

**THE CENTRAL BANK  
OF THE REPUBLIC OF TURKEY**

AUDITED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY 2002  
TO 31 DECEMBER 2002

To The Central Bank of  
The Republic of Turkey  
Ankara

THE CENTRAL BANK OF THE REPUBLIC OF TURKEY  
INDEPENDENT AUDITORS' REPORT

1. We have audited the accompanying balance sheet of the Central Bank of the Republic of Turkey (the "Bank") as of 31 December 2002 and the related statement of income for the year then ended. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with International Standards on Auditing. These standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. In our opinion, the attached financial statements present fairly the financial position of the Bank as of 31 December 2002 and the results of its operations for the year then ended on the historical cost basis in accordance with Turkish statutory accounting requirements and the Law of the Central Bank of the Republic of Turkey.

4. Without qualifying our opinion, we draw attention to the following matter:

The Bank is operating in a hyperinflationary economy with a cumulative inflation rate of 227% for the last three years. The Bank maintains its statutory accounts under the historical cost convention in accordance with the requirements of Turkish Accounting Legislation and the Law of the Central Bank of the Republic of Turkey. Therefore, in the accompanying financial statements no restatement of non-monetary assets and liabilities has been made to reflect the impact of inflation. Inflation accounting adjustments have been applied in a separate report prepared in accordance with International Accounting Standards.

Ankara, 03 March 2003

DRT DENETİM REVİZYON TASDİK  
YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.  
Member Firm of **DELOITTE TOUCHE TOHMATSU**

Derya ÖZALP  
Partner

**THE CENTRAL BANK OF THE REPUBLIC OF TURKEY**  
**BALANCE SHEETS AS OF 31 DECEMBER 2002 AND 2001**

<b>ASSETS</b>		<b>31 December 2002</b>	<b>31 Dec</b>
		<b>Billion TL</b>	<b>Bil</b>
<b>I- GOLD</b>		<b>2.149.367</b>	
A. International Std.		2.091.220	
B. Non International Std.		58.147	
<b>II- FOREIGN EXCHANGE</b>		<b>43.816.006</b>	
A-Foreign Banknotes		1.057.391	

	B-Correspondent Accounts	42.507.687	
	C-Reserve Tranche Position	250.928	
<b>III-</b>	<b>COINS</b>	<b>8.606</b>	
<b>IV-</b>	<b>DOMESTIC CORRESPONDENTS</b>	<b>2.689.095</b>	
<b>V-</b>	<b>SECURITIES PORTFOLIO</b>	<b>28.848.909</b>	
	<b>A. Government Securities</b>	28.848.909	
	a) Bonds	28.848.909	
	b) Treasury Bills		
	<b>B. Other</b>		
<b>VI-</b>	<b>DOMESTIC CREDITS</b>	<b>262.804</b>	
	<b>A.Banking Sector</b>	12.804	
	a) Discount Loans	12.804	
	b) Loans given according to Law 11 40/1-c		
	c) Other		
	<b>B.Loans to Banking Regulation Authority</b>	250.000	
<b>VII-</b>	<b>OPEN MARKET OPERATIONS</b>	<b>2.071.600</b>	
	<b>A. Repurchase Agreements</b>	2.070.500	
	a) Cash	-	
	i. Foreign Exchange		
	ii. Securities		
	b) Securities	2.070.500	
	<b>B. Other</b>	1.100	
<b>VIII-</b>	<b>FOREIGN CREDITS</b>	<b>251.626</b>	
<b>IX-</b>	<b>SHARE PARTICIPATIONS</b>	<b>7.819</b>	
<b>X-</b>	<b>FIXED ASSETS</b>	<b>155.632</b>	
<b>XI-</b>	<b>CLAIMS UNDER LEGAL PROCEEDINGS (Net)</b>	<b>-</b>	
<b>XII-</b>	<b>TREASURY LIABILITIES DUE TO SDR ALLOCATION</b>	<b>249.887</b>	
<b>XIII-</b>	<b>VALUATION ACCOUNT</b>	<b>-</b>	
<b>XIV-</b>	<b>INTEREST AND INCOME ACCRUALS</b>	<b>27.167</b>	

<b>XIV-</b>	<b>MISCELLANEOUS RECEIVABLES</b>	<b>190.892</b>	
<b>XV-</b>	<b>OTHER ASSETS</b>	<b>216.450</b>	
	<b>TOTAL ASSETS</b>	<b>80.945.860</b>	

**THE CENTRAL BANK OF THE REPUBLIC OF TURKEY**  
**BALANCE SHEETS AS OF 31 DECEMBER 2002 AND 2001**

	<b>LIABILITIES</b>	<b>31 December 2002 Billion TL</b>	<b>31 Dec Bil</b>
<b>I-</b>	<b>CURRENCY ISSUED</b>	<b>7.635.622</b>	
<b>II-</b>	<b>LIABILITIES TO TREASURY</b>	<b>357.921</b>	
	A-Gold	6.225	
	B-Reserve Tranche Facility	250.928	
	C-Other	100.768	
<b>III-</b>	<b>FOREIGN CORRESPONDENTS</b>	<b>106.881</b>	
<b>IV-</b>	<b>DEPOSITS</b>	<b>55.714.056</b>	
	<b>A. Public Sector</b>	<b>4.228.156</b>	
	a) Treasury, General and Annexed Budget Administrations	4.143.817	
	b) Public Economic Institutions	325	
	c) State Economic Institutions	22.014	
	d) Other	62.000	
	<b>B. Banking Sector</b>	<b>13.511.299</b>	
	a) Domestic Banks	4.393.691	
	b) Foreign Banks	809	
	c) Required Reserves (Central Bank's Law, Art. 40)	9.116.657	
	d) Other	142	
	<b>C. Miscellaneous</b>	<b>23.260.209</b>	
	a) Foreign Exchange Deposits By Citizen Abroad	23.041.336	
	b) Other	218.873	

	<b>D. International Institutions</b>	13.186.412	
	<b>E. Extrabudgetary Funds</b>	1.527.980	
	a) Saving Deposit Insurance Fund	9.514	
	b) Other	1.518.466	
<b>V-</b>	<b>OPEN MARKET OPERATIONS</b>	<b>9.579.837</b>	
	<b>A. Repurchase Agreements</b>	2.075.937	
	a) Cash	2.075.937	
	i.Foreign Exchange	-	
	ii. Securities	2.075.937	
	b) Securities	-	
	<b>B. Other</b>	7.503.900	
<b>VI-</b>	<b>FOREIGN CREDITS</b>	<b>13.089</b>	
<b>VII-</b>	<b>ADVANCES, COLLATERALS AND DEPOSITS COLLECTED AGAINST LETTERS OF CREDIT AND IMPORT</b>	<b>653.218</b>	
<b>VIII-</b>	<b>NOTES AND REMITTANCES PAYABLE</b>	<b>9.865</b>	
<b>IX-</b>	<b>SDR ALLOCATION</b>	<b>249.887</b>	
<b>X-</b>	<b>CAPITAL</b>	<b>25</b>	
<b>XI-</b>	<b>RESERVES</b>	<b>2.600.556</b>	
	A. Ordinary and Extraordinary Reserves	2.460.974	
	B. Special Reserves (CBT's Law, Art. 59)	68	
	C. Valuation Adjustment Fund ( Laws No. 2791 and 3094)	139.423	
	D. Cost Adjustment Fund	91	
<b>XII-</b>	<b>PROVISIONS</b>	<b>79.567</b>	
<b>XIII-</b>	<b>VALUATION ACCOUNT</b>	<b>1.146.601</b>	
<b>XIV-</b>	<b>INTEREST AND EXPENSE ACCRUALS</b>	<b>2.654.680</b>	
<b>XV-</b>	<b>MISCELLANEOUS PAYABLES</b>	<b>77.427</b>	
<b>XVI-</b>	<b>OTHER LIABILITIES</b>	<b>35.312</b>	
<b>XVII-</b>	<b>PROFIT</b>	<b>31.316</b>	

**TOTAL LIABILITIES****80.945.860**

**THE CENTRAL BANK OF THE REPUBLIC OF TURKEY**  
**STATEMENTS OF INCOME FOR THE YEARS ENDED 31 DECEMBER 2002 AND 2001**

	<b>2002</b> <b>Billion TL</b>	<b>2001</b> <b>Billion TL</b>
I - INTEREST INCOME	6.385.249	7.890.95
A. Interest Income from Foreign Correspondent Accounts	1.045.635	1.068.86
B. Interest Income from Open Market Operations	4.548.798	4.489.68
C. Interest Income from Credits Given	427.772	447.96
D. Foreign Currency Valuation Differences	291.080	1.817.29
E. Other Interest Income	71.964	67.14
II - NON-INTEREST INCOME	2.583.945	7.358.56
A. Open Market Operations	1.625.229	6.960.62
B. Foreign Exchange Gains	936.564	370.44
C. Commissions and Income from Services	18.117	24.57
D. Foreign Currency Valuation Differences	-	-
E. Dividend Collected	4.035	2.92
III - TOTAL INCOME	8.969.194	15.249.51
IV - INTEREST EXPENSE	6.619.151	5.121.05
A. Interest Exp. on Foreign Exch. Deposits by Citizens Abroad	1.986.288	2.116.90
B. Interest Expense to Foreign Correspondents	530.007	729.10
C. Interest Expense to Other Deposits	120.878	23.21
D. Interest Expenses Due to Interbank Transactions	2.935.202	1.805.94

