

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

AUDITED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY 2001  
TO 31 DECEMBER 2001

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 2001 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. Those 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 and the operational result as of 31 December 2001 on the historical cost basis in accordance with Turkish statutory accounting requirements and the Law on the Central Bank of the Republic of Turkey.

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

- i. As discussed in Section II- note 16, the Valuation Account amounting to TL 7,110,726 Billion represents the unrealised foreign exchange gains not reflected in the income statement, but presented in the balance sheet, in accordance with the requirements of article 61 of the Central Bank Law. If foreign currency indexed loans in the assets of the balance sheet were revalued, the Valuation Account would be TL 628,618 Billion more. Additionally the Bank is the “Depository Institution” for relations with International Financial Institutions (specifically the IMF) and the IMF deposits included in liabilities are accounted at historical cost based on the principles accepted 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 is represented in Off Balance Sheet Accounts. If this difference were accounted in the Balance Sheet, the Valuation Account would be TL 7,362,956 Billion less.
- ii. As discussed in Section II - note 4, marketable securities acquired by a repurchase agreement have been booked in the marketable securities account. Hence, the purchase and repurchase amounts have been presented in the balance sheet as asset and liability in open market operations in accordance with the transparency principle of the Bank.
- iii. The Bank is operating in a hyperinflationary economy with a cumulative inflation rate of 307% 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 on the Central Bank of the Republic of Turkey. Therefore, no restatement of non-monetary assets and liabilities to reflect the impact of inflation has been made in the accompanying financial statements. Inflation accounting adjustments have been applied in a separate report prepared in accordance with International Accounting Standards.

DRT DENETİM REVİZYON TASDİK  
YEMİNLİ MALİ MÜŞAVİRLİK A.Ş.

Member Firm of **DELOITTE TOUCHE TOHMATSU**

Derya ÖZALP

Ankara, 14 March 2002

<b>THE CENTRAL BANK OF THE REPUBLIC OF TURKEY</b>			
<b>BALANCE SHEETS AS OF 31 DECEMBER 2001 AND 2000</b>			
		<b>31 December 2001</b>	<b>31 December 2000</b>
	<b>ASSETS</b>	<b>Billion TL</b>	
<b>I-</b>	<b>GOLD</b>	<b>1.527.126</b>	
	A. International Std.	1.485.813	
	B. Non International Std.	41.313	
<b>II-</b>	<b>FOREIGN EXCHANGE</b>	<b>27.045.763</b>	
	A-Foreign Banknotes	1.555.413	
	B-Correspondent Accounts	25.490.350	
<b>III-</b>	<b>COINS</b>	<b>1.803</b>	
<b>IV-</b>	<b>DOMESTIC CORRESPONDENTS</b>	<b>3.767.448</b>	
<b>V-</b>	<b>SECURITIES PORTFOLIO</b>	<b>38.831.212</b>	
	<b>A. Government Securities</b>	38.831.212	
	a) Bonds	38.667.709	
	b) Treasury Bills	163.503	
	<b>B. Other</b>	-	
<b>VI-</b>	<b>DOMESTIC CREDITS</b>	<b>766.270</b>	
	<b>B.Banking Sector</b>	16.270	
	a) Discount Loans	16.270	
	b) Loans given according to Law 11 40/1-c	-	
	c) Other	-	
	<b>B.Loans to Banking Regulation Authority</b>	750.000	
<b>VII-</b>	<b>OPEN MARKET OPERATIONS</b>	<b>7.014.591</b>	
	<b>A. Repurchase Agreements</b>	6.557.791	
	a) Cash	5.504.791	
	i. Foreign Exchange	-	
	ii. Securities	5.504.791	
	b) Securities	1.053.000	
	<b>B. Other</b>	456.800	
<b>VIII-</b>	<b>FOREIGN CREDITS</b>	<b>263.219</b>	

<b>IX-</b>	<b>SHARE PARTICIPATIONS</b>		<b>5.713</b>	
<b>X-</b>	<b>FIXED ASSETS</b>		<b>100.112</b>	
<b>XI-</b>	<b>CLAIMS UNDER LEGAL PROCEEDINGS</b>		<b>1.777.871</b>	
<b>XII-</b>	<b>VALUATION ACCOUNT</b>		<b>-</b>	
<b>XIII-</b>	<b>MISCELLANEOUS RECEIVABLES</b>		<b>1.527.074</b>	
<b>XIV-</b>	<b>OTHER ASSETS</b>		<b>139.861</b>	
	<b>TOTAL ASSETS</b>		<b>82.768.063</b>	

<b>THE CENTRAL BANK OF THE REPUBLIC OF TURKEY</b>				
<b>BALANCE SHEETS AS OF 31 DECEMBER 2001 AND 2000</b>				
			<b>31 December 2001</b>	
			<b>Billion TL</b>	
	<b>LIABILITIES</b>			
<b>I-</b>	<b>CURRENCY ISSUED</b>		<b>5.282.660</b>	
<b>II-</b>	<b>LIABILITIES TO TREASURY</b>		<b>56.496</b>	
	A-Gold		4.422	
	B-Other		52.074	
<b>III-</b>	<b>FOREIGN CORRESPONDENTS</b>		<b>101.031</b>	
<b>IV-</b>	<b>DEPOSITS</b>		<b>45.553.233</b>	
	<b>A. Public Sector</b>		2.699.646	
	a) Treasury, General and Annexed Budget Administrations		2.628.859	
	b) Public Economic Institutions		197	
	c) State Economic Institutions		12.664	
	d) Other		57.926	
	<b>B. Banking Sector</b>		12.868.561	
	a) Free Deposits of Domestic Banks		5.112.869	
	b) Foreign Banks		952	
	c) Required Reserves (Central Bank's Law, Art. 40)		7.754.497	
	d) Other		243	
	<b>C. Miscellaneous</b>		15.704.918	
	a) Foreign Exchange Deposits By Citizen Abroad		15.557.116	
	b) Other		147.802	
	<b>D. International Institutions</b>		13.166.561	
	<b>E. Extrabudgetary Funds</b>		1.113.547	
	a) Saving Deposit Insurance Fund		351.120	
	b) Other		762.427	
<b>V-</b>	<b>OPEN MARKET OPERATIONS</b>		<b>12.630.260</b>	
	<b>A. Repurchase Agreements</b>		6.483.160	
	a) Cash		1.058.460	
	i. Foreign Exchange		-	
	ii. Securities		-	
	b) Securities		5.424.700	
	<b>B. Other</b>		6.147.100	
<b>VI-</b>	<b>FOREIGN CREDITS</b>		<b>11.301</b>	

