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BANKING  
REGULATION AND SUPERVISION  
AGENCY

BRSA ANNUAL REPORT 2005

ANNUAL REPORT

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BANKING  
REGULATION AND SUPERVISION AGENCY

ANNUAL REPORT 2005

This report is for informing the public and the BRSA shall not be held responsible for the information included and for the results of decisions made for investment or such decisions depending on the information hereby. Partially quotation could be made, by indicating bibliography from the report.

Data depending on the BRSA Banks Reporting System included within the report were prepared as to the declarations made by banks as of March 29, 2006, relevant to data for December 2005 of the banks submitted to the BRSA and they are in temporary nature. Other data are as to end-2005.

Banking Regulation and Supervision Agency  
Atatürk Bulvarı No: 191 06680 Kavaklıdere Ankara-TÜRKİYE

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The Annual report prepared in accordance with Articles 97 and 101 of the Banking Law Nr.5411 about the activities of the Banking Regulation and Supervision Agency is submitted to the Council of Ministers and the Planning and Budget Commission of Grand National Assembly of Turkey and announced to the public. Furthermore, the Planning and Budget Commission of Grand National Assembly of Turkey is informed on this issue once a year.

The Annual Report 2005 prepared within this framework consists of four main parts. National and international economic and financial developments affecting the banking sector are evaluated in the first part of the report. The second part includes the activities executed by the BRSA in functional basis in 2005. The third part includes the presentation of the Agency. The fourth and the last part is dealing with the developments concerning the Agency budget practices and the results thereof.

## THE BANKING REGULATION AND SUPERVISION AGENCY



From left to right  
Prof. Dr. Yusuf TUNA,  
Mustafa EKİM,  
Ahmet ŞİRİN (Second Chairman),  
Tevfik BİLGİN (Chairman),  
Yusuf Ziya ÖNDER,  
Hüseyin AL,  
Prof. Dr. Kemal ÇEVİK

## PREFACE



Turkey has carried on its tendency of growth it reached after the crises of 2000-2001. The factors such as the continuation in the decrease of inflation and interest rates, the realization of the budget deficit under the expectations, and more importantly the continuation of the desire for the financial discipline and reinstitutionalization shows that there has been a sufficient improvement in the economy.

The positive developments in the banking sector reaching to a remarkable size, has also an effect in the growth of the economy. Besides the more the economy grows, the more the banking sector grows.

The BRSA has experienced a significant corporate change by the Banking Law Nr. 5411 put into force in November 1, 2005. The most important development is the enlargement in supervision and surveillance. In this framework the Agency is responsible for the regulation and supervision of 232 financial institutions constitutes from

51 banks, 84 financial leasing companies, 88 factoring companies and 9 consumer financing companies. The balance sheet value of the said companies is TRY 420 billion. This amount corresponds approximately 86% of the national income. Furthermore, 4 asset management companies, 41 institutions having the authorization to make independent audit and 44 representations of foreign banks are under the supervision scope. New banking law also makes changes in the organization structure of the Agency as well as its responsibilities.

BRSA which is redefined within the framework of the Banks Act NR. 5411, attempts to reduce the information asymmetry in the sector, reduce the probable risks, and thus, to increase productivity, with its supervisory and regulatory works and its academic activities. One of major qualities of the institutions similar to the BRSA is the ability to take necessary measures by determining the probable problems in time, even when the economic conditions are positive. BRSA has taken important steps in its way to the approach of Risk Focused Supervision. The Agency proceeds the activities related to the European Union Capital Adequacy Directives and Basel-II, inside and outside the Agency, considering the international principles and standards contributing to the power of competition in global level of the sector.

BRSA's mission within the framework of its duties and authorities are; to safeguard the rights and benefits of the depositors, to provide confidence and stability in the financial markets, to guarantee that the loan system operates efficiently, and to promote the institutions subject to supervision operate with market discipline, healthy and orderly. With its personnel adopting the principles of impartiality, transparency and accountability, BRSA attempts to fulfill perfectly its duty of supervision and regulation to provide the maximum contribution to increase the social welfare of the sector. In this manner, the details of the activities realized within this one last year are taken place in the following sections of our report. In the section one, the main country groups analyze the international economic and financial developments. Afterwards, the economic and financial developments occurred in Turkey within the one last year are analyzed. In the section two, the activities of the Agency are presented by their functions. In the section three, the corporate presentation of the BRSA is given. In the section four, the budget realization of our Agency and its results are taken place. In the end of the report, sectoral tables, annexes including the lists of legislations and publications can be found.

I wish that our Annual Report 2005 stands to all those who show concern in good stead.

Best regards.

Tevfik Bilgin

The Chairman

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## ABBREVIATIONS

EU	European Union
USA	The United States of America
ABC	Analytic Budget Classification
BRSA	Banking Regulation and Supervision Agency
BRS	Banks Reporting System
NDI	Natural Disaster Insurance Institution
GS	Government Securities
SPO	Turkey Republic Prime Ministry State Planning Organization
FX-DA	Foreign Exchange Deposit Account
WTO	World Trade Organization
FED	Central Bank of United States
GATS	General Agreement of Trade Service
GRECO	Group of States Against Corruption
GNP	Gross National Product
GDP	Gross Domestic Product
TT	Turkish Treasury
IGE	Istanbul Gold Exchange
IMF	International Monetary Fund
ISE	Istanbul Stock Exchange
TRNC	Turkish Republic of Northern Cyprus
CRA	Central Registry Agency
OECD	Organization for Economic Cooperation and Development
PSCPI	Private Scope CPI Indicators
ROA	Return of Assets
ROE	Return of Equity
CMBT	Capital Market Boards of Turkey
CAR	Capital Adequacy Ratio
TAIEX	Technical Assistance Exchange Office
TAKASBANK	İMKB Takas ve Saklama Bankası A.Ş
CBRT	Central Bank of the Republic of Turkey
SDIF	Savings Deposit Insurance Fund
WPI	Wholesale Price Index
TL	Turkish Lira
CPI	Consumer Price Index
TURKSTAT	Turkey Statistical Institution
NRIEC	National Research Institute of Electronics and Cryptology
PPI	Producer Price Index
TURKDEX	Turkish Derivatives Exchange A.Ş
FX	Foreign Exchange
TRY	New Turkish Lira



# **1. DEVELOPMENTS IN TURKISH AND WORLD ECONOMY**

## **1.1 World Economy**

### **1.1.1 Macroeconomic Developments**

In general, the global economy was stable and far from crises in 2005, and the world output increased by 4,3% this year. In such circumstances, output is estimated to grow more in emerging market economies and developing countries than advanced economies. While developed countries are expected grow by approximately 2,5%, emerging countries are estimated to grow by approximately 6,4%.

The USA is expected to keep its leadership in terms of growth among developed countries with a growth rate of 3,5%, and Japan is expected to be one of the leading countries in this group with a growth rate of 2,8%. The Euro-area countries are expected to follow these countries with an approximate growth rate of 1,7%. Among developing countries, China and India sustained their high growth rates that they have been experiencing in recent years. Countries such as Argentina and Brazil also kept their growth trend that they attained in the last few years.

