agreement transactions	0	0	0	0

d) Interest paid to repurchase agreement transactions:

	Current Period		Previous Period	
	LC	FC	LC	FC
Interest paid to repurchase agreement transactions	1,553	109,927	116,283	340,294

(2) Provisions expenses due to Bank's loans and other receivables:

	Current Period	Previous Period
Specific Provisions for Loans and Other Receivables	3,100,026	8,941,738
General Provision Expenses	1,979,241	851,140
Marketable Securities Impairment Expense	0	0
Impairment Provision Expense *	126,786	0
Other	0	0

* Full provision has been made for loss of subsidiaries for the year 2013.



(3) Description of individual items, which makes up 50% of the category, and “Other” categories in the income and expense groups II, IV, V, and I comprises to 10% or more of the total within these groups.

3.1 Other Incomes

	2013	2012
	(TRY)	(TRY)
Income on provision for loans	1,312,175	1,413,202
Income on general provision for	2,382,970	1,265,678
loans		
Rental Income	0	0

3.2 Other Expenses

	2013	2012
	(TRY)	(TRY)
Saving Deposits Insurance Fund	16,729,651	14,991,830

4. Notes on Other Significant Matters

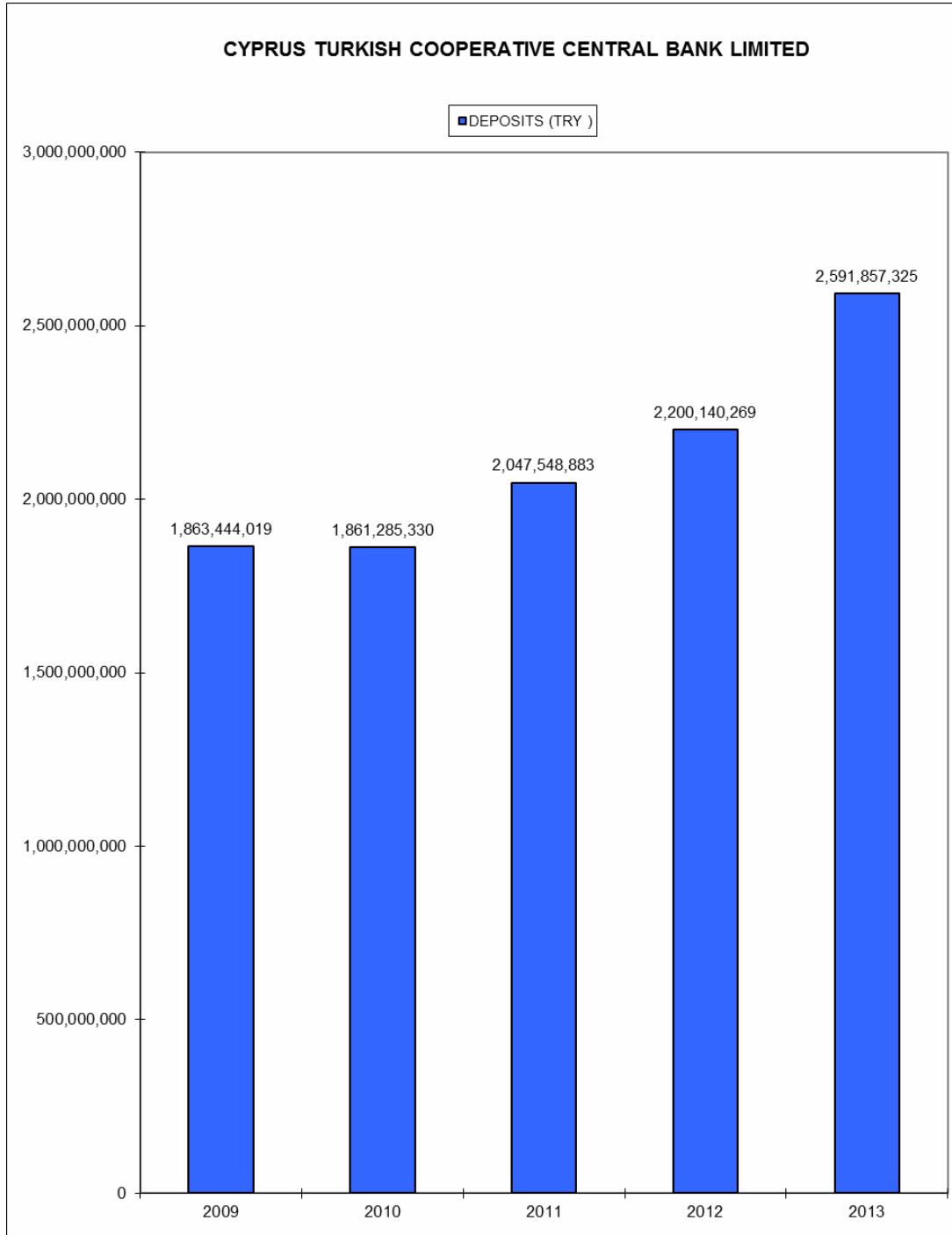
4.1 Net Profit / Loss Before Taxation

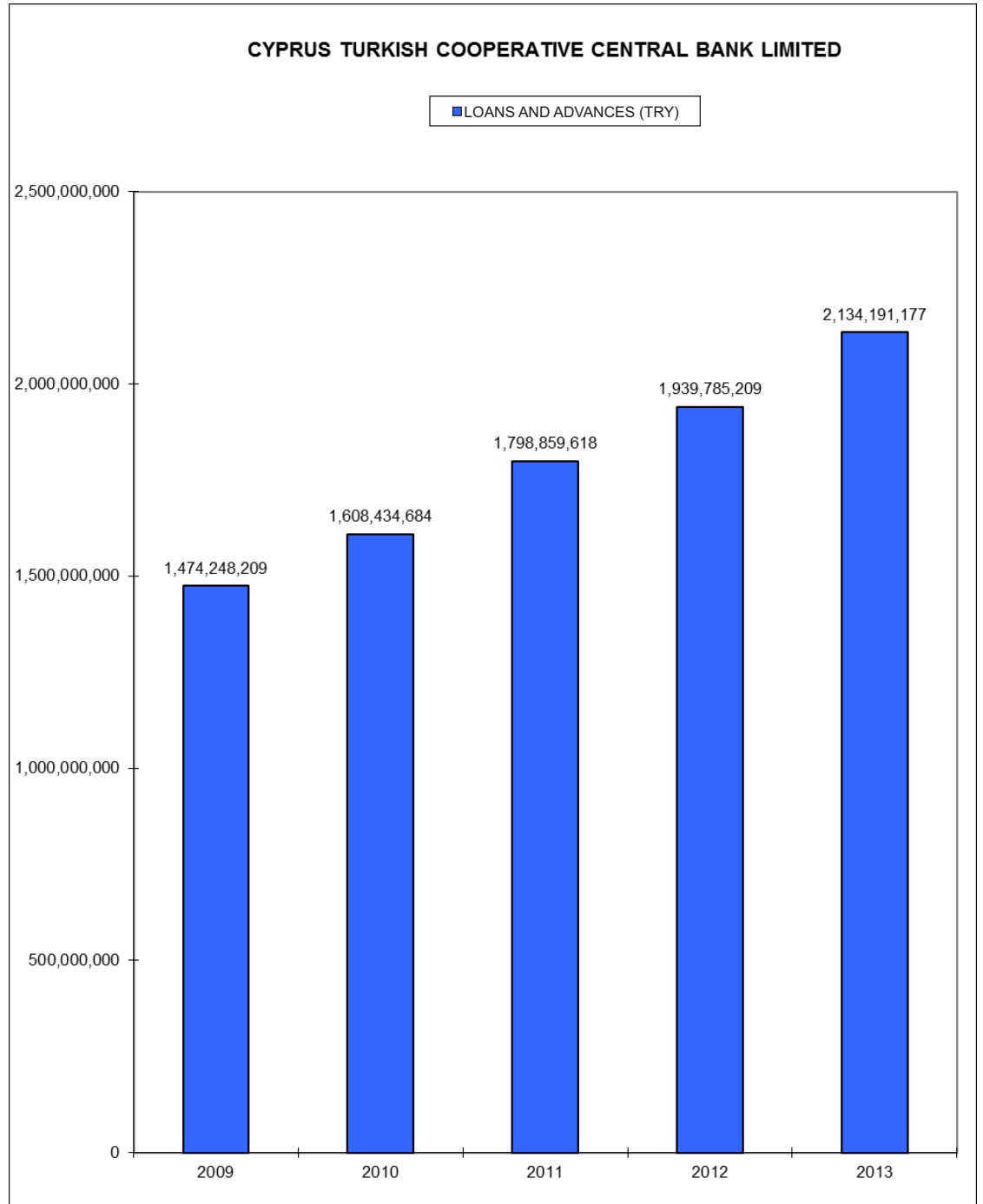
Net profit/ (loss) before taxation was shown after reduction of provision for doubtful debts, depreciation, personnel expenses, rental expenses and the expenses in the following table.

	2013	2012
	(TRY)	(TRY)
Directors' Fees	1,278	1,388
Auditors' Fees	55,854	52,200
Legal Advisor	70,011	60,568
Total	127,143	114,156

4.2 As of the Balance Sheet date, Total debt amounts to TRY 2,134,191,177. The amount of TRY 1,727,251,360 is guaranteed by the government. From the remaining amount of TRY 406,939,817 the amount of TRY 70,090,554 provisions were made in accordance with the communique made by the Central Bank. This provision was made in respect of non-performing loans which amounts to TRY 64,792,786 and is 92,44% of the total provision.