<b>VII-</b>	<b>ADVANCES, COLLATERALS AND DEPOSITS COLLECTED AGAINST LETTERS OF CREDIT AND IMPORT</b>		<b>418.769</b>		
<b>VIII-</b>	<b>NOTES AND REMITTANCES PAYABLE</b>		<b>32.232</b>		
<b>IX-</b>	<b>CAPITAL</b>		<b>25</b>		
<b>X-</b>	<b>RESERVES</b>		<b>652.993</b>		
	A. Ordinary and Extraordinary Reserves		566.827		
	B. Special Reserves (CBT's Law, Art. 59)		23		
	C. Valuation Adjustment Fund ( Laws No. 2791 and 3094)		86.054		
	D. Cost Adjustment Fund		89		
<b>XI-</b>	<b>PROVISIONS</b>		<b>3.398.025</b>		
<b>XII-</b>	<b>VALUATION ACCOUNT</b>		<b>7.110.726</b>		
<b>XIII-</b>	<b>MISCELLANEOUS PAYABLES</b>		<b>56.942</b>		
<b>XIV-</b>	<b>OTHER LIABILITIES</b>		<b>2.308.902</b>		
<b>XV-</b>	<b>PROFIT</b>		<b>5.154.468</b>		
	<b>TOTAL LIABILITIES</b>		<b>82.768.063</b>		

<b>THE CENTRAL BANK OF THE REPUBLIC OF TURKEY</b>						
<b>STATEMENTS OF INCOME FOR THE YEARS ENDED 31 DECEMBER 2001 AND 2000</b>						
					<b>2001</b>	<b>2000</b>
					<b>Billion TL</b>	<b>Billion TL</b>
I -	INTEREST INCOME				6.073.656	9.711.100
	A.	Interest Income from Foreign Correspondent Accounts			1.068.863	7.111.100
	B.	Interest Income from Open Market Operations			4.489.683	1.400.000
	C.	Interest Income from Credits Given			447.968	
	D.	Other Interest Income			67.142	
II -	NON-INTEREST INCOME				9.175.859	1.500.000
	A.	Open Market Operations			6.960.622	1.400.000
	B.	Foreign Exchange Gains			370.448	
	C.	Commissions and Income from Services			24.572	
	D.	Foreign Currency Valuation Differences			1.817.297	
	E.	Dividend Collected			2.920	
III -	TOTAL INCOME				15.249.515	2.500.000
IV -	INTEREST EXPENSE				4.901.213	7.111.100
	A.	Interest Exp. on Foreign Exch. Deposits by Citizens Abroad			2.116.900	7.111.100
	B.	Interest Expense to Foreign Correspondents			729.104	
	C.	Interest Expense to Other Deposits			23.215	
	D.	Interest Expenses Due to Interbank Transactions			1.805.943	
	E.	Other Interest Expense			226.051	
V -	NON-INTEREST EXPENSE				3.401.696	6.000.000
	A.	Open Market Operations			1.712.220	
	B.	Foreign Exchange Loss			106.546	
	C.	Non-Interest Exp. To Foreign Correspondents			207.235	1.000.000
	D.	Commission Expenses			99.778	
	E.	Fund Expenses			34.742	
	F.	Depreciation Expense			4.387	
	G.	Provision Expense			990.002	2.000.000
	H.	Other			26.947	
	I.	Foreign Currency Valuation Differences			219.839	



VI -	GENERAL ADMINISTRATIVE EXPENSE				181.792		1
	A.	Payroll Expense			135.283		
	B.	Provisions			140		
	C.	Other			22.427		
	D.	Banknote Printing Expense			23.941		
VII-	TOTAL EXPENSES				8.484.701		1.5
IX -	GROSS PROFIT / LOSS [ III- VII ]				6.764.814		9
X	TAX PROVISION				1.610.346		2
IX -	NET PROFIT / LOSS [ IX - X ]				5.154.468		7

<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 2001 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. The Basis of 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 Number 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. The Bank, prior to the General Assembly meeting, submits, to the Prime Ministry, the balance sheet and the income statement along with the annual report to be prepared as of the end of each calendar year. The balance sheet is published in the Official Gazette.

**ii. The Accounting Principles Applied**

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

**a. Accounting Principles**

The statutory records are maintained in accordance with current 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 except fees and commissions for various banking services rendered which are recorded as income when received.

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 negative and positive differences arising from the revaluation of gold and foreign exchange in the assets and liabilities of the Bank are classified into a special account named Valuation Differences, not comprising part of the annual income statement. Realised 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 set aside from the gross annual profit of the Bank in order to meet losses which may arise in future years. Provisions also include internal insurance funds. In compliance with this article, the Bank allocates provision for doubtful assets and 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 2001 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 apart from the income statement, as stated in paragraph "b" above.

e. Retirement Pay Provision

According to Turkish legislation and labour union agreements Retirement Pay Provision is paid at the retirement of employees or in the case of their redundancy. In the Bank, the amount payable depends on the position and years of service, as defined in T.C. Emekli Sandığı and Social Security Insurance Institution rules.

f. Taxation

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

g. Securities

The securities portfolio consists of government bonds purchased on 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 journalized in Securities portfolio in the balance sheet and as Non-interest income from Open Market Operations in the income statement. Whenever the difference is negative, it is recorded in Marketable Securities in the balance sheet and Non-interest expense from Open Market Operations in the income statement.

Securities purchased with agreements to resell are valued on an accruals basis with the interest rate implied by the agreement. The calculated accrual is recorded as Other Assets and Income from Marketable Securities purchase and sale.

**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:**

Securities issued by international financial institutions with an acquisition cost of TL 20,640,186 Billion which are presented in Foreign Exchange as Correspondent Accounts in the balance sheet are valued at 31 December 2001 market value determined in the international stock exchange markets as TL 20,723,667 million and recorded. The amount of the same account was TL 11,394,908 Billion and was accounted at cost last year. Securities with coupon payments have been valued with the coupon rate, and discounted securities have been valued with the straight line method. The accrued interest as of 31 December 2000 amounting to TL 192,600 Billion was recorded in Other Assets. The market value of the relevant securities including accrued interest was TL 11,373,523 Billion as of 31 December 2000.

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. In the prior period, this amount was TL 649,450 Billion and was not presented in the balance sheet.

<b>I- NOTES AND EXPLANATIONS RELATING TO THE BANK AND ITS FINANCIAL POSITION (cont'd):</b>
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**(2) a- Detailed explanations of all basic accounting policies applied by the Bank (cont'd)**

The Bank has calculated TL 38,000 Billion retirement pay provision for the personnel (who number 5,470 as of 31 December 2001). The Bank has the right to build up the recorded provision over five years according to the 42nd item of the bulletin on the principles and rules for financial statements and reports in capital markets. Based on this bulletin TL 7,600 Billion has been recorded in liabilities in the current period. The Bank did not calculate a retirement pay provision as of 31 December 2000.

The attached financial statements include TL 1,610,346 Billion corporate tax and funds as at 31 December 2001. In the prior period, this amount was TL 240,753 Billion and was not included in the financial statements based on the cash basis booking method.

In the Bank's Securities Portfolio in the balance sheet, securities purchased for the Bank's account with an acquisition cost of TL 31,088,808 Billion are recorded at market value of TL 33,400,578 Billion as at 31 December 2001. In the prior period, the same type of securities with market value of TL 1,516,182 Billion were recorded at cost, which was TL 1,514,941 Billion. TL 54,192 Billion income accrual calculated for these securities is recorded in Other Assets, TL 52,951 Billion expense accrual is recorded in Other Liabilities.

TL 7,666 Billion interest accrual related to TL 3,767,448 Billion Foreign Currency Interbank Money Market Transactions and TL 456,800 Billion Turkish Lira Interbank Money Market Transactions, in which the Bank acts as an intermediary, is recorded in the balance sheet as Other Liabilities and Other Assets. In the prior period, no interest accrual had been calculated for TL 1,468,357 Billion Foreign Currency Interbank Money Market Transactions presented in the balance sheet and TL 649,450 Billion Turkish Lira Interbank Money Market Transactions which were not presented in the balance sheet.