As one of the important component of this growth on the world scale, world trade volume continued its increasing tendency. Emerging market economies have kept their leadership in export growth. Exports of these countries are expected to grow by 10,4% in 2005. One of the important factors that explain this increase is the continuing growth of imports in developed countries. Domestic demand in the USA has kept its strong trend in 2005, which was reflected in the increase in the volume of imports.

The increase in the USA's import demand reflected in the balance of payments of this country and current account deficit continued its increasing trend. The ratio of current account deficit to the gross domestic product in the USA is expected to increase in comparison to previous years and exceed 6% in 2005. In contrast, developed countries such as Japan and Euro-area countries continued experiencing current account surpluses. The ratio of current account surplus to gross domestic product in Japan, which was 3,7% last year, is expected to decrease to 3,3%; and to 0,2% from 0,5% in the Euro area. Other main countries experiencing current account surplus are traditional exporters such as China, Hong Kong, South Korea, Singapore and Taiwan, as well as oil exporters such as Russia and the Middle Eastern countries. India, which experienced current account surplus in previous years, has been experiencing current account deficit in the last two years.

Developing countries and emerging market economies continued attracting capital flows, foreign direct investment in particular, in parallel to improvements in their macroeconomic environment. Foreign direct investment into emerging market economies exceeded USD 209 billion in 2005.

As a result of the economic growth, unemployment rates worldwide continued their decreasing tendency. Unemployment rates are expected to be 6,1% in developed countries and 4% in the newly industrialized Asian counties in 2005.

The USA, Japan and Euro-area countries have experienced budget deficits. The ratio of public sector deficit to national product in the USA and Japan decreased in comparison to the previous year and it increased in the Euro area.

On the other hand, while the increase in consumer prices has accelerated in the USA, it did not change in the Euro area. Consumer prices in Japan decreased. The increase in the consumer prices index in developing countries came down to approximately 5,9%, contributing to the environment of stability in 2005.

**Table 1.1 –Selected World Economic Indicators**

	2002	2003	2004	2005*
<b>World Output (% Change)</b>	<b>3,0</b>	<b>4,0</b>	<b>5,1</b>	<b>4,3</b>
Developed Countries	1,5	1,9	3,3	2,5
USA	1,6	2,7	4,2	3,5
Japan	1,4	1,4	2,7	2,8
Euro-Area	0,9	0,7	2,0	1,7
Germany	0,1	-0,2	1,6	0,8
Emerging Market Economies and Developing Countries	4,8	6,5	7,3	6,4
China	8,3	9,5	9,5	9,0
India	4,7	7,4	7,3	7,1
Argentina	-10,9	8,8	9,0	7,5
Brazil	1,9	0,5	4,9	3,3
Russia	4,7	7,3	7,2	5,5
<b>Foreign Trade Volume (% Change)</b>	<b>3,4</b>	<b>5,4</b>	<b>10,3</b>	<b>7,0</b>
<b>Export</b>				
Developed Countries	2,2	3,1	8,3	5,0
Emerging Market Economies and Developing Countries	6,7	10,8	14,5	10,4
<b>Import (% Change)</b>				
USA	3,4	4,6	10,7	6,6
Euro Area	0,4	2,9	6,2	4,1
Germany	-1,4	5,1	7,0	4,2
<b>Current Account Balance (% Rate to National Income)</b>				
USA	-4,5	-4,7	-5,7	-6,1
Euro Area	0,7	0,3	0,5	0,2
Germany	2,2	2,1	3,8	4,3
Japan	2,8	3,2	3,7	3,3
Newly Industrialized Asian Countries**	5,5	7,4	7,2	5,5
China	2,8	3,2	4,2	6,1
India	1,4	1,2	-0,1	-1,8
Russia	9,0	8,2	10,3	13,2
Middle eastern Countries	4,6	8,0	12,4	21,1
Argentina	8,5	5,8	2,0	1,3
Brazil	-1,7	0,8	1,9	1,7
<b>Capital Flows into Emerging Economies (USD Million)</b>	<b>68,2</b>	<b>158,2</b>	<b>232</b>	<b>132,9</b>
Direct Investments (net)	142,7	153,4	189,1	209,2
Portfolio Investments (net)	-87,6	-7,3	64,0	-28,6
<b>Unemployment Rate (%)</b>				
Developed Countries	6,4	6,6	6,3	6,1
Newly Industrialized Asian Countries	4,2	4,4	4,1	4,0
<b>Fiscal Balance (% of Gross Domestic Product)</b>				
USA	-4,0	-4,6	-4,0	-3,7
Japan	-7,9	-7,8	-7,2	-6,7
Euro Area	-2,5	-2,8	-2,7	-3,0
<b>Consumer Prices (% Change)</b>				
Developed Countries	1,5	1,8	2,0	2,2
USA	1,6	2,3	2,7	3,1
Euro Area	2,3	2,1	2,1	2,1
Japan	-1,0	-0,2	0,0	-0,4
Emerging Market Economies and Developing Countries	5,9	6,0	5,8	5,9

Source: IMF, *World Economic Outlook*, September 2005, growth rates of Euro Area and Japan for 2005 official estimates from country authorities.

\* Prediction

\*\* S. Korea, Taiwan, Singapore and Hong Kong

### **1.1.2 Financial Markets**

No significant fluctuation has been observed in financial indicators in 2005. Table 1.2 displays recent developments experienced in some indicators.

Cross country yield and risk differentials naturally determine the direction and dimension of the fund flow. Accordingly, money and interest policies implemented by FED and ECB undertake a worldwide determining function.

Financial developments taking place in the US have vital importance for the other countries, in particular for developing ones. Developments on budget and current account deficits (twin deficit), inflation, and interest rates have been closely monitored by the other countries. Especially, FED's interest rate policy, opted to diminish inflationist pressure, caused big concern over the resource abundance faced by the countries in substantial financial deficit. During 2005, FED decided to increase its target for the federal funds rate 8 times by 25 basis points. While the target rate was 2,25 percent at the beginning of 2005, it increased to 4,25 in December. Accordingly while the interest rate of 5-year bonds was 3,6 percent in December 2004, it increased to 4,39 percent at the end of 2005. However, despite the increasing twin deficit, policies implemented have succeeded partially and no disturbing fluctuation has been experienced in interest rates and financial market in general.

Recently, trend of investing on relatively high-income markets of the emerging countries has increased. Thus, foreign direct investments in those developing countries increased by 11 percent (209 billion US Dollar) in 2005. On the other hand, net portfolio investments decreased by 144 percent (-28,6 billion) in 2005 (See Table 1.1).

When foreign exchange markets are inspected, it is seen that USD has gained value against major currencies such as Euro, Sterling, Yen. Tight monetary policy implemented by the FED has a significant role on Dollar appreciation. While USD/Euro parity decreased by 13percent changes have occurred in favor of USD by 10 percent and 15 percent in USD/Sterling and Japan Yen/USD parities, respectively during the December 2004–December 2005 period.

When developments in stock exchange indexes are examined by taking 2003 as a base year, while limited increase was experienced in Dow Jones and NASDAQ, significant increases are observed in many other country indexes especially during the second half of 2005. For instance, FTSE 100 (Euro Area) index increased by approximately 17 percent between December 2004 and December 2005.