E.	Other Interest Expense	725.256	226.05
F.	Foreign Currency Valuation Differences	321.520	219.83
V -	NON-INTEREST EXPENSE	1.986.037	3.181.85
A.	Open Market Operations	974.552	1.712.22
B.	Foreign Exchange Loss	178.985	106.54
C.	Non-Interest Exp. To Foreign Correspondents	147.818	207.23
D.	Commission Expenses	61.135	99.77
E.	Fund Expenses	334.365	34.74
F.	Depreciation Expense	5.363	4.38
G.	Provision Expense	283.664	990.00
H.	Other	156	26.94
I.	Foreign Currency Valuation Differences	-	-
VI -	GENERAL ADMINISTRATIVE EXPENSE	303.389	181.79
A.	Payroll Expense	216.520	135.28
B.	Provisions	16.110	14
C.	Other	33.103	22.42
D.	Banknote Printing Expense	37.656	23.94
VII-	TOTAL EXPENSES	8.908.577	8.484.70
IX -	GROSS PROFIT / LOSS [ III- VII ]	60.617	6.764.81
X	TAX PROVISION	29.301	1.610.34
IX -	NET PROFIT / LOSS [ IX - X ]	31.316	5.154.46





<b>I- NOTES AND EXPLANATIONS RELATING TO THE BANK AND ITS FINANCIAL POSITION:</b>
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**A. Notes and Explanations relating to the Current Period:**

- (1) The financial statements of The Central Bank of the Republic of Turkey (“the Bank”) as of 31 December 2002 have not yet been approved by the Board as of the report date.
- (2) **a-Detailed explanations of all basic accounting policies applied by the bank**

The basis of presentation of the financial statements and the significant accounting policies applied are as follows:

**i. Basis for Presentation of the Financial Statements**

The Bank maintains its books of account and prepares its statutory financial statements in accordance with Turkish Commercial Practice and Tax Legislation and Law No:1211 of the Central Bank of the Republic of Turkey ( the “Central Bank Law”). According to the 57<sup>th</sup> and 58<sup>th</sup> articles of the Central Bank Law, the accounting period of the Bank is the calendar year. At the end of each calendar year, The Bank submits its balance sheet and income statement to the Prime Ministry along with the annual report prior to the General Assembly meeting and publishes the balance sheet in the Official Gazette.

**ii. Applied Accounting Principles**

Apart from the policies listed above, significant accounting policies applied in the preparation of the financial statements are as follows:

**a. Accounting Principles**

The statutory records are maintained in accordance with the present Turkish legislation under the historical cost basis of accounting, except for the periodic revaluation of property, plant and equipment.

**b. Recording of income and expense**

Interest and other income and expenses are recognized on an accruals basis.

According to a change made in the 61st article of the Central Bank Law number 4651 on 25 April 2001, in the event of a change in the value of the Turkish currency, unrealized gains and losses arising from the revaluation of gold, foreign exchange and foreign currency indexed assets and liabilities of the Bank are classified into a special account named Valuation Differences, not comprising part of the annual income statement. Realized differences are reflected in the income statement as at the transaction date.

<b>I- NOTES AND EXPLANATIONS RELATING TO THE BANK AND ITS FINANCIAL POSITION (cont'd):</b>
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**A. Notes and Explanations relating to the Current Period (cont'd):**

**(2) a- Detailed explanations of all basic accounting policies applied by the Bank (cont'd)**

c. Provisions

According to the 59th article of the Central Bank Law, provisions in amounts deemed appropriate by the Board may be reserved from the gross annual profit of the Bank in order to meet losses which may arise in future years. Provisions also include retirement pay provision, tax provision and insurance provision for money in transit.

d. Foreign Currency Transactions

Foreign currency transactions are recorded at the foreign currency exchange rate applicable on the date of the transactions.

Gold is valued at the average of the gold prices quoted on the London exchange at 11:00 a.m. as of 31 December 2002 and on the basis of the equality of 1 ounce = 31.1035 grams.

Assets and liabilities denominated in foreign currency are valued at the foreign currency purchase rate as at the balance sheet date. Differences arising from the currency revaluation are recorded in a special account separate from the income statement, as stated in paragraph "b" above.

e. Retirement Pay Provision

According to Turkish Legislation and Labor Union agreements Retirement Payments are made at the retirement of employees or in the case of layoff. In the Bank, the amount payable depends on the rank and years of service, as defined in T.C. Emekli Sandığı and Social Security Insurance Institution rules. The Bank is building up, over five years starting from 2001, a provision for the total accrued retirement pay liability. The amount presented in the financial statements as at 31 December 2002 is two fifths of the total liability as at 31 December 2001 plus the total difference between the calculated retirement provision as at the 2002 and 2001 year ends.

f. Taxation

The Bank is subject to corporation tax in accordance with Turkish legislation.

g. Securities

The securities portfolio consists of government bonds purchased for the Bank's account based on the 52nd article of the Central Bank Law related with open market operations to regulate the money supply and liquidity in the economy, and securities purchased with agreements to resell.

<b>I- NOTES AND EXPLANATIONS RELATING TO THE BANK AND ITS FINANCIAL POSITION (cont'd):</b>
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**A. Notes and Explanations relating to the Current Period (cont'd):**

**(2) a- Detailed explanations of all basic accounting policies applied by the Bank (cont'd)**

Securities purchased for the Bank's own account are valued at market value as determined on a stock exchange and presented in the securities accounts at their revalued amount. Securities which are not traded on a stock exchange are valued at prices declared by the Bank and published in the Official Gazette. Positive differences between cost and revalued amount are included in the Securities portfolio in the balance sheet and as Positive Valuation Differences Account in the income statement. Whenever the difference is negative, it is recorded in Marketable Securities in the balance sheet and the Negative Valuation Differences Account in the income statement.

Securities purchased with agreements to resell are valued on an accruals basis using the interest rate implied in the agreement.

**h. Equity Participations**

The bank records its foreign equity shares at acquisition cost and revalues them at the Bank foreign currency purchase rate at the balance sheet date.

**b- Changes in accounting policies in the current period and their financial effects:**

The Bank has computed and accounted for the foreign exchange differences arising on valuation of the foreign currency indexed loan granted to the Saving Deposit Insurance Fund which is followed in Domestic Credits. As of the balance sheet date, the foreign exchange difference amounting to TL 176,594 Billion is followed in Other Assets and Valuation Differences accounts.

During 2002, the Reserve Tranche Position of amount SDR 112,775,000 which arises from that portion of the quota (SDR 964 million) paid by the Treasury as gold and foreign exchange is recorded as "Reserve Tranche Position" in assets and "Reserve Tranche Facility" in liabilities. The allocation of SDR 112,307,000 which is allocated by the IMF to Turkey and is used by the Treasury is recorded as "Treasury Liabilities due to SDR Allocation" in assets and "SDR Allocation" in liabilities.

<b>I- NOTES AND EXPLANATIONS RELATING TO THE BANK AND ITS FINANCIAL POSITION (cont'd):</b>
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(2)

**b- Changes in accounting policies in the current period and their financial effects (cont'd):**

As of 31 December 2001, since the Bank is the “Depository Institution” for relations with the IMF, IMF deposits included in liabilities were accounted at historical cost based on the principles adopted by the Bank. The difference between the revalued amount, at the foreign currency rate declared by the IMF every year as of 30 April, and historical cost was represented in Off Balance Sheet Accounts. However, in the current period, the amounts provided by the IMF as reserve support are revalued each month end at the current exchange rates and the resulting foreign exchange differences are included in the amount presented in liabilities in the Deposits from International Institutions account and in the Valuation Difference accounts in assets or liabilities. As of 31 December 2002, foreign exchange losses amounting to TL 8,140,264 Billion are accounted in the Valuation Difference account.

**(3) Compliance with the fundamental accounting concepts of going concern, accruals and consistency**

The attached financial statements have been prepared based on the going concern principle which represents one of the basic principles of accounting, assuming that the Bank will continue its operations without interruption.

**(4) The effect of any modification which has been made in valuation methods affecting the period results:**

Modifications and their effects in the current period are set out in note 2-b above.

<b>I- NOTES AND EXPLANATIONS RELATING TO THE BANK AND ITS FINANCIAL POSITION (cont'd)</b>
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**A. Notes and Explanations relating to the Current Period (cont'd):**

**(5) Detailed explanation of the valuation methods used for securities (Including Equity Participations, Subsidiaries, and Long term securities) in the order given below (\*):**

**A. Securities Portfolio :**

**Securities in Turkish Lira**

1- Equity Shares - None

2- Other Securities:

a) Securities indexed to inflation and foreign currency - Securities acquired for the Bank's accounts are revalued marked to market or, for those which do not have stock exchange prices, at prices declared by the Bank and published in the Official Gazette. Variable interest foreign currency indexed securities are valued at the current exchange rate with interest accrued on a straight line basis.

b) Fixed Income Securities – None

c) Securities having variable interest rate – None

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**Foreign Currency Securities**

1- Equity Shares - None

2- Other Securities

a) Securities indexed to inflation and foreign currency - None

b) Fixed Income Securities – Foreign currency securities are valued marked to market as determined in the foreign stock markets in which they are traded.

c) Securities having variable interest rate - interest rate.

3- Gold (\*\*)- Gold is valued according to the gold price quoted on the London exchange at 11:00 a.m. as of 31 December 2002 and on the basis of the equality of 1 ounce = 31.1035 grams.

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(\*) Foreign currency securities are recorded in the Correspondent Accounts in the balance sheet.