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

The accompanying financial statements have been prepared under the assumption that the Bank will continue as a going concern. Since February 2001, Turkey has experienced a contraction in economic activities and volatility in foreign currency rates, capital and money markets. A new program including various regulations which was introduced in May 2001 in order to strengthen the economic and legal infrastructure as in developed markets is ongoing. Although the effects of volatility in economic indicators and markets are continuing, the accompanying financial statements reflect the effects, so far as they are known and can be estimated, of the economic and financial crisis.

**I- NOTES AND EXPLANATIONS RELATING TO THE BANK AND ITS FINANCIAL POSITION (cont'd):**

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

Securities issued by international financial institutions, with acquisition cost TL 20,640,186 Billion, which are presented in Foreign Exchange as Correspondent Accounts in the balance sheet, are valued and recorded at 31 December 2001 market value determined on international stock exchange markets as TL 20,723,667 Billion. The amount of the same account was TL 11,394,908 Billion and was accounted at cost in the prior year. Securities with coupon payments have been valued with the coupon rate, and discounted securities have been valued with the straight line method. The accrued interest as of 31 December 2000 amounting to TL 192,600 Billion was recorded in other assets. The market value of the relevant securities including accrued interest was TL 11,373,523 Billion as of 31 December 2000.

In the Bank's Securities Portfolio in the balance sheet, securities purchased for the Bank's account (kesin alm) with acquisition cost of TL 31,088,808 Billion are recorded at market value of TL 33,400,578 Billion as at 31 December 2001. In the prior period, the same type of securities with market values of TL 1,516,182 Billion were recorded at cost, TL 1,514,941 Billion. TL 54,192 Billion income accrual calculated for these securities was recorded in Other Assets, TL 52,951 Billion expense accrual was recorded in Other Liabilities.

<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 - Marketable securities acquired through agreements to resell are valued using the interest rate stated in the agreement. Securities acquired for the Bank's accounts are revalued marked to market and, for those which do not have stock exchange prices, at prices declared by the Bank and published in the Official Gazette. Securities having variable interest rate are valued using the straight line method.

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b) Fixed Income Securities – Marketable securities acquired through agreements to resell are valued using the interest rate stated in the agreement. Securities acquired for the Bank's accounts are valued marked to market and, for those which do not have stock exchange prices, the straight line method is used.

c) Securities having variable interest rate – Marketable securities acquired through agreements to resell are valued using the interest rate stated in the agreement. Securities acquired for the Bank's accounts are valued marked to market and, for those which do not have stock exchange prices, the straight line method is used.

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**Securities in terms of foreign currency**

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 and, for those which do not have stock exchange prices, the straight line method is used. (\*)

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c) Securities having variable interest rate - Interest rate.

3- Gold (\*\*)- Gold is valued according to the average of gold prices quoted on the London exchange at 11:00 a.m. as of 31 December 2001 and on the basis of the equality of 1 ounce = 31.1035 grams.

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

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

<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):**

**B. Equity Participations**

**Securities in Turkish Lira – None**

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

**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 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 into consideration their estimated economic life. 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. The amount added to the revaluation surplus account is exempt from all taxes and depreciation calculated on the revalued amount is a tax deductible expense. Buildings are depreciated based on original cost before revaluation, and all assets start to be revalued in the year after the year of acquisition, using the coefficients stated below. 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 %53.2, 56% and 52.1% for the years 2001, 2000 and 1999 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 2001</u>
<b>A. The Bank's "Exchange Rate for the Evaluation of Foreign Currency Items" (1 US dollar \$=..... TL)</b>	1,439,567 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>	1,439,567 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>	1,433,199TL
<b>Purchase rate of the 2nd Day</b>	1,448,816TL
<b>Purchase rate of the 3rd Day</b>	1,443,980TL
<b>Purchase rate of the 4th Day</b>	1,464,686TL
<b>Purchase rate of the 5th Day</b>	1,470,646TL

<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 2001		31 December 2000	
	TL Billion	Million \$	TL Billion	Million \$
<b>I-FOREIGN CURRENCY ASSETS</b>				
1) GOLD	1,485,513	1,032	675,725	1,006
2) FOREIGN EXCHANGE	27,045,763	18,787	14,895,115	22,173
3) COINS			-	-
4) DOMESTIC CORRESPONDENTS	3,767,448	2,617	1,468,357	2,186
5) SECURITIES PORTFOLIO	13,877,028	9,640	-	-
6) DOMESTIC CREDITS	16,270	11	-	-
7) OPEN MARKET OPERATIONS	-	-	-	-
8) FOREIGN CREDITS	263,219	183	139,737	208
9) SHARE PARTICIPATIONS	5,713	4	2,727	4
10) FIXED ASSETS			-	-
11) CLAIMS UNDER LEGAL PROCEEDINGS	1,777,871	1,235	795,470	1,184
12) ACCOUNTS TO BE REDEEMED AND ACT. CLAIMS			-	-
13) MISCELLANEOUS RECEIVABLES	8,895	6	1,586	2
14) OTHER ASSETS	13,529	9	6,559	10
<b>OFF BALANCE SHEET ITEMS(15)</b>				
15) FORWARD TRANSACTIONS			-	-
<b>TOTAL FOREIGN CURRENCY ASSETS(1-15)</b>	<b>48,261,683</b>	<b>33,525</b>	<b>17,985,276</b>	<b>26,773</b>
<b>II-FOREIGN CURRENCY LIABILITIES</b>				
1) MONEY IN CIRCULATION			-	-
2) LIABILITIES TO TREASURY	102		76	-
3) FOREIGN CORRESPONDENTS	101,301	70	33,636	50
4) DEPOSITS				
a) PUBLIC SECTOR	1,992,755	1,384	875,890	1,305
b) BANKING SECTOR	10,348,363	7,189	4,295,402	6,394
c) MISCELLANEOUS	15,693,982	10,902	7,078,823	10,538
d) INTERNATIONAL INSTITUTIONS			-	-
e) FUNDS	1,009,390	701	330,456	492
5) OPEN MARKET OPERATIONS	134		-	-
6) FOREIGN CREDITS	11,301	8	5,701	8
7) ADVANCES, COLLATERALS AND DEPOSITS COLLECTED AGAINST LETTERS OF CREDIT AND IMPORT	418,765	291	286,317	426
8) NOTES AND REMITTANCES PAYABLE	32,231	22	4,756	7
9) CAPITAL	-	-	-	-
10) RESERVES	-	-	-	-
11) PROVISIONS	-	-	-	-
12) FX REVALUATION DIFFERENCES	-	-	-	-
13) MISCELLANEOUS PAYABLES	56,523	39	41,860	62
14) OTHER LIABILITIES	263,145	183	165,946	247
<b>OFF BALANCE SHEET ITEMS(12)</b>				
15) FORWARD TRANSACTIONS			-	-
<b>TOTAL FOREIGN CURRENCY LIABILITIES(1+15)</b>	<b>29,927,723</b>	<b>20,789</b>	<b>13,118,863</b>	<b>19,529</b>
<b>FOREIGN CURRENCY NET GENERAL POSITION (I-II)</b>	<b>18,333,962</b>	<b>12,736</b>	<b>4,866,413</b>	<b>7,244</b>