**Table 1.2 – Financial Developments**

	December 2003	December 2004	2005			
			March	June	September	December
<b>Interest Rates (%)</b>						
USD 3-Month Libor	1,15	2,56	3,10	3,50	4,07	4,54
Euro 3-Month Libor	2,12	2,15	2,15	2,11	2,17	2,49
USA 5 Year T-Bill Rate	3,22	3,69	4,17	3,77	4,01	4,39
<b>Exchange Rates</b>						
Euro / USD	1,26	1,36	1,30	1,21	1,21	1,18
Japan Yen / USD	107,31	102,70	107,22	110,91	113,29	117,88
Sterling / USD	1,78	1,92	1,89	1,79	1,77	1,72
Ruble / USD	29,24	27,85	27,83	28,67	28,50	28,78
Brazil Real / USD	2,90	2,66	2,67	2,36	2,21	2,33
<b>Stock Exchange Indexes (Point)</b>						
USA (DJI)	100,00	103,15	108,59	98,29	101,10	102,52
USA (NASDAQ)	100,00	108,59	99,79	102,67	107,40	110,08
Euro Area (FTSE 100)	100,00	107,54	109,33	114,21	122,35	125,51
Japan (Nikkei)	100,00	107,61	109,29	108,50	127,14	150,90
Brazil (Bovespa)	100,00	117,81	119,68	112,66	142,04	150,46
Russia (RTS)	100,00	106,77	117,95	124,53	177,66	197,83

Source: *Economagic, FED, Dji, NASDAQ, FTSE, Nikkei, Bovespa, RTS*

Competitive power is deemed as an important indicator as regards the capital movements worldwide and as a defining factor of the productivity level in the country. Productivity is a significant determinant for yield rates. Accordingly, competitive power of the country is an effective factor on yield rates in that country and accordingly on fund flow. Therefore, researchers and institutions recently have formed indexes concerning the competitive power. Table 1.3. shows example index values prepared by World Economic Forum. Growth competitiveness index in the first column includes three sub-indexes: (i) macroeconomic environment index, (ii) public institutions index, and (iii) technology index. Table 1.3 demonstrates that Asian countries such as Taiwan and South Korea perform better than developing countries such as Turkey, Brazil and Argentina, as regard with their competitive power indicators.

**Table 1.3 – Competitiveness Indexes for Selected Countries**

(Point)	Growth Competitiveness Index	Macroeconomic Environment Index	Public Institutions Index	Technology Index
ABD	5,81 (2)	5,07 (23)	5,77 (18)	6,19 (1)
Taiwan	5,58 (5)	5,15 (17)	5,47 (26)	5,85 (3)
Japan	5,18 (12)	4,40 (42)	5,84 (14)	5,24 (8)
England	5,11 (13)	5,13 (18)	5,98 (12)	4,66 (17)
Germany	5,10 (15)	4,81 (28)	6,04 (8)	4,78 (16)
South Korea	5,07 (17)	4,98 (25)	4,78 (42)	5,26 (7)
China	4,07 (49)	4,61 (33)	4,41 (56)	3,18 (64)
India	4,04 (50)	4,17 (50)	4,52 (52)	3,42 (55)
Brazil	3,69 (65)	3,50 (79)	4,06 (70)	3,51 (50)
Turkey	3,68 (66)	3,34 (87)	4,25 (61)	3,45 (53)
Argentina	3,56 (72)	3,37 (86)	3,96 (74)	3,35 (59)
Russia	3,53 (75)	4,02 (58)	3,55 (91)	3,01 (73)

Source: *Global Competition Report 2005-2006. World Economy Forum, [www.weforum.org](http://www.weforum.org)*

Not: The numbers in parenthesis demonstrates the place of that country in the ranking.



### 1.1.3 Risk Factors in Global Economy

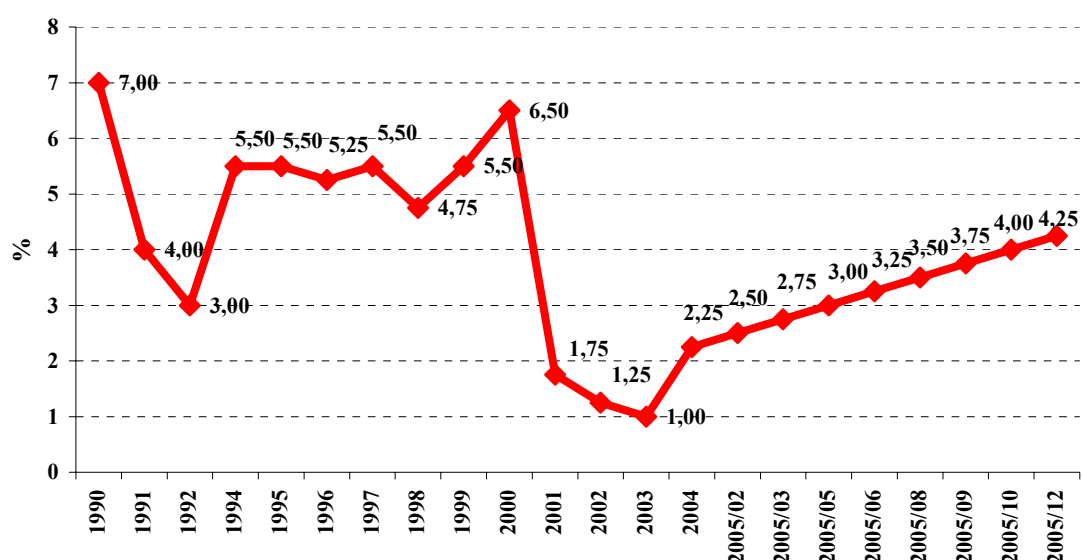
It is possible to handle the risk factors to affect global economic activities under three titles: warming of the US economy, increasing oil prices and increasing asset prices (housing, stock markets, etc.). These risk factors are not independent; on the contrary they are closely related with each other.

#### 1.1.3.1 Interest Rates in the US Economy

Before 2004, the significant decrease in interest rates in developed countries, especially in the USA created global liquidity surplus, and thus led domestic demand and economic activities to strengthen in those countries on one hand, and led the funds of those countries to transfer to emerging countries, on the other. This process has positive impacts on the financing of growth in emerging and developing countries by decreasing the cost of borrowing.

Starting from 2004, the concerns related to the warming of the economy due to the developments in inflation, unemployment, payments balance and public deficits led to a rise in interest rates in the USA. In this country, the short-term interest rates increased to 4,25% in December 2005.