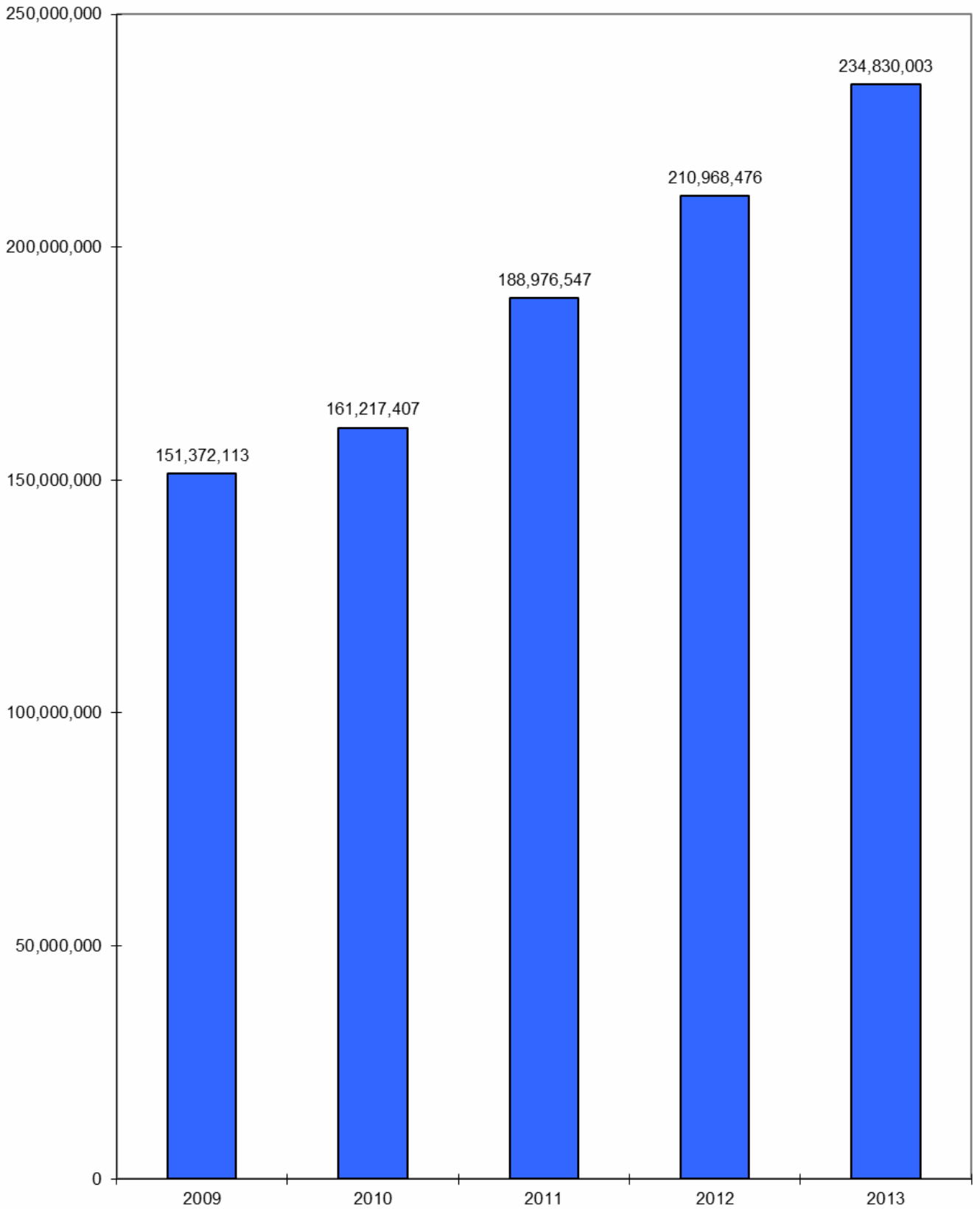
4.3 The Banks' Net Profit before taxation is TRY 24,208,849.





CYPRUS TURKISH COOPERATIVE CENTRAL BANK LIMITED

■ SHARE CAPITAL AND RESERVES (TRY)



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Loans Department	+90 392 227 4153	+90 392 227 4139
Foreign Transactions and Trade Department	+90 392 228 2931	+90 392 227 2079
Internal Audit Department	+90 392 227 1682	+90 392 229 0086
Internal Control Department	+90 392 229 0084	+90 392 229 0086
Human Resources Department	+90 392 228 3207	+90 392 227 6787
Compliance Department	+90 392 228 3207	+90 392 227 2168
Risk Assessment Department	+90 392 228 3207	+90 392 227 6787
Administrative Affairs Department	+90 392 228 3207	+90 392 227 6787
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SUBSIDIARIES & PARTICIPATIONS

TELEPHONE

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Animal Fodder, Carobs Kibbling and LP Gas Production and Marketing Cooperative Ltd	+90 392 223 1314	+90 392 223 2766
Agricultural Requisites, Machinery Equipment and Foodstuffs Marketing Cooperative Ltd.	+90 392 228 3123	+90 392 228 2764
Şeker Sigorta (Kıbrıs) Ltd.	+90 392 4440404	+90 392 227 4074