<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):**

<u>31 December 2001</u>	<u>USD Dollar</u>	<u>Euro Group (**)</u>	<u>Euro</u>	<u>Other (***)</u>
<b>I-Foreign Currency Assets</b>				
Gold	1,032,124,605	-	-	-
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 (*)	1,235,086,085	-	14,005,692	7,117,284
<b>Total Foreign Currency Assets</b>	<b>12,360,916,057</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	208,784,398	9,860,047
<b>Total Foreign Currency Liabilities</b>	<b>8,351,401,265</b>	<b>246,381,229</b>	<b>13,856,469,993</b>	<b>198,610,058</b>
<b>Difference (I – II)</b>	<b>4,009,514,792</b>	<b>747,697,735</b>	<b>(1,659,297,135)</b>	<b>9,529,432,851</b>
<u>31 December 2000</u>	<u>USD Dollar</u>	<u>Euro Group (**)</u>	<u>Euro</u>	<u>Other (***)</u>
<b>I-Foreign Currency Assets</b>				
Gold	1,005,897,567	-	-	-
Foreign Exchange	8,462,556,773	182,459,382	14,497,532,792	193,424,450
Correspondent Accounts	1,910,500,000	-	299,000,000	-
Marketable Securities Portfolio	-	-	-	-
Credits	200,267,887	3,733,953	4,678,330	-
Open Market Operations	-	-	-	-
Other FC Assets (*)	1,184,266,579	12,594,174	18,932	4,452,308
<b>Total Foreign Currency Assets</b>	<b>12,763,488,806</b>	<b>198,787,509</b>	<b>14,801,230,054</b>	<b>197,876,758</b>
<b>II- Foreign Currency Liabilities</b>				
Liabilities to Treasury	113,080	-	-	-
Foreign Correspondents	18,619,416	7,036,541	496,075	24,514,992
Deposits	7,104,428,476	10,822,507,222	1,680,051,092	110,858,020
Other FC Liabilities (*)	464,174,951	59,045,618	217,140,611	32,637,490
<b>Total Foreign Currency Liabilities</b>	<b>7,587,335,923</b>	<b>10,888,589,381</b>	<b>1,897,687,778</b>	<b>168,010,502</b>
<b>Difference (I – II)</b>	<b>5,176,152,883</b>	<b>(10,689,801,872)</b>	<b>12,903,542,276</b>	<b>29,866,256</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) The book value of the movable and immovable assets and the depreciation allocated and their insurance coverage:**

	<b>31 December 2001</b>		
	<b>Book Value</b>	<b>Accumulated</b>	<b>Insurance</b>
	<b>(*)</b>	<b>Depreciation</b>	<b>Coverage</b>
<b>Movables</b>	22,322	12,988	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>	-	-	-
	<b>31 December 2000</b>		
	<b>Book Value</b>	<b>Accumulated</b>	<b>Insurance</b>
	<b>(*)</b>	<b>Depreciation</b>	<b>Coverage</b>
<b>Movables</b>	17,858	8,783	11,477
<b>Immovables</b>	63,565	4,588	36,628
<b>1-Assets in use for banking activities</b>	63,565	4,588	36,628
<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 revalued at the time of sale.

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 2001.

<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 matters which significantly affect the balance sheet or which cannot be quantified:**

The Bank presents securities purchased under resale agreements amounting to TL 5,424,700 Billion in the securities portfolio account. These securities are valued on an accruals basis using the interest rate stated in the resale agreement. Accrued interest calculated amounting to TL 49,830 Billion has been included in Other Assets Accounts and in Interest Income from Open Market Operations Accounts at the year end. In addition, the amounts in cash that will be received at the maturity date and the liabilities to resell these securities amounting to TL 5,504,791 Billion have been presented in assets as open market operations in accordance with the Bank's transparency principle, together with the cost amounting to TL 5,424,700 Billion in liabilities as open market operations, and the difference between cost and the maturity value amounting to TL 80,087 Billion in other liabilities in the balance sheet.

The foreign exchange differences account represents the unrealised foreign exchange gains not reflected 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. Realised differences are reflected in the income statement as at the transaction date.

In the prior period, the corporate tax charge of TL 240,754 Billion was not provided in the financial statements, but was instead booked on the cash basis method.

The accompanying 31 December 2000 comparative figures have been reclassified for some accounts in order to conform with the current year presentation.

**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.

<b>I- NOTES AND EXPLANATIONS RELATING TO THE BANK AND ITS FINANCIAL POSITION (cont'd)</b>
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**B. Other Notes and Explanation:**

**(13) Information on foreign branches:**

The Bank has no foreign branches. It has representative offices in Frankfurt, New York and Tokyo and a liaison office in Berlin.

**C. The independent audit firm auditing the financial statements:**

The Financial Statements as of and for the year ended 31 December 2001 are audited by DRT Denetim Revizyon Tasdik Yeminli Mali Müşavirlik A.Ş. (Member Firm of Deloitte Touche Tohmatsu).

The Independent Audit Opinion is presented with the financial statements and related notes.

<b>II- NOTES AND EXPLANATIONS ON THE BALANCE SHEET AND MEMORANDUM ACCOUNTS</b>
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**(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 2001 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 2001		31 December 2000	
	Billion TL Amount	USD Amount (in Millions)	Billion TL Amount	USD Amount (in Millions)
Free Deposits	4,152,775	3,311	2,966,398	4,416
Marketable Securities Portfolio	21,337,595	14,395	11,612,535	17,287
<b>Total</b>	<b>25,490,350</b>	<b>17,706</b>	<b>14,578,933</b>	<b>21,703</b>

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

The portfolio accounts is valued marked to market that are determined in the foreign stock exchange markets in which they are traded and accounted as TL 20,723,667 Billion. These securities can be liquidated when needed.

In addition, Foreign Banks balances include TL 88,551 Billion as deposit and TL 524,825 Billion as investment account belonging to the Turkish Defense Fund. (31 December 2000: TL 38,408 Billion and TL 247,627 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 3,767,448 Billion as of the balance sheet date consists of EURO 478,000,000 and USD 2,196,000,000. The Bank is liable to the counterparties. (31 December 2000: TL 1,468,357 Billion equivalent EURO 299,000,000 and USD 1,910,500,000)

TL 4,266 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.

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 side as "Other" in the Open Market Operations Account. TL 3,400 Billion interest accrual related to Turkish 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 balance sheet as Interest Income from Open Market Operations and Interest Expense from Open Market Operations.

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 5,690,300 Billion, which is recorded in the Open Market Operations as "Other" in liabilities. The interest expense accrual amounting to TL 36,662 Billion related to this transaction is recorded in Other Liabilities Account.

The total of collateral obtained from banks for interbank transactions is TL 1,383,700 Billion as of the balance sheet date (31 December 2000: TL 5,211,474 Billion).