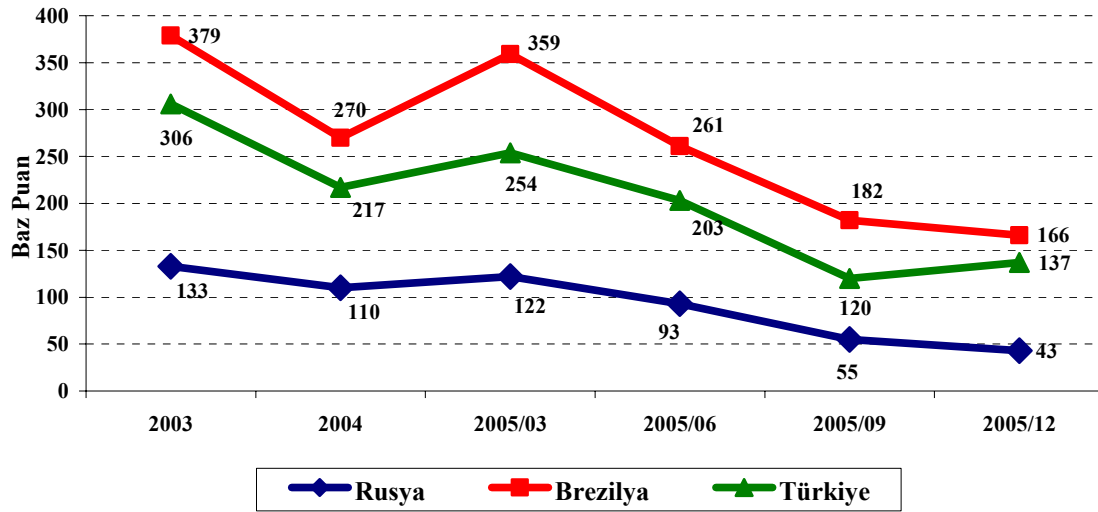
**Chart-1.1 – Short-term Interest Rates in the USA**



Source: Reuters, FED

As a result of the fact that the FED implemented successfully its interest rate policy; there has been no significant fluctuations in real and financial markets. As of 2005, Eurobond prices of emerging and developing countries continued to show a positive progress. In this context, the FED's policy on interest increase to be implemented in response to the developments in the US economy is expected to be more effective on real and financial markets on global basis in the following period. The interest raises of the FED did not affect negatively the economies of the developing countries in previous years. However, due to the narrowing of bond spreads of developing countries and high level of returns realized in the stock markets of these countries, it would be expected that the effects of interest rate raise decisions of the FED shall be stronger in the following period.

• **Chart-1.2 – Eurobond Spreads**

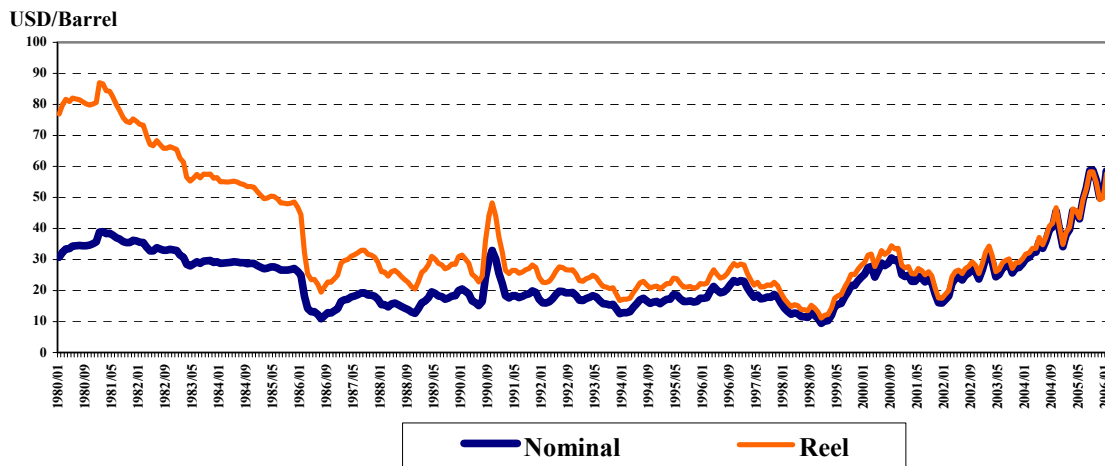


Source: BRSA Daily Economic Report

### 1.1.3.2 Oil Prices

High growth performance of Asian countries such as China and India has contributed significantly to global economic growth since 2001. The recovery in global economy and high growth rates in many Asian countries led to significant increase in prices of raw material and intermediate goods, mainly oil and iron-steel. The price of oil (per barrel) which amounted to about USD 30 in end-2003, increased to over 66 USD in end-August 2005 and decreased to about USD 60 by end-2005.

**Chart-1.3 – Oil Prices**



Source: US Energy Information Administration

Besides the increase in demand, problems experienced on the supply side has also significant role in the increase of oil prices. Uncertainties in oil-producing countries such as Iraq and Iran, and problems in increasing the oil supply in a short term have influenced oil prices. In addition, political developments experienced in Latin American countries, mainly in

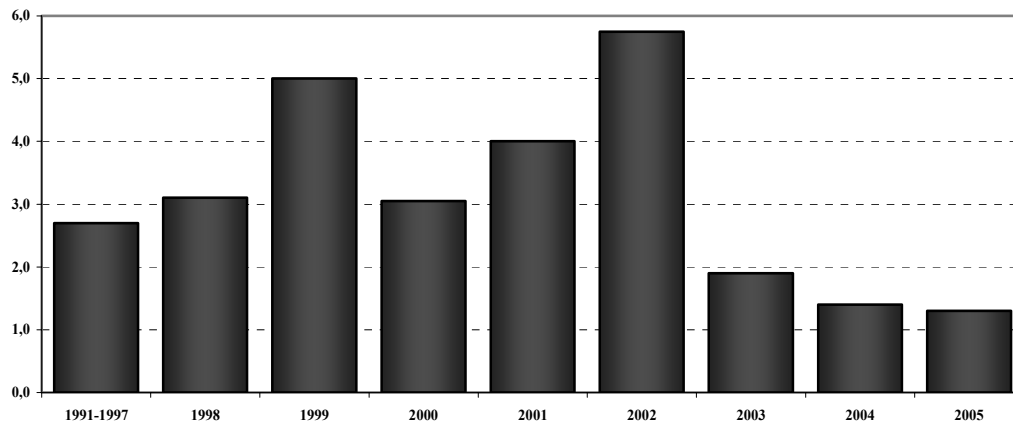
Venezuela, which is an important oil-producing country, have been increasing the uncertainties concerning oil prices.

On the other hand, the low levels of interest rates in developed countries in previous periods have led to the transfer of savings to fund management institutions specialized in precious metals and increased speculative demand especially for oil.

The growth rate of the world economy, the level of interest rates in developed countries and uncertainties regarding oil-producing countries shall determine the oil prices in the following short and medium-terms.