(\*\*) Gold is recorded in the balance sheet in a separate account rather than under marketable securities.

**B. Equity Participations**

**Securities in Turkish Lira – None**

**Securities indexed to foreign currency – valued at the Bank purchase price at the balance sheet date.**

<b>I- NOTES AND EXPLANATIONS RELATING TO THE BANK AND ITS FINANCIAL POSITION (cont'd)</b>
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**A. Notes and Explanations relating to the Current Period (cont'd):**

**(5) Detailed explanation of the valuation methods used for securities (Including Equity Participations, Subsidiaries, and Long term securities) in the order given below (cont'd):**

**C. Subsidiaries**

**Securities in Turkish Lira – None**

**Securities in terms of foreign currency – None**

**D. Marketable Securities**

**Securities in Turkish Lira**

**1- Equity Shares**

a) Long term investments - None

b) Equity Shares given as a collateral and pledged shares - None

c) Equity shares subject to long term transactions - None

**2- Other Securities**

a) Long term investments - None

b) Equity Shares given as a collateral and pledged shares - None

c) Equity shares subject to long term transactions - None

**Securities in Foreign Currency**

**1- Equity Shares**

a) Long term investments - None

b) Equity Shares given as a collateral and pledged shares - None

c) Equity shares subject to long term transactions - None

**2- Other Securities**

a) Long term investments - None

b) Equity Shares given as a collateral and pledged shares - None

c) Equity shares subject to long term transactions - None

**(6) Method of depreciation, any changes in methodology during the current period and financial effects of such changes**

Depreciation has been calculated on a straight line basis and there has been no change in depreciation methods during the current year. The annual depreciation rates applied are as follows:

Buildings (acquisition cost)	2%
Vehicles, Furniture and Fixtures	20%
Leasehold Improvements	20% or over the lease period

<b>I- NOTES AND EXPLANATIONS RELATING TO THE BANK AND ITS FINANCIAL POSITION (cont'd)</b>
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**A. Notes and Explanations relating to the Current Period (cont'd):**

**(6) Method of depreciation, any changes in methodology during the current period and financial effects of such changes (cont'd)**

All tangible fixed assets have been depreciated taking their estimated economic life into consideration. The bank revalues its buildings with the coefficients announced by the Ministry of Finance (including the related depreciation). The difference arising from revaluation has been credited to Revaluation Surplus Account which may later be added to capital. Land is neither depreciated nor revalued. Immovables have not been revalued at year ends. They are revalued at the time of sale. Revaluation coefficients have been 59.0% for the year 2002, 53.2% and 56% for the years 2001 and 2000 respectively.

**(7) The exchange rate used for the revaluation of foreign currency items during the preparation of the balance sheet and the Bank's published US dollar currency purchase rate for the last five working days of the period are as follows:**

	<u>31 December 2002</u>
<b>A. The Bank's "Exchange Rate for the Evaluation of Foreign Currency Items" (1 US dollar \$=..... TL)</b>	1,634,501 TL

**B. US dollar purchase rates at the date of balance sheet date are as follows:**

<b>US dollar purchase rate at the date of balance sheet</b>	1,634,501 TL
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**US dollar purchase rates for the 5 working days before balance sheet date**

<b>Purchase rate of the 1st Day</b>	1,651,207 TL
<b>Purchase rate of the 2<sup>nd</sup> Day</b>	1,633,732 TL
<b>Purchase rate of the 3<sup>rd</sup> Day</b>	1,649,711 TL
<b>Purchase rate of the 4<sup>th</sup> Day</b>	1,669,897 TL
<b>Purchase rate of the 5<sup>th</sup> Day</b>	1,642,126 TL



<b>I- NOTES AND EXPLANATIONS RELATING TO THE BANK AND ITS FINANCIAL POSITION (cont'd)</b>
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**A. Notes and Explanations relating to the Current Period (cont'd):**

**(8) Information on assets and liabilities denominated in foreign currencies, their US dollar equivalents and the foreign currency open position is as follows:**

	31 December 2002		31 December 2001	
	TL Billion	Million \$	TL Billion	Million \$
<b>I-FOREIGN CURRENCY ASSETS</b>				
1) GOLD	2,149,367	1,315	1,527,126	1,061
2) FOREIGN EXCHANGE	43,816,006	26,807	27,045,763	18,787
3) COINS	-	-	-	-
4) DOMESTIC CORRESPONDENTS	2,689,095	1,645	3,767,448	2,617
5) SECURITIES PORTFOLIO	9,741,491	5,960	13,877,028	9,640
6) DOMESTIC CREDITS	12,804	8	16,270	11
7) OPEN MARKET OPERATIONS	-	-	-	-
8) FOREIGN CREDITS	251,626	154	263,219	183
9) SHARE PARTICIPATIONS	7,819	5	5,713	4
10) FIXED ASSETS	-	-	-	-
11) CLAIMS UNDER LEGAL PROCEEDINGS	-	-	-	-
12) ACCOUNTS TO BE REDEEMED AND ACT. CLAIMS	249,887	153	-	-
13) TREASURY LIABILITY FROM SDR ALLOCATIONS	-	-	-	-
14) MISCELLANEOUS RECEIVABLES	-	-	-	-
15) ACCRUED INTEREST AND INCOME	9,131	6	8,895	6
16) OTHER ASSETS	18,070	11	13,529	9
<b>OFF BALANCE SHEET ITEMS(15)</b>				
17) FORWARD TRANSACTIONS	-	-	-	-
<b>TOTAL FOREIGN CURRENCY ASSETS(1-15)</b>	<b>58,945,296</b>	<b>36,064</b>	<b>46,524,991</b>	<b>32,318</b>
<b>II-FOREIGN CURRENCY LIABILITIES</b>				
1) MONEY IN CIRCULATION	-	-	-	-
2) LIABILITIES TO TREASURY	250,953	154	102	-
3) FOREIGN CORRESPONDENTS	106,881	65	101,031	70
4) DEPOSITS				
a) PUBLIC SECTOR	3,893,761	2,382	1,992,755	1,384
b) BANKING SECTOR	10,719,475	6,558	10,348,363	7,189
c) MISCELLANEOUS	23,259,403	14,230	15,693,982	10,902
d) INTERNATIONAL INSTITUTIONS	-	-	-	-
e) FUNDS	1,349,921	826	1,009,390	701
5) OPEN MARKET OPERATIONS	-	-	134	-
6) FOREIGN CREDITS	13,089	8	11,301	8
7) ADVANCES, COLLATERALS AND DEPOSITS COLLECTED AGAINST LETTERS OF CREDIT AND IMPORT	653,213	400	418,765	291
8) NOTES AND REMITTANCES PAYABLE	9,865	6	32,231	22
9) SDR ALLOCATION	249,887	153	-	-
10) PROVISIONS	-	-	-	-
11) FX REVALUATION DIFFERENCES	-	-	-	-
12) ACCRUED INTEREST AND EXPENSE	-	-	-	-
13) MISCELLANEOUS PAYABLES	76,372	47	56,523	39
14) OTHER LIABILITIES	31,733	19	263,145	183

OFF BALANCE SHEET ITEMS(12)	-	-	-	-
15) FORWARD TRANSACTIONS	-	-	-	-
TOTAL FOREIGN CURRENCY LIABILITIES(1+15)	40,614,553	24,848	29,927,722	20,789
FOREIGN CURRENCY NET GENERAL POSITION (I-II)	18,330,743	11,216	16,597,269	11,529

<b>I- NOTES AND EXPLANATIONS RELATING TO THE BANK AND ITS FINANCIAL POSITION (cont'd)</b>
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**A. Notes and Explanations relating to the Current Period (cont'd):**

**(8) Information on assets and liabilities denominated in foreign currencies, their US dollar equivalents and the foreign currency open position is as follows (cont'd):**

31 December 2002	USD Dollar	Euro Group (**)	Euro	Other (***)
<b>I-Foreign Currency Assets</b>				
Gold	1,314,998,625			
Foreign Exchange	14,371,692,013	867,154	11,682,121,313	259,702,041
Correspondent Accounts	1,319,000,000		313,000,000	
Marketable Securities Portfolio				5,959,917,202
Credits	158,267,043		3,371,239	
Other FC Assets (*)	194,934		12,451,812	161,136,049
<b>Total Foreign Currency Assets</b>	<b>17,164,152,615</b>	<b>867,154</b>	<b>12,010,944,364</b>	<b>6,380,755,292</b>
<b>II- Foreign Currency Liabilities</b>				
Liabilities to Treasury	9,000		5,660	153,519,903
Foreign Correspondents	15,043,634		21,194	50,325,105
Deposits	8,872,306,398		14,369,118,385	148,854,374
Other FC Liabilities (*)	283,391,768	51	176,323,357	165,550,429
<b>Total Foreign Currency Liabilities</b>	<b>9,170,750,800</b>	<b>51</b>	<b>14,545,468,596</b>	<b>518,249,811</b>
<b>Difference (I – II)</b>	<b>7,993,401,815</b>	<b>867,103</b>	<b>(2,534,524,232)</b>	<b>5,862,505,481</b>
<b>31 December 2001</b>	<b>USD Dollar</b>	<b>Euro Group (**)</b>	<b>Euro</b>	<b>Other (***)</b>
<b>I-Foreign Currency Assets</b>				
Gold	1,060,823,106	-	-	-
Foreign Exchange	7,713,611,012	785,294,566	11,693,744,857	81,295,469
Correspondent Accounts	2,196,000,000	-	478,000,000	-
Marketable Securities Portfolio	-	-	-	9,639,630,156
Credits	184,094,355	-	11,412,660	-
Other FC Assets (*)	82,046		14,005,692	7,117,284
<b>Total Foreign Currency Assets</b>	<b>11,154,610,519</b>	<b>785,294,566</b>	<b>12,197,163,209</b>	<b>9,728,042,909</b>
<b>II- Foreign Currency Liabilities</b>				
Liabilities to Treasury	71,150	-	-	-
Foreign Correspondents	16,598,618	-	3,647,829	50,369,206
Deposits	7,985,314,677	37,596,831	13,644,037,766	138,380,805
Other FC Liabilities (*)	349,416,820	-	208,784,398	9,860,047
<b>Total Foreign Currency Liabilities</b>	<b>8,351,401,265</b>	<b>37,596,831</b>	<b>13,856,469,993</b>	<b>198,610,058</b>
<b>Difference (I – II)</b>	<b>2,803,209,254</b>	<b>747,697,735</b>	<b>(1,659,306,784)</b>	<b>9,529,432,851</b>

(\*) Other Foreign Currency Assets and Liabilities including Off Balance Sheet Items

(\*\*) Transactions in those foreign currencies which form part of the EURO Group (DEM, FF and others) are presented in the "EURO Group" column, in their total EURO equivalent. Transactions actually effected in EURO are shown in the "EURO" column.