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

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

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 the net balance of the 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 5,933 Billion. ( 31 December 2000: TL 4,973,902 Billion, TL 1,514,942 Billion .None - securities sold under repurchase agreement)



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

**(4) Marketable Securities Portfolio – Open Market Operations (cont'd)**

TL 13,876,893 Billion of securities indexed to foreign currency, included in the securities acquired for the Bank's account, represent 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 a change made in law number 4651 on 25 April 2001. Under the same law'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 temporary period of six months. Within 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.

<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 2001;

	31 December 2001 Acquisition Cost	31 December 2001 Accrual (net)	31 December 2001 Balance Sheet Value	31 December 2001 Market Value (**)	31 December 2001 Official Gazette Value
<b>Repurchase Agreements</b>					
<b>Treasury Bills and government Bonds</b>	5,424,700	49,829	5,424,700	*	*
1. Fixed Income	851,812	-	851,812	*	*
2. Indexed to Inflation	-	-	-	-	-
3. Indexed to Foreign Currency	156,728	-	156,728	-	-
4. Securities in Foreign Currency	133,777	-	133,777	-	-
5. Floating Rated	4,282,383	-	4,282,383	-	-
<b>Purchases</b>					
<b>Treasury Bills and government Bonds</b>	31,729,722	1,670,853	33,400,579		
1. Fixed Income	79,355	78,627	157,985		
2. Indexed to Inflation	17,881,759	1,483,504	19,365,264	19,365,264	19,365,264
3. Indexed to Foreign Currency	13,768,271	108,622	13,876,893	-	-
4. Securities in Foreign Currency	-	-	-	-	-
5. Floating Rated	337	100	437	-	-
<b>Income Sharing Bonds Mutual Funds Participation Certificates</b>					
<b>Other Marketable Securities</b>	-	5,933	5,933	-	-
<b>TOTAL</b>			38,831,212		

(\* ) As of 31 December 2001, the market value and Official Gazette value of securities acquired with agreements to resell has not been calculated. Accruals as at 31 December 2001 have been calculated according to the interest rate and days to maturity indicated in the agreements.

(\*\*) Securities which are not traded as of the balance sheet have been valued at the Official Gazette Prices.

The nominal values of the above marketable securities total TL 12,212,133 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 5,504,787 Billion represent the amount to be received at the maturity date for securities purchased with agreements to resell; TL 1,053,000 Billion represents the sale amount of the securities sold by repurchase agreement and TL 456,800 Billion is TL interbank transactions in which the Bank acts as an intermediary.

In the liability side of the balance sheet, the open market operations balance TL 5,424,700 Billion comprises the acquisition cost of marketable securities purchased with agreements to resell, TL 1,058,460 Billion represents the return amount of the securities that are bought under repurchase agreement, TL 5,690,300 Billion represents the money borrowed from the banks by the Bank and TL 456,800 Billion is TL interbank transactions in which the Bank acts as an intermediary.

As at 31 December 2001, the breakdown of open market operations is:

<b>Assets</b>	<b>31 December 2001 TL Billion</b>	<b>Liabilities</b>	<b>31 December 2001 TL Billion</b>
Open Market Operations	7,014,587	Open Market Operations	12,630,260
A. Repurchase Agreements	6,557,791	A. Repurchase Agreements	6,483,160
a) Cash	5,504,791	a) Cash	1,058,460
i) Foreign Exchange	-	i) Foreign Exchange	-
ii) Securities	5,504,791	ii) Securities	1,058,460
b) Securities	1,052,999	b) Securities	5,424,699
B. Other	456,800	B. Other	6,147,100
	5,460	Other Liabilities	80,091

**(5) Loans**

**a- Information related to domestic credits**

TL 750,000 Billion of the domestic loans is an advance issued to the Saving Deposit Insurance Fund against the government bond with maturity November 2005.

<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 2001**

The authority of the Bank to give the Treasury short term advances was removed by a change made in law number 4651 on 25 April 2001. By the same law'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. 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.

Foreign credits are receivables which converted to loans, based on the accounts used to follow commercial transactions due to treaties arranged between the other countries' central banks.

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

**c- Explanation related to claims under legal proceedings**

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. 100% provision has been allocated and accounted in the provisions account in liabilities for these receivables.

Movements in provision for loans and receivables under follow -up

	<u>Billion TL</u>	<u>USD</u>
<b>Opening Balance</b>	<b>795,470</b>	<b>1,184,148,907</b>
- Increases during the period (+)	55,803	50,855,132
- Transfers from other follow-up accounts (+)	-	-
- Transfers to other follow-up accounts (-)	-	-
- Collections during the period (-)	-	-
- Write-offs (-)	-	-
- FX rate difference	926,597	-
<b>CLOSING BALANCE</b>	<b>1,777,871</b>	<b>1,235,004,039</b>
- Provision booked in liability side (-)	1,777,871	1,235,004,039
<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 analysed as follows:

<u>Name</u>	<u>Share (%)</u>	<u>Nominal Capital</u>	<u>Acquisition Cost</u>	<u>31 December 2001 Balance Sheet Amount Billion TL</u>
Bank For International Settlements	1%	1,500,000,000 Gold FRF	* 5,000,000 Gold FRF	5,701
S.W.I.F.T	0.001%	10,844,375 EUR	9,544 EUR	12
Total equity participations				<u>5,713</u>

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

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

**(6) Equity Participations (cont'd)**

Within the year 2001, CHF 2,880,000 has been obtained as dividend income and as at 31 December 2001, TL 1,845,698 Billion is accrued as dividend income.

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

**(7) Movables and Immovables**

The bank has no movables or immovables that are held to be sold. Immovable and movable balances are TL 97,901 Billion and TL 22,322 Billion, respectively. The total depreciation amount is TL 20,111 Billion.

**(8) Miscellaneous Receivables**

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

As at 31 December 2001 and 2000, the breakdown of miscellaneous receivables is as follows:

	31 December 2001	31 December 2000
	<u>TL Billion</u>	<u>TL Billion</u>
Withholding tax	146,274	141,172
Temporary tax	1,026,966	62,009
Withholding tax fund	84,862	20,318
FX differences of Treasury loan payments	255,691	-
Other	13,280	3,770
<b>Total</b>	<b><u>1,527,073</u></b>	<b><u>227,269</u></b>

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

**(9) Other Assets:**

As of 31 December 2001 the breakdown of the other assets is presented below:

	31 December 2001	31 December 2000
	<u>Billion TL</u>	<u>Billion TL</u>
Income accrual on marketable securities acquired through open market operations	49,831	120,501
Advance loan interest income accrual	31,610	3,105
Income accrual on foreign loans	13,817	4,300
Income Accrual from Interbank Money Markets (*)	7,666	-
Interest Income Accrual from Deposits Held Abroad	2,309	-
Dividend Income Accrual	1,846	832
Foreign currency portfolio investment income (**) accrual	-	192,600
Income accrual on the Bank's marketable (***) securities portfolio	-	54,192
Other Accruals	816	3,124
Print office inventory	7,083	2,394
Interest Income from Securities Sold under Repurchase Agreement	5,460	-
Construction in Progress	1,545	1,378
Other	17,878	8,259
<b>TOTAL</b>	<b><u>139,861</u></b>	<b><u>390,685</u></b>

(\*) TL 7,666 Billion interest accrual is related to TL 3,767,448 Billion Foreign Currency Interbank Money Market Transactions and TL 456,800 Billion Turkish Interbank Money Market Transactions, in which the Bank acts as an intermediary. In the prior period, no interest accrual had been calculated for TL 1,468,357 Billion Foreign Currency Interbank Money Market Transactions presented in the balance sheet and TL 649,450 Billion Turkish Interbank Money Market Transactions which were not presented in the balance sheet.