**Chart-1.4 – World Idle Oil Production Capacity**

Günlük, Milyon Varil

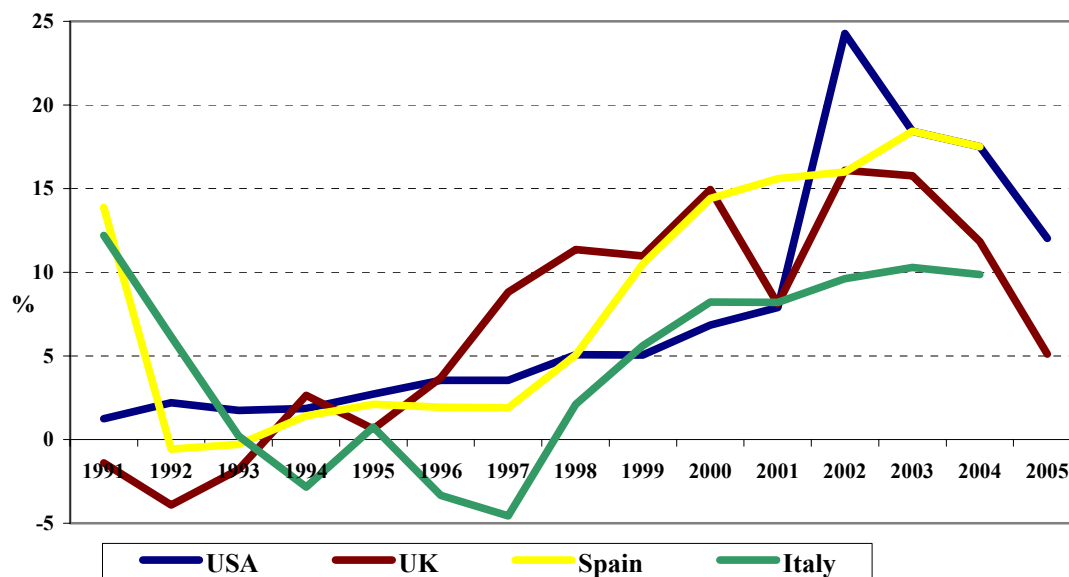


Source: US Energy Information Administration

### 1.1.3.3 Asset Prices

Decrease in interest rates in many developed and emerging countries has increased the demand for housing which is a fundamental alternative instrument for investment. Increase in housing prices further increased the consumer confidence and domestic demand through a welfare effect. However, the pace of increase in interest rates and high level of housing prices in developed countries will affect the developments in the housing prices in the following period.

**Chart-1.5 – Annual % Change in Housing Prices**



Source: OECD takes Data of 1990-2004 from the working paper Nr. 475. The data of 2005 is taken from the web page of Office of Federal Housing Enterprise Oversight (OFHEO) ([www.ofheo.gov](http://www.ofheo.gov) <<http://www.ofheo.gov>>), the data of England is taken from the web portal <<http://www.houseweb.co.uk/house/market/prices/index.html>>).

Another impact of the decrease in interest rates in many developed and emerging countries in the previous period is the increase especially in the values of developing country bonds and company shares. Narrowing of the spreads of bonds among developed and emerging countries and the increase in the stock exchange indexes to high levels increases the sensitivity of these investment instruments against national, regional and global shocks.

## 1.2 Turkish Economy

In general, macroeconomic indicators were positive in 2005 and while Gross National Product (GNP) increased by 7,6%, the rate of change in Consumer Prices Index (CPI) decreased to 7,7% at the end of the year. Accordingly, a cumulative growth by 35% in real terms is realized in economy within the last four years, and single-digit inflation rate has been achieved.

When the growth of economy is evaluated as regard to supply side, the increase in productivity experienced in latest years is thought to contribute to a sustainable growth and have positive effects on competition power. The increase in direct foreign investment together with growth in economy in a declining inflation environment, stable fiscal discipline, progresses experienced in structural reforms as well as with the impact of the initiation of EU full membership negotiations are among the main positive improvements of the year. Strong progress of economic growth and the increase in prices of raw materials, mainly oil prices, caused the rate of increase of imports to be higher than exports and current accounts deficit to increase. The increase of the share of foreign direct investments in financing of current account deficit and the continuation of fiscal discipline are evaluated as the factors limiting probable risks.

Of the Maastricht criteria, while the criteria concerning the rate of consolidated budget deficit to GDP is fulfilled by 2005, the convergence in average inflation, the ratio of gross debt stock of public to GDP and long term interest rate which are other criteria are continuing.

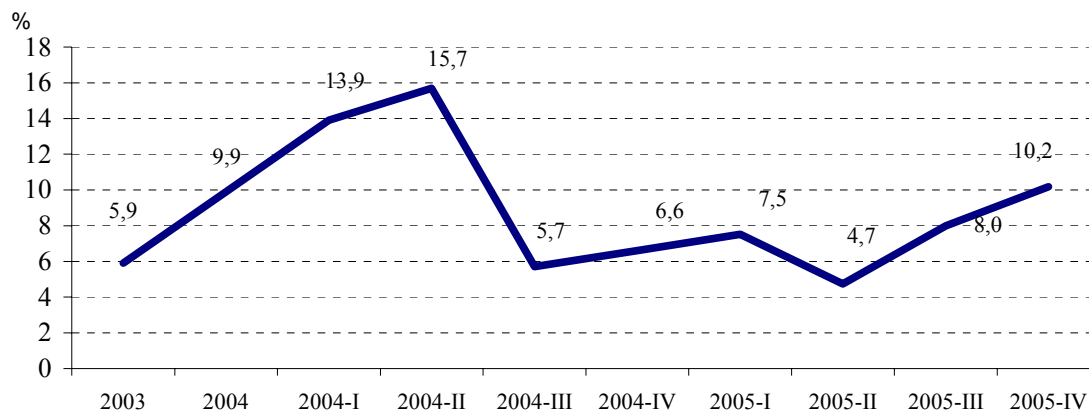
Positive developments in macroeconomic indicators, reduction of uncertainties and positive course of international economic and financial conjuncture have strengthened domestic financial markets in 2005. Within the framework of the monetary policy applied, CBRT short-term interest rate which is the fundamental policy variable decreased by 3,5 points during the year to 13,5%. In parallel, Treasury bids weighted average compound interest rate, which was 22,9% in December 2004 decreased to 14,2% in end-2005. The increase in the confidence to markets and Turkish currency has continued reverse money substitution process. Within this scope, strong demand for New Turkish Liras continued in 2005. In fact, NTL (New Turkish Liras) has appreciated against USD and Euro currencies in 2005. In this period, progress has been observed also in capital markets. IMKB-100 Index increased by 59,3% when compared to end of the previous year. The 12-month yield of IMKB-100 index on USD basis is realized about 60,6%.

## 1.2.1. Macroeconomic Developments

### 1.2.1.1. Growth

Turkish economy has been continuously experiencing a growing performance for about four years starting from the first quarter of 2002. In 2005, the real increase rate of GNP is realized as 7,6%.

**Chart 1.6 – GNP Growth Rates**



Source: TURKSTAT

When growth rates of compounds of GDP is examined for 2005, it is seen that the decrease in interest rates and macroeconomic stability is determiner for the increase in total consumption, and in addition to those items, the decrease in unit cost played a role in the increase of fixed capital investments. Depending on the increase in consumption and investment expenditures, total domestic demand which is the fundamental source of the growth increased by 8,8% in 2005. The reflection of the said enlargement in the final demand to banking sector is mainly realized through significant increase in loan amount granted by the sector.

**Table 1.4 – Developments in GDP Compounds**

% Increase	2000	2001	2002	2003	2004	2005
Total Consumption	6.3	-9.1	2.5	5.6	9.0	8.1
Public	7.1	-8.5	5.4	-2.4	0.5	2.4
Private	6.2	-9.2	2.1	6.6	10.1	8.8
Total Fixed Capital Investments	16.9	-31.5	-1.1	10.0	32.4	24.0
Public	19.6	-22.0	8.8	-11.5	-4.7	25.9
Private	16.0	-34.9	-5.3	20.3	45.5	23.6
Stock Change*	1.1	-4.0	7.1	3.0	1.1	-2.5
Total Goods and Services Export	19.2	7.4	11.1	16.0	12.5	8.5
Total Goods and Services Import	25.4	-24.8	15.8	27.1	24.7	11.5
GDP	7.3	-7.5	7.9	5.8	9.0	7.4
National Income Per Capita (GDP, \$)	2,969	2,134	2,662	3,425	4,256	4,982

Source: TURKSTAT, State Planning Organization

\* Contribution to growth.