(\*\*\*) The Sum of the US Dollar equivalents of those foreign currencies that individually comprise less than 10% of Foreign Currency Liabilities and Foreign Currency Assets.

<b>I- NOTES AND EXPLANATIONS RELATING TO THE BANK AND ITS FINANCIAL POSITION (cont'd)</b>
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**A. Notes and Explanations relating to the Current Period (cont'd):**

**(9) Book value of movable and immovable assets, the depreciation allocated and their insurance coverage:**

<b>31 December 2002</b>			
	<b>Book Value (*)</b>	<b>Accumulated Depreciation</b>	<b>Insurance Coverage</b>
<b>Movables</b>	28,787	18,234	17,911
<b>Immovables</b>	156,530	11,451	90,991
<b>1-Assets in use for banking activities</b>	156,530	11,451	90,991
<b>2-Other</b>	-	-	-
<b>Assets held under financial leases (as a lessee)</b>	-	-	-
<b>31 December 2001</b>			
	<b>Book Value (*)</b>	<b>Accumulated Depreciation</b>	<b>Insurance Coverage</b>
<b>Movables</b>	22,322	12,989	16,928
<b>Immovables</b>	97,901	7,122	49,298
<b>1-Assets in use for banking activities</b>	97,901	7,122	49,298
<b>2-Other</b>	-	-	-
<b>Assets held under financial leases (as a lessee)</b>	-	-	-

(\*) Gross amount before accumulated depreciation

Immovables are subject to revaluation, except that land is not subject to depreciation or revaluation. Movables are not revalued unless they are sold.

The difference arising from revaluation is credited to Revaluation Fund which can be later added to capital.

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

There are no contingent losses or gains as of 31 December 2002.

<b>I- NOTES AND EXPLANATIONS RELATING TO THE BANK AND ITS FINANCIAL POSITION (cont'd)</b>
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**A. Notes and Explanations relating to the Current Period (cont'd):**

**(11) Other issues which significantly affect the balance sheet or which cannot be quantified:**

The foreign exchange differences account represents the unrealized foreign exchange gains, not included in the income statement but presented in the balance sheet as foreign exchange revaluation differences account according to the 61st article of the Central Bank Law. Realized differences are reflected in the income statement as at the transaction date.

**B. Other Notes and Explanation:**

**(12) Information on events occurring after the balance sheet date, which affect the financial activities and/or financial structure significantly and therefore require explanation:**

None.

**(13) Information on the Bank's Foreign Branches:**

There are no foreign branches. The Bank has Frankfurt, London, New York and Tokyo representatives and a liaison office in Berlin.

<b>I- NOTES AND EXPLANATIONS RELATING TO THE BANK AND ITS FINANCIAL POSITION (cont'd)</b>
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**C. The Qualification of the independent audit firm auditing the financial statements**  
**(Under the format presented in the legislation):**

The Financial Statements as of and for the year ended 31 December 2002 are audited by DRT Denetim Revizyon Tasdik Yeminli Mali Müşavirlik A.Ş. (member firm of Deloitte Touche Tohmatsu).

The independent audit opinion is presented at the front of the financial statements.

## II- NOTES AND EXPLANATIONS ON THE BALANCE SHEET AND MEMORANDUM ACCOUNTS

### (1) Information about the Gold account

According to the 53<sup>rd</sup> Article of the Central Bank Law, the Bank may buy and sell gold coins and bullion, may import and export gold and may also receive and grant advances against gold. As of the balance sheet date, the Bank has 116,103,753 net grams of gold in international standards and 3,228,296 net grams of gold not in international standards. 82,433,108 grams of the gold in international standards is kept at foreign banks, mainly the Federal Reserve Bank of New York. 33,670,645 grams are kept at the Headquarters of the Bank. The non-international standard gold is kept at the Headquarters of the Bank. 345,575 grams of non-international standard gold belongs to the Treasury and the related liability is presented in the Balance Sheet in the Liabilities to Treasury Account.

Gold is valued at the average of the gold prices quoted on the London exchange at 11:00 a.m. as of 31 December 2002 and on the basis of the equality of 1 ounce = 31.1035 grams.

### (2) Information about the Foreign Exchange account

#### a-Deposits at Foreign Banks:

	31 December 2002		31 December 2001	
	Billion TL Amount	USD Amount (in Millions)	Billion TL Amount	USD Amount (in Millions)
Free Deposits	2,126,616	1,302	4,152,755	3,311
Marketable Securities Portfolio	40,381,071	24,705	21,337,595	14,395
<b>Total</b>	<b>42,507,687</b>	<b>26,007</b>	<b>25,490,350</b>	<b>17,706</b>

Deposits at Foreign Banks consist of the current accounts and investment accounts held as reserve in Foreign Correspondents. The Marketable Securities Portfolio consists of foreign currency Government Bonds and Treasury Bills issued by international financial institutions and kept in foreign banks.

The portfolio account is valued marked to market as determined in the foreign stock exchanges in which they are traded and accounted as TL 39,684,637 Billion. These securities can be liquidated when needed. (31.12.2001: 20,723,667 Billion TL)

In addition, balances with Foreign Banks include TL 95,082 Billion as deposit and TL 601,352 Billion as investment account belonging to the Turkish Defense Fund. (31 December 2001: TL 88,551 Billion and , TL 524,825 Billion)



<b>II- NOTES AND EXPLANATIONS ON THE BALANCE SHEET AND MEMORANDUM ACCOUNTS (cont'd)</b>
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**(3) Domestic Correspondents**

Foreign currency interbank transactions in which the Bank acts as intermediary are accounted in the domestic correspondents account in assets and bank deposits accounts in liabilities. This account amounting to TL 2,689,095 Billion as of the balance sheet date consists of EURO 313,000,000 and USD 1,319,000,000. The Bank is liable to the counterparties. (31 December 2001: TL 3,767,448 Billion equivalent to EURO 478,000,000 and USD 2,196,000,000)

TL 2,008 Billion interest accrual related to Foreign Currency Interbank Money Market Transactions, in which the Bank acts as an intermediary, is recorded in the balance sheet as Other Liabilities and Other Assets; and in the income statement as Other Interest Income and Other Interest Expense (31 December 2001: TL 4,266 Billion).

TL 1,100 Billion of interbank money market deposits supplied by the Bank as principal to the market have been accounted as Open Market Other Operations in the asset accounts. TL 2 Billion accrued interest gain has been recorded in the Accrued Interest and Income account. The Interbank Money Market Transactions, in which the Bank acts as an intermediary and is liable to the counter parties, are TL 456,800 Billion as of the balance sheet date and are recorded in the balance sheet in both the liability and asset sides as "Other" in the Open Market Operations Account.

Apart from the interbank transactions in which the Bank acts as an intermediary, the bank acts as a party in TL interbank transactions where the purchase amount is TL 7,503,900 Billion, which is recorded in the Open Market Operations as "Other" in liabilities. The interest expense accrual amounting to TL 37,678 Billion related to this transaction is recorded in Other Liabilities Account.

**(4) Marketable Securities Portfolio – Open Market Operations**

**a- Information about the Marketable Securities Portfolio**

The Marketable Securities Portfolio consists of securities purchased for the Bank's account which represent an amount of TL 28,842,559 Billion, together with an interest income accrual of TL 6,350 Billion computed on securities sold under agreements to repurchase, based on their valuation at official gazette prices.

The marketable securities portfolio consists of securities purchased under agreements to resell amounting to TL 5,424,700 Billion, securities for the Bank's account amounting to TL 33,400,579 Billion and an interest income accrual due to the valuation at official gazette prices of the securities sold under repurchase agreement and the interest expense accrual calculated for these securities amounting to TL 9,222 Billion.