(\*\*) Securities issued by international financial institutions with an acquisition cost of TL 11,364,908 Billion are presented in Foreign Exchange as Correspondent Accounts in the balance sheet as at 31 December 2000. Securities with coupon payments have been valued with the coupon rate, and discounted securities have been valued with the straight line method. The accrued interest as of 31 December 2000 amounted to TL 192,600 Billion. Securities of acquisition cost TL 20,640,186 Billion which are presented in Correspondent Accounts in the balance sheet are valued at 31 December 2001 market value as determined in international stock exchange markets and accounted as TL 20,723,667 Billion as at 31 December 2001.

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

(\*\*\*) In the Bank's Securities Portfolio in the balance sheet, securities purchased for the Bank's account (kesin alm) were recorded at cost as TL 1,514,941 Billion as at 31 December 2000. TL 54,192 Billion income accrual calculated for these securities was recorded in Other Assets; TL 52,951 Billion expense accrual was recorded in Other Liabilities. The same securities with acquisition cost of TL 31,088,808 Billion are accounted at their market value as TL 33,400,578 Billion as at 31 December 2001.

**(10) 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 5,282,660 Billion. (31 December 2000: TL 3,772,411 Billion).

**(11) Liabilities to Treasury**

TL 4,422 Billion (31 December 2000: TL 2,008 Billion) of the balance of liabilities to the Treasury consists of gold belonging to the Treasury in non-international standards kept in the Bank. Tax liabilities to the Treasury, other than corporate tax, amounting to TL 49,912 Billion (31 December 2000: TL 22,276 Billion) are also accounted in this account .

**(12) Foreign Correspondants**

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

**(13) 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 of Turkey. The balance is TL 15,557,116 Billion as of the balance sheet date. (31 December 2000: TL 7,062,991 Billion)



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

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

<u>31 Aralık 2001</u>		
<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	5,257,255	7,568
Total		<u>15,557,117</u>

<u>31 December 2000</u>		
<u>Foreign Currency Type</u>	<u>Foreign Currency Balance</u>	<u>TL Billion</u>
DEM	19,898,002,730	6,293,042
USD	475,995,847	319,757
NLG	910,692,550	255,622
Other	289,639,271	194,570
Total		<u>7,062,991</u>

Maturities vary between one to three years. Interest rates for USD and EURO with one year and two years maturity are 6% and 8.5%, respectively. For deposit accounts having higher balances, interest rates become 9%,10% and 11% and maturities are realised as 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, totalling TL 13,166,561 Billion, is recorded in the balance sheet as a liability ( 31 December 2000: TL 2,240,463 Billion).

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

**(14) 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.

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

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

	Participation Amount TL	Participation Share %
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 extraordinary reserves.

**(15) Provisions**

TL 1,610,346 Billion of the provision amount totalling TL 3,398,026 Billion is the Corporate Tax Provision calculated on the profit for the period. In the prior period, this amount was TL 240,754 Billion but was not included in the financial statements, being booked instead when paid, on the cash accounting basis.

TL 1,777,871 Billion of the Provisions Account is the 100% provision allocated for legal follow-up (doubtful) loans. (31 December 2000: TL 795,470 Billion)

The Bank has calculated TL 38,000 Billion retirement pay provision for its 5,470 personnel as of 31 December 2001. 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 is recorded in the liability side in the current period. The Bank has not calculated the retirement pay provision for its personnel as of 31 December 2000.

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

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

**(17) Miscellaneous Payables**

	31 December 2001 <u>Billion TL</u>	31 December 2000 <u>Billion TL</u>
Interest accruals on deposits by citizens abroad	1,758,875	710,215
Reserve deposits of private financial institutions	194,119	145,984
Accrual of IMF periodical payments	136,080	9,575
Interest expense accruals of securities for resale	80,091	143,573
Interest expense accruals for Interbank Transactions in which the Bank acts as a party	36,662	-
Interest expense accruals for Interbank (*) Transactions	7,666	-
Provision for the market value of marketable (**) securities held for the Bank's own account	-	52,951
Other	95,409	57,521
<b>Total</b>	<b><u>2,308,902</u></b>	<b><u>1,119,818</u></b>

(\*) This amount is the interest accrual related to TL 3,767,448 Billion Foreign Currency Interbank Money Market Transactions and TL 456,800 Billion Turkish Interbank Money Market Transactions, in which the Bank acts as an intermediary. In the prior period, no interest accrual had been calculated for TL 1,468,357 Billion Foreign Currency Interbank Money Market Transactions presented in the balance sheet and TL 649,450 Billion Turkish Interbank Money Market Transactions which were not presented in the balance sheet.

(\*\*) In the Bank's Securities Portfolio in the balance sheet, securities purchased for the Bank's account (kesin alım) were recorded at cost as TL 1,514,941 Billion as at 31 December 2000. TL 54,192 Billion income accrual calculated for these securities are recorded in Other Assets, TL 52,951 Billion expense accrual is recorded in Other Liabilities. The same securities of acquisition cost of TL 31,088,808 Billion are accounted at their market value as TL 33,400,578 Billion as at 31 December 2001.

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

**(19) 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.

<b>III - NOTES AND EXPLANATIONS RELATING TO THE INCOME STATEMENT:</b>
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**(1) Interest Income**

Interest income amounting to TL 839,274 Billion from foreign correspondents accounts represents income from the foreign investment portfolio (2000: TL 645,545 Billion ).

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

**(2) Non-Interest Income**

Non-interest income consists of income from open market operations of TL 6,196,673 Billion related to the purchase and sale of securities ( 2000: TL 1,418,584 Billion).

The Positive Valuation Differences Account consists of the positive differences between the acquisition cost and the market value of Turkish Lira and foreign currency securities. In the prior period, due to the fact that the securities were not valued at the market rate, the balance of this account was zero.

**(3) Interest Expenses**

TL 2,116,900 Billion of total interest expenses amounting to TL 4,901,212 Billion is the interest expense on deposits from citizens abroad (2000: TL 731,396 Billion).

**(4) Non-Interest Expenses**

In current period, open market transactions non-interest expense account amounting to TL 1,541,982 Billion includes marketable securities trading loss. (2000:TL 0 Billion)

Provision expense represents 100% provision allocated for follow-up receivables of TL 982,401 Billion. Non-interest expenses to foreign correspondents amounting to TL 205,294 Billion represent foreign securities trading losses.