When growth rates are analyzed by sectors, the significant expansion in construction sector in 2005 has been a determiner for the growth rate of services sector, and the increases in agriculture and industry sectors contributed positively on the growth performance, as well.

**Table 1.5 – Growth Rates by Sectors**

% Increase	2000	2001	2002	2003	2004	2005
Agriculture	3.9	-6.5	6.9	-2.5	2.0	5.6
Industry	6.0	-7.5	9.4	7.8	9.4	6.5
Services*	8.9	-7.7	7.5	6.7	10.2	8.2

Source: TURKSTAT

\* Including import tax

### 1.2.1.2 Employment

Despite the high growth rate in the latest years in Turkey, the increase of employment in economy stayed limited. Unemployment rate was realized as 10,3 percent as of 2005 since economic growth did not response against the increase in labor force supply by creating new employment opportunities. The fact that unemployment rate did not decrease although participation in labor force decreased points out that high growth rate in economy arose from the increase of productivity and investment.

**Table 1.6 – Labor Force Indicators**

1000 Person	2000	2001	2002	2003	2004	2005
Non-Institutional Civil Population	66,185	67,296	68,392	69,480	70,553	71,611
Population with 15-Years Old and Over	46,210	47,150	48,041	48,917	49,829	50,826
Labor Force	23,036	23,496	23,946	23,790	24,191	24,565
Employed	21,540	21,536	21,473	21,295	21,712	22,046
Rate of Participation to Labor Force (%)	49.9	49.8	49.8	48.6	48.5	48.3
Unemployment Rate (%)	6.5	8.4	10.3	10.5	10.3	10.3

Source: TURSTAT CBRT

### 1.2.1.3 Developments in Inflation, Interest and Exchange Rates

In the year 2005, within the scope of fight against inflation, short-term interest rates were used as main policy instrument in the monetary policy implementation, which was executed with the floating exchange rate regime since 2002. Moreover, within the scope of the stand-by agreements, the monetary base for 2005 was followed as indicator or performance criteria of net domestic assets and net international reserves.

The Central Bank reduced short-term interest rates 9 times according to the CPI inflation target of 2005 year end, which was 8%.

**Table 1.7 – Developments in CBRT Interest Rates**

Simple (%)	2004				2005								
	5/02	16/03	8/09	20/12	11/01	9/02	9/03	11/04	10/05	9/06	11/10	9/11	9/12
O/N Borrowing	24.00	22.00	20.00	18.00	17.00	16.50	15.50	15.00	14.50	14.25	14.00	13.75	13.50
O/N Lending	29.00	27.00	24.00	22.00	21.00	20.50	19.50	19.00	18.50	18.25	18.00	17.75	17.50
Weekly Borrowing	24.00	22.00	20.00	18.00	17.00	16.50	15.50	15.00	14.50	14.25	14.00	13.75	13.50
O/N Pen. Lending	34.00	32.00	28.00	26.00	25.00	24.50	23.50	23.00	22.50	22.25	22.00	21.75	21.50
O/N Pen. Borrowing	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00

Source: CBRT

The decrease in inflation was also continued on in 2005, and by the end-2005 the annual increase in CPI was realized as 7.7% and it was remained below the targeted level of 8%. Moreover, the annual average CPI inflation was realized as 8.2%. Thus, convergence concerning the accordance to Maastricht Criteria was carried on. The annual rate of increase in the PPI, which took place of the WPI, was realized as 2.7% in 2005. With in this framework, looking at price developments in 2005, it can be said that the despite loosing pace the downward trend in inflation rates continued. Especially, the developments in the CPI-Specified Coverage Indicators which is being published as from the beginning of 2005 indicates that the inflation is continuing to decrease on its main trend and this shall reflect to developments of the year 2006.

Due to achieved the price stability, the operation of transition to TRY, by dropping 6 zeros from Turkish Lira as planned approximately one year in advance, was accomplished by success. Dropping zero from the money has decreased several operational costs that the usage of multi-zero banknotes producing and has contributed to the Turkish Lira's prestige increase for the citizens.

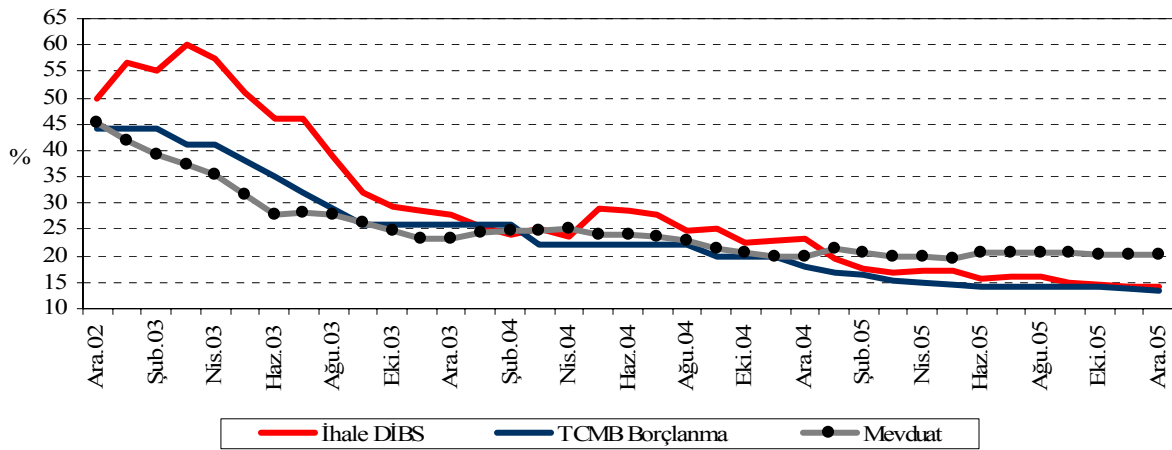
Right along with the structural reforms realized on the decrease on inflation in recent years, strict fiscal and monetary policies execution was effective. As a result of that, an important step in respect of price stability, which is an indispensable component of financial stability, was taken.

This positive progress on price developments and the decrease amounting to 3.5 points realized on short-term interest rates, were effected developments in the other interest rates in financial markets. Additionally, in parallel with the economic policies; implementing the structural reforms has created positive results on interest rates on government bonds. Consequently, annual weighted average compound interest rate of Treasury's domestic

borrowing which was realized as 22.9% in December 2004, was decreased to 14.2% in December 2005. Weighted average annual compound interest rate of which was 25% in 2004 was decreased to 16.3% in 2005.

The relative easing of the weight of the public sector on the financial markets increased the power of CBRT over the markets while using the short termed interest rates and ensured the effective work of the general level of expectations and interest rates and also the other transaction mechanism channels such as credit channel, house hold balance sheet and asset prices.