<b>II- NOTES AND EXPLANATIONS ON THE BALANCE SHEET AND MEMORANDUM ACCOUNTS (cont'd)</b>
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**(4) Marketable Securities Portfolio – Open Market Operations (cont'd)**

In the prior period, TL 13,876,893 Billion of securities indexed to foreign currencies, included in the securities acquired for the Bank's account, represented Treasury Bills issued by the Turkish Treasury that are indexed to SDR (Special Drawing Rights). The authority of the Bank to give the Treasury short term advances was removed by an amendment made in Law No:4651 on 25 April 2001. Under Temporary Article number 2 of the same law, the Bank had the authority to acquire securities issued by the Treasury from the primary markets starting from the validity date of the act for a temporary period of six months. With respect to this authority, the Bank bought SDR 7,584,579,154 of securities at cost between May 2001 and November 2001 from the primary markets. These securities are issued with the aim of usage of the loan given by the IMF for budget financing. The coupon rates on the securities are indexed to the rate applicable on liabilities to the IMF. SDR 59,837,060 of the periodic payments accrual relates to securities with acquisition cost of SDR 7,584,579,154, which are valued at the SDR currency exchange rate and accounted as TL 13,876,894 Billion in the Securities Portfolio as at the balance sheet date.

The Treasury has made payment on Government Bonds in a total amount of 2,959,919,154 SDR in the February 2002 period and 272,135,000 SDR in the May 2002 period. As of 31 December 2002, the balance on this account is 4,352,525,000 SDR. The 4,352,525,000 SDR cost and the 25,602,197 SDR accrual of the periodic payments have together been valued at TL 9,741,491 Billion at the SDR foreign currency rate applicable at the balance sheet date, and have been included in the Marketable Securities Portfolio account.

<b>II- NOTES AND EXPLANATIONS ON THE BALANCE SHEET AND MEMORANDUM ACCOUNTS (cont'd)</b>
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**(4) Securities Portfolio – Open Market Operations (cont'd)**

Breakdown of securities portfolio as at 31 December 2002;

	31 December 2002 Acquisitio n Cost	31 Decembe r 2002 Accrual (net)	31 December 2002 Balance Sheet Value	31 December 2002 Market Value (**)	31 Decembe r 2002 Official Gazette Value
<b>Purchases under Agreements to Resell</b>					
<b>Treasury Bills and government Bonds</b>	-	-	-	-	-
1. Fixed Income	-	-	-	-	-
2. Indexed to Inflation	-	-	-	-	-
3. Indexed to Foreign Currency	-	-	-	-	-
4. Securities in Foreign Currency	-	-	-	-	-
5. Floating Rated	-	-	-	-	-
<b>Outright Purchases</b>					
<b>Treasury Bills and government Bonds</b>	27,337,837	1,504,722	28,842,559		19,101,068
1. Fixed Income	-	-	-	-	-
2. Indexed to Inflation	17,653,312	1,447,756	19,101,068	-	19,101,068
3. Indexed to Foreign Currency	9,684,525	56,966	9,741,491	-	-
4. Securities in Foreign Currency	-	-	-	-	-
5. Floating Rated	-	-	-	-	-
<b>Income Sharing Bonds Mutual Funds Participation Certificates</b>					
<b>Other Marketable Securities</b>	-	6,350	6,350	-	-
<b>Accrued Income from securities sold under agreements to repurchase</b>		6,350	6,350		

<b>TOTAL</b>	27,337,83	1,511,07	28,848,909
	7	2	

The nominal values of the above listed marketable securities total TL 16,674,471 Billion .

<b>II- NOTES AND EXPLANATIONS ON THE BALANCE SHEET AND MEMORANDUM ACCOUNTS (cont'd)</b>
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**(4) Marketable Securities Portfolio – Open Market Operations (cont'd)**

**b- Explanations related to Open Market Operations**

Open Market Operations presented in the asset side of the balance sheet amounting to TL 2,070,500 Billion represent the amount to be received at the maturity date for securities purchased with agreements to resell; TL 1,100 Billion is receivables from TL interbank transactions.

In the liability side of the balance sheet, the open market operations balance TL 2,075,937 Billion represents the amount payable for securities sold under agreements to repurchase, TL 7,503,900 Billion represents the money borrowed by the Bank from banks through the Interbank Money Market.

The interest amounting to TL 5,437 Billion which will be paid at the repurchase of securities is presented in the Other Assets account.

As at 31 December 2002, the breakdown of open market operations is:

	<b>31 December 2002</b>		<b>31 December 2002</b>
<b>Assets</b>	<b>TL Billion</b>	<b>Liabilities</b>	<b>TL Billion</b>
Open Market Operations	2,071,600	Open Market Operations	9,579,837
A.Repurchase Agreements	2,070,500	A.Repurchase Agreements	2,075,937
a) Cash	-	a) Cash	2,075,937
i) Foreign Exchange	-	i) Foreign Exchange	-
ii) Securities	-	ii) Securities	2,075,937
b) Securities	2,070,500	b) Securities	-
B. Other	1,100	B. Other	7,503,900
Other Assets	5,437	Other Liabilities	-

**(5) Loans**

**a- Information related to domestic credits**

As of 31 December 2002, TL 250,000 Billion of the total domestic loans is an advance loan issued to the Saving Deposit Insurance Fund against a collateral of Government Bonds with November 2005 maturity date. The income accrual computed on the advance loan is TL 17,028 Billion and has been recorded in the Accrued Interest and Income account (31 December 2001: TL 750,000 Billion and TL 31,610 Billion).

As of 31 December 2002, TL 176,594 Billion is recorded in Other Assets in the assets, and in the Valuation Differences account in the liability side of the balance

sheet, as a consequence of revaluation of the foreign currency indexed loan mentioned above. (31 December 2001: -)

<b>II- NOTES AND EXPLANATIONS ON THE BALANCE SHEET AND MEMORANDUM ACCOUNTS (cont'd)</b>
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**(5) Loans (cont'd)**

**b- Explanation of loans and advances granted to the Bank's shareholders or personnel as at 31 December 2002**

The authority of the Bank to give the Treasury short term advances was removed by an amendment made in Law number 4651 on 25 April 2001. By the same act's Temporary Article number 2, the Bank had the authority to acquire securities issued by the Treasury from the primary markets starting from the validity date of the law for a period of six months. Within this authority, the Bank bought SDR 7,584,579,154 of securities at cost from the primary markets in the period May 2001 to November 2001. These securities were issued with the aim of usage of the loan given by the IMF for budget financing. The coupon rates of the securities are indexed to the rate on the periodic payments that are made to the IMF. The Treasury has made payment on Government Bonds in a total amount of 2,959,919,154 SDR in the February 2002 period and 272,135,000 SDR in the May 2002 period. As of 31 December 2002, the balance on the account is 4,352,525,000 SDR. The 4,352,525,000 SDR cost and the 25,602,197 SDR accrual of the periodic payments have together been valued at TL 9,741,491 Billion at the SDR foreign currency rate applicable at the balance sheet date, and have been included in the Marketable Securities Portfolio account. In the prior period, SDR 59,837,060 of the periodic payments accrual related to the securities with acquisition cost of SDR 7,584,579,154 are valued at the SDR currency rate and accounted as TL 13,876,894 Billion in the Securities Portfolio as at the balance sheet date.

**c- Information related to the Foreign Loans Account**

Foreign loans are receivables which converted to loans, arising from the accounts used to follow commercial transactions under treaties arranged with the relevant countries' central banks.

**d- Explanation related to claims under legal proceedings (net)**

The total balance consists of uncollectible receivables from Iraq as a result of the Gulf Crisis and from receivables related with trade affairs with Iraq. A full provision for these receivables has been allocated and accounted in the provisions account in liabilities.

<b>II- NOTES AND EXPLANATIONS ON THE BALANCE SHEET AND MEMORANDUM ACCOUNTS (cont'd)</b>
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**(5) Loans (cont'd)**

**d- Explanation related to claims under legal proceedings (net)**

Movements in provision for loans and receivables under follow – up:

	<u>Billion TL</u>	<u>USD</u>
<b>Opening Balance</b>	<b>1,777,871</b>	<b>1,235,004,039</b>
- Increases during the period (+)	32,560	21,750,486
- Transfers from other follow-up accounts (+)	-	-
- Transfers to other follow-up accounts (-)	-	-
- Collections during the period ( - )	-	-
- Write-offs ( - )	-	-
- FX rate difference	243,736	-
<b>CLOSING BALANCE</b>	<b>2,054,167</b>	<b>1,256,754,525</b>
- Provision booked in liability side (-)	<b>2,054,167</b>	<b>1,256,754,525</b>
<b>Net balance after provisions</b>	<b>-</b>	<b>-</b>

**(6) Equity Participations**

Equity Participations are stated at acquisition cost and valued with the Bank's foreign currency purchase rate at the period end.

The Bank's equity participations can be analyzed as follows:

<b>Name</b>	<b>Share (%)</b>	<b>Nominal Capital</b>	<b>Acquisition Cost</b>	<b>31 December 2002 Balance Sheet Amount Billion TL</b>
Bank For International Settlements	% 1	1,500,000,000 Gold Frank	(*) 5,000,000 Gold Frank	7,803
S.W.I.F.T	% 0.00 1	10,812,875 EU R	9,544 EUR	16
Total equity participations				<u>7,819</u>

(\*) The bank has 8,000 shares in the Bank For International Settlements, as 5,000,000 Gold Franks paid and 15,000,000 Gold Franks unpaid.



During the year 2002, CHF 3,040,000 has been received as dividend income and as at 31 December 2002, TL 2,667 Billion is accrued as dividend income.

There has been no addition or disposal to the equity participation account in the current period.

<b>II- NOTES AND EXPLANATIONS ON THE BALANCE SHEET AND MEMORANDUM ACCOUNTS (cont'd)</b>
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**(7) Movables and Immovables**

The bank has no movables or immovables that are held with the intention of being sold. Immovable and movable balances are TL 156,530 Billion and TL 28,787 Billion, respectively. The total depreciation amount is TL 29,685 Billion.