<b>IV. SUPPLEMENTARY FINANCIAL STATEMENTS</b>		
<b>A - Off Balance Sheet Accounts</b>		
<b>Off Balance Sheet Accounts</b>	<b>December 31, 2000</b>	<b>December 31, 2000</b>
	<b>Billion TL</b>	<b>Billion TL</b>

<b>A. Securities in Custody</b>	<b>60.873.236</b>	<b>43.237.919</b>
1. Marketable Securities in Custody - Free	47.659.305	29.568.657
2. Deal Securities	12.992.496	13.419.285
3. Marketable Security Exchange Market Banks' Guarantee Letters	36.899	44.000
4. State Deposit Insurance Fund's Security - excused from income tax	157.990	203.588
5. Other	26.545	2.389
<b>B. Guarantees Taken</b>	<b>8.822.894</b>	<b>14.018.369</b>
1. Banks' Treasury Bonds as Foreign Currency Market Guarantee	2.453.881	6.995.084
2. Interbank Operations Guarantees	3.336.000	5.211.474
3. Treasury Bonds as Forward Money Market Operations Guarantees	197.810	667.248
4. Foreign Currency Treasury Bonds as Foreign Currency Market Guarantee	1.372.620	625.881
5. Foreign Currency Equivalent Guarantee Letters as Foreign Currency Market Guarantee	5.908	2.495
6. Banking Regulation and Supervisory Agency Advance Loan Guarantee	1.433.809	493.747
7. Intermediary Firms' Treasury Bonds - Pledged	12.235	8.938
8. Other	10.631	13.501
<b>C. Reserve Banknotes</b>	<b>2.961.541</b>	<b>2.262.119</b>
1. Reserve Banknotes	2.788.602	2.150.333
2. Wornout Banknotes	51.569	58.122
3. Reserve Banknotes - Branches	81.043	37.429
4. Reserve Banknotes - kept in Ziraat Bank	40.302	16.210
5. Newly Printed Banknotes	25	25
<b>D. Other</b>	<b>41.893.155</b>	<b>55.941.118</b>
1. Repurchase Agreements Pledged Account	10.269.930	21.364.258
2. Bank's Treasury Bonds Portfolio	12.992.496	12.212.129
3. Customer Operations	13.079.024	11.581.672
4. Banks' Disponibility Reserves - Treasury Bonds	3.707.098	5.848.872
5. Branches' Marketable Security in Electronic Security Fund Transfer System	1.593.011	4.809.060
6. Treasury Bonds of Marketable Security Exchange Market Members	11.059	11.310
7. Discounted Notes of Import Operations	16.810	8.950
8. Other	223.727	104.867
<b>E. Electronic Marketable Security Transfer Recording Follow Up Account for Marketable Securities, That Are Classified With Physical Values In Above Accounts</b>	<b>110.580.957</b>	<b>92.324.377</b>
<b>TOTAL (A+B+C+D+E)</b>	<b>225.131.783</b>	<b>207.783.902</b>

#### IV. SUPPLEMENTARY FINANCIAL STATEMENTS - continue

<b>B. Breakdown of Assets and Liabilities and other contingencies and other commitments according to their remaining maturities</b>				
<b>CURRENT PERIOD (31/12/2001)</b>				
<b>BREAKDOWN OF ASSETS AND LIABILITIES AND OTHER CONTINGENCIES AND OTHER COMMITMENTS ACCORDING TO THEIR REMAINING MATURITIES</b>				
<b>ASSETS</b>	<b>No term</b>	<b>Up to 1 Month</b>	<b>From 1 Month To 3 Months</b>	<b>From 3 To 1</b>

Gold	1.527.126	-	-
Foreign Exchange	2.845.060	6.160.524	6.015.197
Coins	1.804	-	-
Domestic Correspondents	-	3.767.448	-
Marketable Securities Portfolio	-	5.468.668	180.221
Domestic Credits	-	-	16.270
Open Market Operations	-	7.014.591	-
Foreign Credits	-	19.847	-
Share Participations	-	-	-
Fixed Assets	-	-	-
Claims Under Legal Proceedings	-	-	-
FX Revaluation Differences	-	-	-
Miscellaneous Receivables	36.424	-	-
Other Assets	1.055	79.141	816
<b>Total Assets</b>	<b>4.411.469</b>	<b>22.510.219</b>	<b>6.212.504</b>

**IV. SUPPLEMENTARY FINANCIAL STATEMENTS -  
continue**

<b>B. Breakdown of Assets and Liabilities and other contingencies and other commitments according to their remaining maturities</b>				
<b>CURRENT PERIOD (31/12/2001)</b>				

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

<b>LIABILITIES</b>	<b>No term</b>	<b>Up to 1 Month</b>	<b>From 1 Month To 3 Months</b>	<b>From 3 To 1</b>
Currency Issued	5.282.660			
Liabilities to Treasury	4.422	50.234		
Foreign Correspondents	101.031			
Deposits	5.307.611			
Open Market Operations		12.630.260		
Foreign Credits				
Advances , Collaterals and Deposits Collected Against Letters of Credit and Import				
Notes and Remittances Payable		32.231		
Capital				
Reserves				
Provisions				
FX Revaluation Differences	-			
Miscellaneous Payables				
Other Liabilities		213.287	136.080	
Profit				
<b>Total Liabilities</b>	<b>10.695.724</b>	<b>12.926.012</b>	<b>136.080</b>	

**IV. SUPPLEMENTARY FINANCIAL STATEMENTS -  
continue**

<b>B. Breakdown of Assets and Liabilities and other contingencies and other commitments according to their remaining maturities</b>				
<b>CURRENT PERIOD (31/12/2000)</b>				
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 To 1
Gold	694.486	-	-	-
Foreign Exchange	11.558.616	3.336.499	-	-
Coins	3.416	-	-	-
Domestic Correspondents	-	1.468.357	-	-
Marketable Securities Portfolio	-	5.042.685	158.111	-
Domestic Credits	-	-	-	-
Open Market Operations	-	5.218.625	-	-
Foreign Credits	-	15.636	3.368	-
Share Participations	-	-	-	-
Fixed Assets	-	-	-	-
Claims Under Legal Proceedings	-	-	-	-
Accounts To be Redeemed and Act. Claims	-	-	-	-
Miscellaneous Receivables	-	-	-	-
Other Assets	192.600	126.416	5.742	-
<b>Total Assets</b>	<b>12.449.118</b>	<b>15.208.218</b>	<b>167.221</b>	

**IV. SUPPLEMENTARY FINANCIAL STATEMENTS - continue**

<b>B. Breakdown of Assets and Liabilities and other contingencies and other commitments according to their remaining maturities</b>				
<b>CURRENT PERIOD (31/12/2000)</b>				
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 To 1
Currency Issued	3.772.411	-	-	-
Liabilities to Treasury	-	25.864	-	-
Foreign Correspondents	33.636	-	-	-
Deposits	1.616.345	2.582.481	501.452	-
Open Market Operations	-	4.973.902	-	-
Foreign Credits	-	-	336	-
Advances , Collaterals and Deposits Collected Against Letters of Credit and Import	-	-	-	-
Notes and Remittances Payable	-	4.756	-	-
Capital	-	-	-	-
Reserves	-	-	-	-



<b>Provisions</b>	-	-	-
<b>FX Revaluation Differences</b>	-	-	1.248.884
<b>Miscellaneous Payables</b>	13.079	-	-
<b>Other Liabilities</b>	-	173.177	65.403
<b>Profit</b>	-	-	-
<b>Total Liabilities</b>	5.435.471	7.760.180	1.816.075