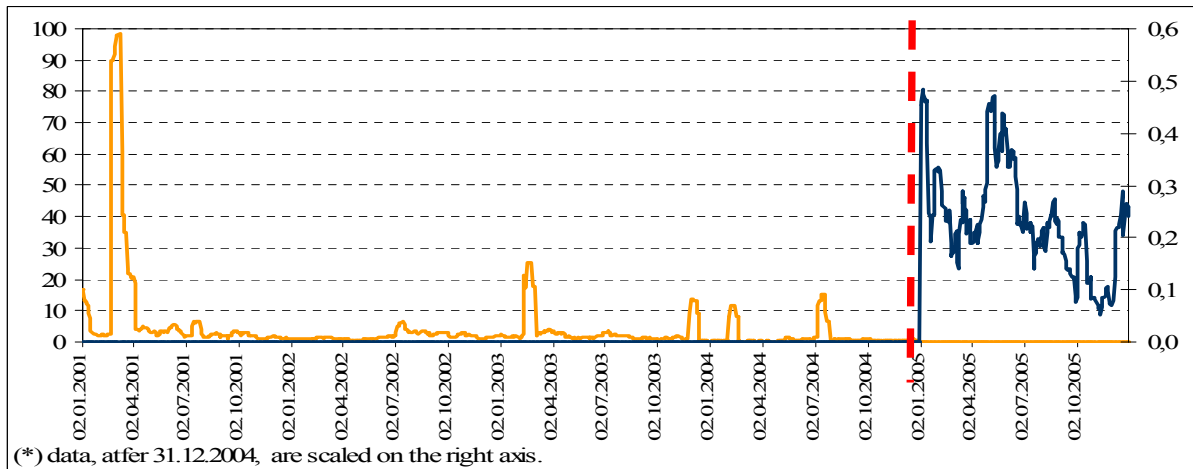
**Chart 1.7 – Developments in Interest Rates**



Source: Turkish Treasury, CBRT, BRSA

The observed increase in international interest rates is reflected to the FX Deposit Account interest rates and the rate of interest applied to the USD accounts up to three months as of November 2005 increased to 5,4% by increasing 1,8bp compared to the end of 2004. Interest rates applied to the TRY deposits have not changed significantly are compared to the end of the previous year.

**Chart 1.8 – Secondary- Government Securities Markets Interest Rate Change Fluctuation**



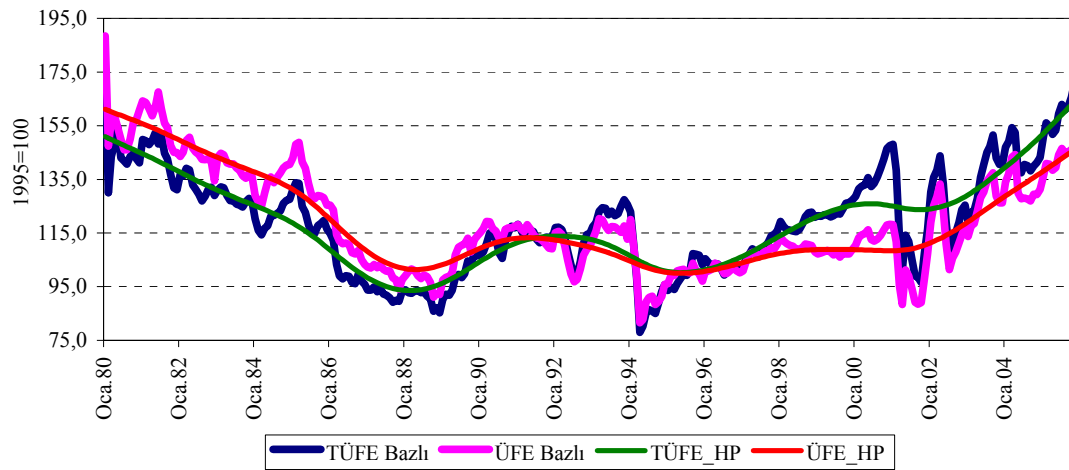
Source: ISE



Turkey's fixing date for initiating the accession negotiation that shall be conducted with EU, the continuing confidence upon the economic program and the policies and the favorable environment for emerging countries in international markets were increased the confidence towards the domestic currency, Turkish Liras and the reverse money substitution process continued. In parallel with the developments thereof, the increased capital inflow has fortified the demand to Turkish Liras. With the effect of the respects thereof, TRY has continued to appreciate against USD Dollar and Euro in 2005. In fact, 1995= 100 based on real effective exchange rate index of which was on an average of 143.5 in 2004 was increased to 160 by increasing by 11.5% in 2005.

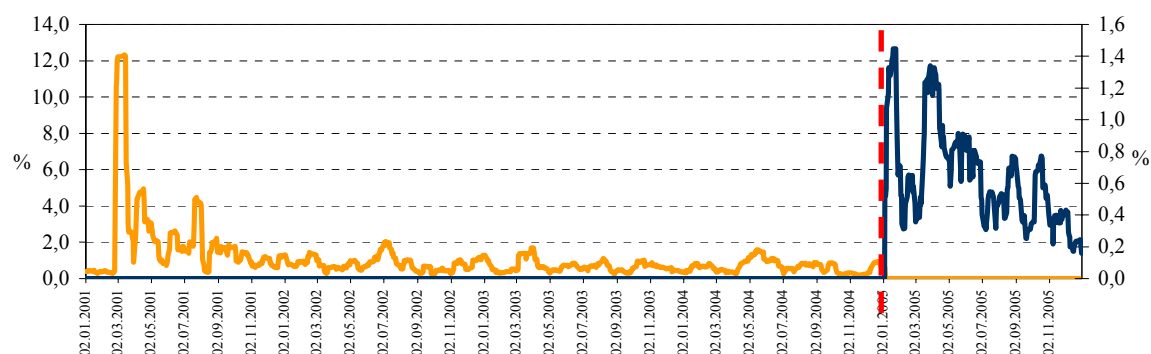
When the nominal exchange rates are analyzed, it can be observed that TRY has appreciated by 5.7% against USD Dollar and by 5.6% against Euro. When observed by the year-end rates; TRY/USD Dollar rate has depreciated by 0.07% in 2005 as to the year-end of the previous year and realized as 1.3430. Especially as a result of the developments realized on USD Dollar/Euro parity in the last quarter of the year, TRY has appreciated by 12.9% against Euro and was realized as 1.5904.

**Chart 1.9 – Real Effective Exchange Rate Index**



Source: TCMB

CBRT interfered 6 times directly to foreign exchange market by purchasing, in January 27, March 9, June 3, July 22, September 4, November 8 in 2005, in order to prevent the excessive fluctuations in foreign exchange rate market.

**Chart 1.10 – US Dollar Yield Fluctuation**

(\*) Data given after December 31, 2004 are scaled at the right axis.

Source: CBRT

#### 1.2.1.4 Foreign Trade and Capital Movement

The increase experienced in the foreign trade volume played an important role in the acceleration of the increase of the economic growth observed in the last four years. Exports increased to USD 63,2 billion in 2004 from USD 36,1 billion in 2003. Imports reached to USD 97,5 billion in the same period from USD 69,3 billion. As a result of these developments, the foreign trade deficit in 2004 was realized at the level of USD 34,4 billion. The fact that the postponed consumption and investment decisions were significantly met played a role in slowing down the export increase rate in 2005. Increasing competition pressures in external markets as well as the exchange rate level are considered to be effective in slowing down the export increase rate in the said year.