**(8) Miscellaneous Receivables**

Receivables from third parties other than the banking and public sectors are followed in this account.

As at 31 December 2002 and 2001, the breakdown of miscellaneous receivables is as follows:

	<b>31 December 2002</b>	<b>31 December 2001</b>
	<b><u>TL Billion</u></b>	<b><u>TL Billion</u></b>
Withholding tax	1,382	146,274
Temporary tax	165,186	1,026,966
Withholding tax fund	9,702	84,862
FX differences of Treasury loan payments	993	255,691
Other	13,629	13,281
<b>Total</b>	<b><u>190,892</u></b>	<b><u>1,527,074</u></b>

<b>II- NOTES AND EXPLANATIONS ON THE BALANCE SHEET AND MEMORANDUM ACCOUNTS (cont'd)</b>
---

**(9) Other Assets:**

As of 31 December 2002 the breakdown of the other assets is presented below:

	<b>31 December 2002 <u>Billion TL</u></b>	<b>31 December 2001 <u>Billion TL</u></b>
Revaluation difference on foreign currency indexed loan granted to Saving Deposits and Insurance Fund	176,594	-
Print office inventory	6,040	7,083
Interest Income from Securities Sold under Agreement to Repurchase	5,437	5,460
Construction in Progress	2,030	1,545
Other	26,349	17,878
<b>TOTAL</b>	<b><u>216,450</u></b>	<b><u>31,966</u></b>

As of 31 December 2002, an amount of TL 176,594 Billion has been recorded in Other Assets in the assets, and in the Valuation Differences account in the liability side of the balance sheet, as a consequence of revaluation of the TL 250,000 Billion foreign exchange indexed domestic credit lent to the Saving Deposit Insurance Fund (31 December 2001: -).

Income accruals which were recorded in the Other Assets account in the prior period have been recorded in the Accrued Interest and Income account in the current period. The prior year financial statements have been reclassified accordingly.

<b>II- NOTES AND EXPLANATIONS ON THE BALANCE SHEET AND MEMORANDUM ACCOUNTS (cont'd)</b>
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**(10) Accrued Interest and Income**

	<b>31 December 2002</b>	<b>31 December 2001</b>
	<b><u>Billion TL</u></b>	<b><u>Billion TL</u></b>
Accruals on securities under agreements to resell	-	49,831
Accrued interest income on the domestic credit granted to the Saving Deposit Insurance Fund	17,028	31,610
Foreign loans accrued interest income	4,217	13,817
TL interbank money market operations accrued interest income	2	3,400
Foreign currency deposit accrued interest income	38	2,309
Dividend income accruals	2,667	1,846
Foreign currency interbank money market operations accrued interest income	2,008	4,266
Other accruals	1,207	816
<b>TOTAL</b>	<b><u>27,167</u></b>	<b><u>107,895</u></b>

**(11) Currency Issued**

The Bank is the only bank that has the authority to borrow by issuing banknotes in Turkey. As of the balance sheet date, the banknotes in issue total TL 7,635,622 Billion. (31 December 2001: TL 5,282,660 Billion).

**(12) Liabilities to Treasury**

TL 6,225 Billion (31 December 2001: TL 4,422 Billion) of the balance of liabilities to the Treasury consists of gold of non-international standard belonging to the Treasury kept in the Bank. Tax and other liabilities to the Treasury of TL 100,768 Billion (31 December 2001: TL 49,912 Billion) are also included in this account .

During 2002, of the total International Institutions (IMF) quota of SDR 964 million, the part paid in cash (SDR 112,775,000, equivalent to TL 250,928 Billion) is recorded as “Reserve Tranche Position” in Foreign Exchange in assets, and as “Reserve Tranche Facility” in the Payables to Treasury in liabilities.

**(13) Foreign Correspondents**

This account represents the foreign currency accounts of the correspondent banks .

<b>II- NOTES AND EXPLANATIONS ON THE BALANCE SHEET AND MEMORANDUM ACCOUNTS (cont'd)</b>
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**(14) Deposit Accounts**

The deposits balance consists of balances from the Treasury, public institutions, the banking sector, deposits by citizens abroad, from the International Monetary Fund, and other fund accounts.

The Treasury and public institutions accounts are demand deposits.

The balance of the banking sector consists of two day call foreign currency accounts, demand local currency accounts and reserve deposits.

Deposits by citizens abroad consist of deposits by Turkish citizens living outside Turkey. The balance is TL 23,041,336 Billion as of the balance sheet date (31 December 2001: TL 15,557,116 Billion).

The breakdown of the deposits by foreign currency type is as follows:

31 December 2002

<u>Foreign Currency Type</u>	<u>Foreign Currency Balance</u>	<u>TL Billion</u>
EURO	12,278,610,934	20,916,331
USD	1,201,396,600	1,963,684
CHF	124,489,137	145,607
Other		15,714
Total		<u>23,041,336</u>

31 December 2001

<u>Foreign Currency Type</u>	<u>Foreign Currency Balance</u>	<u>TL Billion</u>
EURO	11,215,422,694	14,222,446
USD	850,289,393	1,224,049
CHF	120,602,922	103,054
Other		7,567
Total		<u>15,557,116</u>

Maturities vary between one to three years. Interest rates for USD and EURO with one year and two years maturity are 4% and 5%, respectively. For deposit accounts having higher balances, interest rates become 8%, 9% and 10% and maturities are one, two and three years, respectively.

The International Institutions deposit balance is the Turkish Lira equivalent of the balance transferred by the International Monetary Fund (IMF) as “special drawing rights” (SDR). The Bank is designated as “the depositor” to regulate the relations of Turkey with the IMF. According to the agreements signed with the IMF, the TL equivalent of the granted SDR amount, totaling TL 13,186,412 Billion, is recorded in the balance sheet as a liability ( 31 December 2001: TL 13,166,561 Billion).

Deposits of funds consist of the demand accounts of various funds under the control of the Prime Ministry.

<b>II- NOTES AND EXPLANATIONS ON THE BALANCE SHEET AND MEMORANDUM ACCOUNTS (cont'd)</b>
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**(15) Capital and Reserves**

According to the 5th article of the Central Bank Law, the capital of the bank is TL 25 Billion and is divided into 250,000 shares, with a value of TL 100,000 each. The capital may be increased with the approval of the Government. The shares are divided into (A), (B), (C), and (D) shares. The (A) group shares belong solely to the Turkish Treasury.

As of the balance sheet date, the shareholders of the bank are as listed below:

	<b>Participation Amount TL</b>	<b>Shareholding %</b>
Turkish Treasury	13,683,800,000	55
T.C. Ziraat Bankası	4,795,800,000	19
Güvenlik Yard. Sandığı Vakfı	1,280,100,000	5
Türkiye Garanti Bankası A.Ş.	620,800,000	2
T. İş Bankası A.Ş.	581,800,000	2
T. Halk Bankası A.Ş.	277,400,000	1
Türkiye Kızılay Derneği	300,800,000	<1
T.C. Emekli Sandığı	250,000,000	<1
Social Security Institutions	100,000,000	<1
Other	3,109,500,000	16
<b>Total</b>	<b>25,000,000,000</b>	<b>100</b>

20% of the annual gross profit of the Bank is allocated as ordinary reserves. In addition, after the deduction of ordinary reserves on gross profit, 10% of the remaining balance is allocated as extraordinary reserves.

<b>II- NOTES AND EXPLANATIONS ON THE BALANCE SHEET AND MEMORANDUM ACCOUNTS (cont'd)</b>
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**(16) Provisions**

As of the balance sheet date, of the total provision TL 79,567 Billion, TL 29,301 Billion is the Corporate Tax Provision calculated on the profit for the period (31 December 2001: TL 1,620,154).

As of 31 December 2001, the Bank calculated its accrued retirement pay obligation to its 5,470 personnel as being TL 38,000 Billion. The Bank has the right to build up the recorded provision over five years according to the 42nd item of the bulletin related to the principles and rules for financial statements and reports in capital markets. In compliance with this bulletin, TL 7,600 was recorded in the provisions as at 31 December 2001. As of 31 December 2002, the amount of TL 31,945 Billion presented for 5,463 employees, is the total of two fifths of the total liability as of 31 December 2001 plus the total difference between the calculated retirement provision as at the year ends 2002 and 2001.

In addition, the provision account also includes an amount of TL 18,321 Billion provision for the transfer insurance for banknotes, cash and gold securities.

**(17) Valuation Account**

According to a change made in the 61st article of the Central Bank Law number 4651 on 25 April 2001, in the event of a change in the value of the Turkish currency, unrealised positive and negative differences arising from the revaluation of gold and foreign exchange in the assets and liabilities of the Bank are classified into this special transitory account

**(18) Other Liabilities**

	<b>31 December 2002 <u>Billion TL</u></b>	<b>31 December 2001 <u>Billion TL</u></b>
Reserve deposits from private financial institutions (*)	-	194,119
Transactions made in 2002 (2001)		
with value dates in 2003 (2002)	31,658	77,608
Interest expense accruals on securities for resale	-	80,091
Other	3,654	12,255
<b>Total</b>	<b><u>35,312</u></b>	<b><u>364,073</u></b>

Expense accruals, which were recorded in the Other Liabilities account in the prior period, are accounted in a separate Accrued Interest and Expense account in the current period. The prior year financial statements have been reclassified accordingly.