#### IV. SUPPLEMENTARY FINANCIAL STATEMENTS - continue

<b>C. Shareholders' Equity</b>									
<b>SHAREHOLDERS' EQUITY MOVEMENT</b>	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)	Pe Pr (Lo
December 31, 1999	25	-	-	-	147.010	34.516	82	506.796	
<b>Profit Distribution: (*****)</b>	-	-	-	-	-	-	-	-	9
- Dividends	-	-	-	-	-	-	-	(1.141)	
- Transfers to Equity ( Reserves)	-	-	-	-	141.903	-	-	(141.903)	
- Taxes and funds	-	-	-	-	-	-	-	(121.652)	
- Transfers to Treasury	-	-	-	-	-	-	-	(242.100)	
<b>Pad in Capital Increase</b>	-	-	-	-	-	-	-	-	
- Cash	-	-	-	-	-	-	-	-	
- Transfer from Revaluation Fund	-	-	-	-	-	-	-	-	
- Transfers from other accounts (___)	-	-	-	-	-	-	-	-	
Profits from equity participations, subsidiaries and fixed assets sales	-	-	-	-	-	-	-	-	
31/12/2000 Revaluation Fund Increase(Net)	-	-	-	-	-	20.359	-	-	
Increase in Marketable Security Value	-	-	-	-	-	-	-	-	
Other (Cost Increase Fund)	-	-	-	-	-	-	7	-	
<b>December 31, 2000</b>	<b>25</b>	-	-	-	<b>288.913</b>	<b>54.875</b>	<b>89</b>	-	<b>9</b>
<b>January 1, 2001</b>	<b>25</b>	-	-	-	<b>288.913</b>	<b>54.875</b>	<b>89</b>	<b>992.633</b>	
<b>Profit Distribution: (*****)</b>	-	-	-	-	-	-	-	-	5
- Dividends	-	-	-	-	-	-	-	(1.582)	
- Transfers to Equity ( Reserves)	-	-	-	-	277.937	-	-	(277.937)	
- Taxes and funds	-	-	-	-	-	-	-	(240.753)	
- Transfers to Treasury	-	-	-	-	-	-	-	(472.361)	
<b>Pad in Capital Increase</b>	-	-	-	-	-	-	-	-	
- Cash	-	-	-	-	-	-	-	-	
- Transfer from Revaluation Fund	-	-	-	-	-	-	-	-	
- Transfers from other accounts (___)	-	-	-	-	-	-	-	-	
Profits from equity participations, subsidiaries and fixed assets sales	-	-	-	-	-	-	-	-	
31/12/2000 Revaluation Fund Increase(Net)	-	-	-	-	-	31.179	-	-	
Increase in Marketable Security Value	-	-	-	-	-	-	-	-	
Other (Cost Increase Fund)	-	-	-	-	-	-	-	-	
<b>December 31, 2000</b>	<b>25</b>	-	-	-	<b>566.850</b>	<b>86.054</b>	<b>89</b>	-	<b>5</b>

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

<b>IV. SUPPLEMENTARY FINANCIAL STATEMENTS</b>		
<b>- continue</b>		
<b>D. Cash Flow Table</b>		
<b>CASH FLOW TABLE</b>	<b>2000</b>	<b>2000</b>
	<b>Billion TL</b>	<b>Billion TL</b>
<b>I- Cash Flows from Banking and Financing Activities (Main Operations)</b>		
Interest Received	13.296.831	2.114.536
Interest Paid	(5.132.827)	(378.528)
Dividends Received	2.920	1.163
Commissions and Fees Received	24.572	12.562
Other Income	-	-
Collections from previously written off loans and receivables	-	-
Payments to personnel and service providers	(181.792)	(115.791)
Taxes Paid	(233.153)	(121.652)
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>6.166.205</b>	<b>1.512.290</b>
<b>Changes in assets and liabilities that ar subject to operations</b>		
<b>Decrease / (Increase) in assets subject to operations</b>		
Decrease / (Increase) in marketable securities	(30.825.101)	(3.602.400)
Decrease / (Increase) in bank accounts	-	-
Decrease / (Increase) in loans	(1.370.429)	(955.771)
Decrease / (Increase) in other assets	(3.240.177)	(436.069)
<b>Decrease / (Increase) in liabilities subject to operations</b>		
Increase / (Decrease) in Deposits	28.306.113	4.969.755
Increase / (Decrease) in Loans Taken	5.600	148
Increase / (Decrease) in marketable securities issued	-	-
Increase / (Decrease) in other liabilities	8.476.650	1.260.479
<b>Net Cash Flow from Banking and Financing Operations</b>	<b>7.518.861</b>	<b>2.748.432</b>
<b>II- Cash Flows from Financial and Fixed Investments</b>		
Equity Participations and Subsidiaries Taken Over	(2.986)	472
Equity Participations and Subsidiaries Sold	-	-
Fixed Assets Taken Over	(84.220)	5.795
Fixed Assets Sold	-	-
Affiliates Taken Over	-	-
Affiliates Sold	-	-
Other Cash Inflows	(1.715.875)	-
Other Cash Outflows	7.656.358	-
<b>Net Cash Used in Financial and Fixed Investments</b>	<b>5.853.277</b>	<b>6.267</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	(473.944)	(243.241)
Other Cash Inflow	-	-

Other Cash Outflow			
<b>Net Cash Related Capital Financing Operations</b>		<u>(473.944)</u>	<u>(243.241)</u>
<b>Net Increase on Cash and Cash Equivalent Assets</b>		<u><b>15.676.498</b></u>	<u><b>2.511.458</b></u>
		-	
Cash and Cash Equivalent Assets at the beginning of the period		<u>28.574.692</u>	<u>13.081.559</u>
<b>Cash and Cash Equivalent Assets at the end of the Period</b>		<u><b>44.251.190</b></u>	<u><b>15.593.017</b></u>

#### **IV. SUPPLEMENTARY FINANCIAL STATEMENTS - continue**

<b>E. Profit Distribution Table</b>		
<b>PROFIT DISTRIBUTION TABLE (*****)</b>	<b>31.12.2001</b>	<b>31.12.2000</b>
	<b>Billion TL</b>	<b>Billion TL</b>
<b>A. PERIOD PROFIT'S DISTRIBUTION</b>		
1. PERIOD PROFIT	<b>(6.764.814)</b>	<b>(992.633)</b>
2. TAXES TO BE PAID (-)	(1.610.345)	(240.753)
- Corporate Tax	(1.463.950)	(218.866)
- Income Tax	-	-
- Other Taxes	(146.395)	(21.887)
<b>NET PERIOD PROFIT</b>	<b>(5.154.469)</b>	<b>(751.880)</b>
3. PREVIOUS' PERIOD LOSSES(-)	-	-
4. EXTRAORDINARY RESERVES (-)	(1.894.148)	(277.936)
5. OTHER LEGAL FUNDS (-)	-	-
<b>NET PROFIT TO BE DISTRIBUTED</b>	<b>(3.260.321)</b>	<b>(473.944)</b>
6. DIVIDENDS TO SHAREHOLDERS ( - )	(3)	(3)
7. DIVIDENDS TO PERSONNEL (-)	(2.655)	(1.579)
<b>TO BE TRANSFERED TO TREASURY ACCORDING TO TCMB LAW</b>	<b>(3.257.663)</b>	<b>(472.362)</b>
(*****): Bank is distributing its profit according to TCMB Law		