(\*) Reserve deposits from Private Financial Institutions, which were accounted in Other Liabilities in the prior year, have been reclassified to the Banking sector- Required Reserves account since May 24, 2002, following regulation 2002/1 concerning the Reserve Deposits, based on an amendment made to the Central Bank Law no 4651 article 40 paragraph 2.

<b>II- NOTES AND EXPLANATIONS ON THE BALANCE SHEET AND MEMORANDUM ACCOUNTS (cont'd)</b>
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**(19) Interest and Expense Accruals**

	<b>31 December 2002 <u>Billion TL</u></b>	<b>31 December 2001 <u>Billion TL</u></b>
Interest accruals on deposits by citizens abroad	2,306,171	1,758,875
Accrual of IMF periodical payments	80,424	136,080
Interest expense accruals of securities for resale	2,752	3,289
Interest expense accruals for Interbank Transactions in which the Bank acts as a party	37,678	36,662
Interest expense accruals for Interbank Transactions	2,008	7,666
Accruals on Reserve Deposits (*)	202,479	-
Other	23,168	5,546
<b>Total</b>	<b><u>2,654,680</u></b>	<b><u>1,948,118</u></b>

(\*) The prior year balance, TL 149,987 Billion, is accounted in the Banking Deposits account.

**(20) Derivative Instruments and Off-Balance Sheet Items**

The Bank has no derivative instruments as of the balance sheet date. The off-balance sheet items are presented in part A of section IV.

**(21) Maturity Profile of Balance Sheet Items and Certain Commitments According to Their Remaining Maturities**

An analysis of assets and liabilities and other contingencies and other commitments according to their remaining maturities is shown in the table attached, covering the current period.

### **III - NOTES AND EXPLANATIONS RELATING TO THE INCOME STATEMENT:**

#### **(1) Interest Income**

Interest income amounting to TL 956,270 Billion from foreign correspondents accounts represents income from the foreign investment portfolio (2001: TL 839,274 Billion ).

Income from open market operations represents income amounting to TL 141 Billion obtained from loans given through interbank operations to banks and interest income from the securities portfolio amounting to TL 4,548,656 Billion (2001: TL 170,947 Billion, TL 4,318,736 Billion).

The Positive Valuation Differences account comprises the positive differences between the market values and the original acquisition costs of the Foreign Currency and Marketable Securities Portfolio. In the previous period, the related amount was recorded in the Non-Interest Income account group.

#### **(2) Non-Interest Income**

Non-interest income consists of income from open market operations of TL 1,599,362 Billion related to the purchase and sale of securities ( 2001: TL 6,916,673 Billion).

#### **(3) Interest Expenses**

Total interest expenses, amounting to TL 6,619,151 Billion, include interest expense on deposits from citizens abroad amounting to TL 1,986,288 Billion (2001: TL 2,116,900 Billion).

The Negative Valuation Differences Account comprises losses arising from the differences between the market values and the original acquisition costs of the Foreign Currency and Marketable Securities Portfolio. In the previous period it was recorded in the Non-Interest Expense account group.

#### **(4) Non-Interest Expenses**

In the current period, the open market transactions account amounting to TL 971,132 Billion includes marketable securities trading losses (2001: TL 1,541,982 Billion).

TL 276,295 Billion of provision expenses represents 100% provision allocated during the current period for receivables under follow-up (2001 TL 982,401 Billion).

#### IV. SUPPLEMENTARY FINANCIAL STATEMENTS

##### A - Off Balance Sheet Accounts

Off Balance Sheet Accounts	December 31, 2002	Dec
	Billion TL	Bl
<b>A. Securities in Custody</b>	<b>96.900.123</b>	
1. Marketable Securities in Custody - Free	85.031.895	
2. Deal Securities	11.563.548	
3. Marketable Security Exchange Market Banks' Guarantee Letters	36.003	
4. State Deposit Insurance Fund's Security - excused from income tax	252.615	
5. Other	16.062	
<b>B. Guarantees Taken</b>	<b>4.330.095</b>	
1. Banks' Treasury Bonds as Foreign Currency Market Guarantee	1.035.261	
2. Interbank Operations Guarantees	3.273.120	
3. Treasury Bonds as Forward Money Market Operations Guarantees	-	
4. Foreign Currency Treasury Bonds as Foreign Currency Market Guarantee	-	
5. Foreign Currency Equivalent Guarantee Letters as Foreign Currency Market Guarantee	-	
6. Banking Regulation and Supervisory Agency Advance Loan Guarantee	-	
7. Intermediary Firms' Treasury Bonds - Pledged	21.435	
8. Other	279	
<b>C. Reserve Banknotes</b>	<b>6.241.563</b>	
1. Reserve Banknotes	6.008.089	
2. Wornout Banknotes	40.668	
3. Reserve Banknotes - Branches		

	136.694	
4. Reserve Banknotes - kept in Ziraat Bank	56.087	
5. Newly Printed Banknotes	25	
<b>D. Other</b>	<b>52.190.013</b>	
1. Repurchase Agreements Pledged Account	8.026.443	
2. Bank's Treasury Bonds Portfolio	16.674.471	
3. Customer Operations	21.405.330	
4. Banks' Disponibility Reserves - Treasury Bonds	3.027.218	
5. Branches' Marketable Security in Electronic Security Fund Transfer System	1.425.110	
6. Treasury Bonds of Marketable Security Exchange Market Members	13.452	
7. Discounted Notes of Import Operations		
8. Other	1.617.989	
<b>E. Electronic Marketable Security Transfer Recording Follow Up Account for Marketable Securities, That Are Classified With Physical Values In Above Accounts</b>	<b>119.324.198</b>	
<b>TOTAL (A+B+C+D+E)</b>	<b>278.985.992</b>	

#### IV. SUPPLEMENTARY FINANCIAL STATEMENTS - continue

##### B. Breakdown of Assets and Liabilities and other contingencies and other commitments according to their remaining maturities

CURRENT PERIOD (31/12/2002)						
BREAKDOWN OF ASSETS AND LIABILITIES AND OTHER CONTINGENCIES AND OTHER COMMITMENTS ACCORDING TO THEIR REMAINING MATURITIES						
ASSETS	No term	Up to 1 Month	From 1 Month To 3 Months	From 3 Months To 1 Year	From 1 Year To 5 Years	More than 5 Years
Gold	2.149.367					
Foreign Exchange	1.387.166	7.534.197	6.289.814	26.430.478	1.256.877	
Coins	8.606					
Domestic Correspondents		2.689.095				
Marketable Securities Portfolio	6.350				12.497.452	
Domestic Credits			262.804			
Open Market Operations		2.071.600				
Foreign Credits			28.422	28.422	149.063	
Share Participations						
Fixed Assets						
Claims Under Legal Proceedings						
Provisions for Claims under Proceedings						
Treasury Liabilities due to SDR Allocations						
Valuation Account	27.167					
Accrued Interest and Income	6.461	283		177.069		
Miscellaneous Receivables	110	9.118	178.438	329		

Other Assets					
Total Assets	3.585.227	12.304.293	6.759.478	26.636.298	13.903.392

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#### IV. SUPPLEMENTARY FINANCIAL STATEMENTS - continue

#### B. Breakdown of Assets and Liabilities and other contingencies and other commitments according to their remaining maturities

CURRENT PERIOD (31/12/2002)						
BREAKDOWN OF ASSETS AND LIABILITIES AND OTHER CONTINGENCIES AND OTHER COMMITMENTS ACCORDING TO THEIR REMAINING MATURITIES						
LIABILITIES	No term	Up to 1 Month	From 1 Month To 3 Months	From 3 Months To 1 Year	From 1 Year To 5 Years	More than 5 Years
Currency Issued	7.635.622					
Liabilities to Treasury	3.845	96.867				
Foreign Correspondents	106.881					
Deposits	2.689.095	575.522			23.041.336	
Open Market Operations		9.579.837				
Foreign Credits						
Advances , Collaterals and Deposits Collected Against Letters of Credit and Import						
Notes and Remittances Payable		9.865				
SDR Allocations						
Capital						
Reserves						
Provisions						
Valuation Account						

Accrued Interest and Expense	2.654.680				
Miscellaneous Payables					
Other Liabilities	31.658				
Profit					
Total Liabilities	13.121.781	10.262.091	-	-	23.041.336

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#### IV. SUPPLEMENTARY FINANCIAL STATEMENTS - continue

#### B. Breakdown of Assets and Liabilities and other contingencies and other commitments according to their remaining maturities (con

CURRENT PERIOD (31/12/2001)						
BREAKDOWN OF ASSETS AND LIABILITIES AND OTHER CONTINGENCIES AND OTHER COMMITMENTS ACCORDING TO THEIR REMAINING MATURITIES						
ASSETS	No term	Up to 1 Month	From 1 Month To 3 Months	From 3 Months To 1 Year	From 1 Year To 5 Years	Mo 5
Gold	1.527.126					
Foreign Exchange	2.845.060	6.160.524	6.015.197	7.518.428	4.506.554	
Coins	1.803					
Domestic Correspondents		3.767.448				
Marketable Securities Portfolio		5.471.957	180.221	42.855	14.856.111	
Domestic Credits			16.270		750.000	
Open Market Operations		7.014.591				
Foreign Credits		19.847	-	23.928	175.099	
Share Participations						
Fixed Assets						
Claims Under Legal Proceedings						
Accounts To be Redeemed and Act. Claims						
Valuation Account						
Miscellaneous Receivables	36.424			1.490.650		
Other Assets & Income Accruals	1.055	79.141	816	33.456		

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<b>Total Assets</b>	4,411,468	22,513,508	6,212,504	9,109,317	20,287,764
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#### IV. SUPPLEMENTARY FINANCIAL STATEMENTS - continue

#### B. Breakdown of Assets and Liabilities and other contingencies and other commitments according to their remaining maturities (con

CURRENT PERIOD (31/12/2001)

BREAKDOWN OF ASSETS AND LIABILITIES AND OTHER CONTINGENCIES AND OTHER COMMITMENTS ACCORDING TO THEIR REMAINING MATURITIES

LIABILITIES	No term	Up to 1 Month	From 1 Month To 3 Months	From 3 Months To 1 Year	From 1 Year To 5 Years	Mo 5
Currency Issued	5,282,660					
Liabilities to Treasury	4,422	50,234				
Foreign Correspondents	101,031					
Deposits	5,307,611				28,723,677	
Open Market Operations		12,630,260				
Foreign Credits						
Advances , Collaterals and Deposits Collected Against Letters of Credit and Import						
Notes and Remittances Payable		32,232				
Capital						
Reserves						
Provisions						
Valuation Account						
Miscellaneous Payables						
Other Liabilities		213,287	136,080	1,758,875		
Profit						
<b>Total Liabilities</b>	10,695,724	12,926,013	136,080	1,758,875	28,723,677	

#### IV. SUPPLEMENTARY FINANCIAL STATEMENTS - continue

#### C. Shareholders' Equity

SHAREHOLDERS' EQUITY MOVEMENT	Paid Capital	1st - 2nd Legal Reserves	Premium in Excess of Par	Other Legal Reserves	Extraordinary Reserves	Fixed Asset Revaluation Fund	Cost Increase Fund	Previous Periods' Profits (Losses)	Period Profits (Losses)	Shareholders' Equity
December 31, 2000	25	-	-	-	288.913	54.875	89	992.633	-	1,33
Profit Distribution: (*)	-	-	-	-	-	-	-	-	5,154.468	5,15
- Dividends	-	-	-	-	-	-	-	(1,582)	-	(
- Transfers to Equity ( Reserves)	-	-	-	-	277.937	-	-	(277.937)	-	(
- Taxes and funds	-	-	-	-	-	-	-	(240.753)	-	(24
- Transfers to Treasury	-	-	-	-	-	-	-	(472.361)	-	(47
Pad in Capital Increase	-	-	-	-	-	-	-	-	-	-
- Cash	-	-	-	-	-	-	-	-	-	-
- Transfer from Revaluation Fund	-	-	-	-	-	-	-	-	-	-
- Transfers from other accounts (___)	-	-	-	-	-	-	-	-	-	-
Profits from equity participations, subsidiaries and fixed assets sales	-	-	-	-	-	-	-	-	-	-
31/12/2001 Revaluation Fund	-	-	-	-	-	-	-	-	-	-
Increase(Net)	-	-	-	-	-	31.179	-	-	-	3
Increase in Marketable Security Value	-	-	-	-	-	-	-	-	-	-
Other (Cost Increase Fund)	-	-	-	-	-	-	-	-	-	-
<b>December 31, 2001</b>	<b>25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>566.850</b>	<b>86.054</b>	<b>89</b>	<b>-</b>	<b>5,154.468</b>	<b>5,80</b>
								(**)		
<b>January 1, 2002</b>	<b>25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>566.850</b>	<b>86.054</b>	<b>89</b>	<b>5,154.468</b>	<b>-</b>	<b>5,80</b>
Profit Distribution: (*)	-	-	-	-	-	-	-	-	31,316	3
- Dividends	-	-	-	-	-	-	-	(2,658)	-	(
- Transfers to Equity ( Reserves)	-	-	-	-	1,894.147	-	-	(1,894.147)	-	(
- Premium in excess of par	-	-	-	-	-	-	-	-	-	-
- Taxes and funds	-	-	-	-	-	-	-	-	-	-
- Transfers to Treasury	-	-	-	-	-	-	-	(3,257.663)	-	(3,25
Pad in Capital Increase	-	-	-	-	-	-	-	-	-	-
- Cash	-	-	-	-	-	-	-	-	-	-
- Transfer from Revaluation Fund	-	-	-	-	-	-	-	-	-	-
- Transfers from other accounts (___)	-	-	-	-	-	-	-	-	-	-
Profits from equity participations, subsidiaries and fixed assets sales	-	-	-	-	-	-	-	-	-	-

31/12/2002	Revaluation	Fund									
Increase(Net)	-	-	-	-	-	53.369	-	-	-	-	5
Increase in Marketable Security Value	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	45	-	2	-	-	-	-
<b>December 31, 2002</b>	<b>25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.461.042</b>	<b>139.423</b>	<b>91</b>	<b>-</b>	<b>31.316</b>	<b>2.63</b>	

(\*) : Bank is distributing its profit according to TCMB Law

(\*\*) : Prior year net income, TL 5,154,468, Billion includes tax provision of TL 1,610,346 Billion.

#### IV. SUPPLEMENTARY FINANCIAL STATEMENTS - continue

##### D. Cash Flow Table

CASH FLOW TABLE	2002 Billion TL	2001 Billion TL
<b>I- Cash Flows from Banking and Financing Activities (Main Operations)</b>	-	-
Interest Received	8.715.168	13.596.863
Interest Paid	(5.616.256)	(5.349.378)
Dividends Received	4.035	2.920
Commissions and Fees Received	18.117	24.572
Other Income	-	-
Collections from previously written off loans and receivables	-	-
Payments to personnel and service providers	(270.302)	(181.792)
Taxes Paid	(1.610.345)	(233.153)
Other - about collections	-	-
Other - about payments	-	(1.610.346)
	-	-
<b>Cash flow from operation income before changes in assets and liabilities subject to main operations</b>	<b>1.240.417</b>	<b>6.249.686</b>
<b>Changes in assets and liabilities that ar subject to operations</b>		
<b><u>Decrease / (Increase) in assets subject to operations</u></b>		
Decrease / (Increase) in marketable securities	9.865.489	(30.825.101)
Decrease / (Increase) in bank accounts	-	-
Decrease / (Increase) in loans	2.292.930	(1.370.429)
Decrease / (Increase) in other assets	2.088.059	(3.240.177)
<b><u>Decrease / (Increase) in liabilites subject to operations</u></b>	-	-
Increase / (Decrease) in Deposits	10.160.823	28.306.113
Increase / (Decrease) in Loans Taken	1.788	5.600

Increase / (Decrease) in marketable securities issued	-	-
Increase / (Decrease) in other liabilities	(6.819.523)	8.476.650
<b>Net Cash Flow from Banking and Financing Operations</b>	<b>18.829.983</b>	<b>7.602.342</b>
<b>II- Cash Flows from Financial and Fixed Investments</b>		
Equity Participations and Subsidiaries Taken Over	(2.106)	(2.986)
Equity Participations and Subsidiaries Sold	-	-
Fixed Assets Taken Over	(60.883)	(84.220)
Fixed Assets Sold	-	-
Affiliates Taken Over	-	-
Affiliates Sold	-	-
Other Cash Inflows	4.942.991	(1.715.875)
Other Cash Outflows	(3.050.423)	7.656.358
<b>Net Cash Used in Financial and Fixed Investments</b>	<b>1.829.579</b>	<b>5.853.277</b>
<b>III- Cash Flows About Capital Financing Operations</b>		
Cash Provided from Loans Used and Securities Issued	-	-
Repayments of Loans Used and Securities Issued	-	-
Bank Capital Shares Issued	-	-
Dividends Paid	(3.260.275)	(473.944)
Other Cash Inflow	-	-
Other Cash Outflow	-	-
<b>Net Cash Related Capital Financing Operations</b>	<b>(3.260.275)</b>	<b>(473.944)</b>
<b>Net Increase on Cash and Cash Equivalent Assets</b>	<b>17.399.287</b>	<b>12.981.675</b>
Cash and Cash Equivalent Assets at the beginning of the period	28.574.692	15.593.017
	-	-
<b>Cash and Cash Equivalent Assets at the end of the Period</b>	<b>45.973.979</b>	<b>28.574.692</b>

#### IV. SUPPLEMENTARY FINANCIAL STATEMENTS - continue

##### E. Profit Distribution Table

PROFIT DISTRIBUTION TABLE (*)	31.12.2002	31.12.2001
	Billion TL	Billion TL
<b>A. PERIOD PROFIT'S DISTRIBUTION</b>		
1. PERIOD PROFIT	(60.617)	(6.764.814)
2. TAXES TO BE PAID (-)	(29.301)	(1.610.346)
- Corporate Tax	(26.637)	(1.463.951)

- Income Tax	-	-
- Other Taxes	(2.664)	(146.395)
<b>NET PERIOD PROFIT</b>	<b>(31.316)</b>	<b>(5.154.468)</b>
3. PREVIOUS' PERIOD LOSSES(-)	-	-
4. EXTRAORDINARY RESERVES (-)	(16.972)	(1.894.147)
5. OTHER LEGAL FUNDS (-)	-	-
<b>NET PROFIT TO BE DISTRIBUTED</b>	<b>(14.344)</b>	<b>(3.260.321)</b>
6. DIVIDENDS TO SHAREHOLDERS ( - )	(3)	(3)
7. DIVIDENDS TO PERSONNEL (-)	(2.120)	(2.655)
<b>TO BE TRANSFERED TO TREASURY ACCORDING TO TCMB LAW</b>	<b>(12.221)</b>	<b>(3.257.663)</b>

(\*) : Bank is distributing its profit according to TCMB Law