Although increase rate of imports slowed down, foreign trade volume and trade deficit carried on growing in 2005. When compared to the previous year, as the exports increased by 15,8% and was realized as USD 73,1 billion, and imports increased by 18,9% and was realized as USD 116 billion, the foreign trade deficit increased by 24,9% and amounted to USD 42,9 billion in 2005. The rate of imports covered by exports decreased to 63% in 2005 from 64,8% in 2004 and 68,1% in 2003.

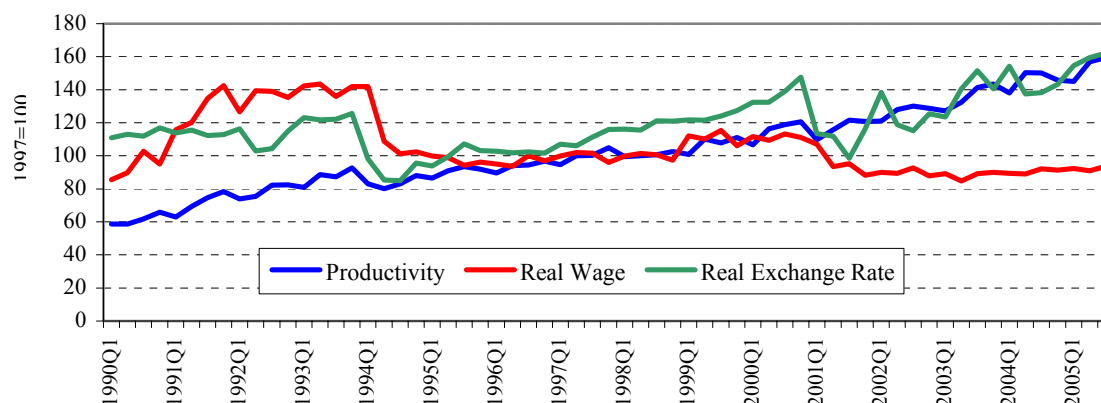
**Table 1.8 – Foreign Trade Indicators**

USD billion	2000	2001	2002	2003	2004	2005
1. Total Export (f.o.b)	27,775	31,334	36,059	47,253	63,167	73,122
2. Total Import (c.i.f.)	54,503	41,399	51,554	69,340	97,540	116,048
3. Foreign Trade Volume (1+2)	82,278	72,733	87,613	116,593	160,707	189,170
4. Foreign Trade Deficit (2-1)	26,728	10,065	15,495	22,087	34,373	42,926
5. The ratio of export to import (%)	51.0	75.7	69.9	68.1	64.8	63.0

Source: TURKSTAT

Despite the significant increase seen in the real exchange rate, the progress observed in the efficiency level and that real wage level per hour showed no important change were effective in keeping the increase of exports in 2004. It is observed that the increase in real exchange rates as well as in efficiency indexes in the first quarter of 2005 have accelerated, though no significant change has occurred in the real wages.

**Chart 1.11 – Manufacturing Industry Efficiency, Real Wage and Exchange Rate Indexes**



Source: TURKSTAT, CBRT

The increase trend seen in the foreign direct capital investments in 2003 and 2004 continued also in 2005. Foreign direct capital investments increased to USD 9,6 billion in 2005 from USD 2,9 billion in 2004 and USD 1,8 billion in 2003. In addition to the foreign capital interest in the banking sector, in parallel with the privatization practices and the increase of confidence environment in economy, it is possible that direct capital investments may increase within the following period. Procuring the economic and political stability and full membership perspective to EU are the main reasons of the increase of foreign capital interest.

**Table 1.9 – Balance of Payments and Central Bank Gross Reserves**

USD billion	2000	2001	2002	2003	2004	2005
<b>I. Current Account</b>	-9,821	3,392	-1,524	-8,036	-15,604	-22,852
Goods	-21,959	-3,733	-7,283	-14,010	-23,878	-32,576
Services	11,366	9,132	7,879	10,504	12,784	14,004
Income	-4,002	-5,000	-4,556	-5,557	-5,637	-5,748
Current Transfers	4,774	2,993	2,436	1,027	1,127	1,468
<b>II. Capital and Financial Account</b>	12,581	-1,633	1,406	3,095	13,337	20,869
Capital Account	0	0	0	0	0	0
Financial Account	12,581	-1,633	1,406	3,095	13,337	20,869
Direct Investments	112	2,855	962	1,253	1,988	8,603
Abroad	-870	-497	-175	-499	-859	-1,047
In Turkey	982	3,352	1,137	1,752	2,847	9,650
Portfolio Investment	1,022	-4,515	-593	2,465	8,023	13,709
Other Investment	11,801	-2,667	7,190	3,424	4,150	16,404
Reserve Assets	-354	2,694	-6,153	-4,047	-824	-17,847
<b>III. Net Errors and Omissions</b>	-2,760	-1,759	118	4,941	2,267	1,983
Central Bank Gross Reserves	22,172	18,787	26,807	33,616	36,009	50,518

Source: CBRT

USD 1,8 billion of the foreign capital investment which was realized as USD 9,6 billion in 2005 constituted of real estate that persons residing abroad purchased in Turkey. USD 1,8 billion of the investment realized as USD 2,2 billion in December 2005 is due to the fact that the General Electric firm transferred the shares of T. Garanti Bankası. The portfolio

investments increased to USD 13,7 billion in 2005 from USD 8 billion in 2004. The persons residing abroad purchased from stock and government debt securities markets of USD 5,7 and 5,9 billion, respectively in 2005. Other investments (commercial and cash loans and net capital inflow in the form of deposit) increased to USD 16,4 billion in 2005 from USD 4,2 billion in 2004.

On the other hand, the current accounts balance, which is regarded to be a risk element in financial stability, had a deficit by USD 15,6 billion in 2004 and this deficit increased by 46,4% and increased to USD 22,8 billion in 2005. The Central Bank gross reserves amounted to USD 50,5 billion in 2005 from USD 33,6 billion in 2003. Sustainability of the current accounts deficit is considered to be supported by direct foreign investments and floating exchange rate regime.

### 1.2.1.5 Fiscal Policy

The basic change concerning the fiscal policy in 2005 is that a three-year (multi annual) budgeting practice is initiated, pursuant to the Public Finance Administration and Control Act Nr.5018 enacted so as to improve the Turkish finance administration. Budget estimates relating to the following two or three year as well as the size belonging to the concerned year take place in the multi annual budgeting practice and it is intended that the financial discipline is strengthened by spreading to a wider time zone and uncertainties about the fiscal policy is decreased.

While the borrowing costs of the public sector decreased, the average maturity of borrowings extended, as a result of the stable process in the macroeconomic structure, the income derived from privatization and the practices of financial discipline. The ratio of consolidated budget interest expenses to GDP decreased to 9,5% in 2005 from 13,1% in 2004; the average maturity of internal borrowing increased to 27,4 months from 14,7 months in the period examined. The sustainability of financial discipline is critically important in protecting the macroeconomic stability and decreasing the debt stock of the Treasury.

**Table 1.10 – Consolidated Budget Size**

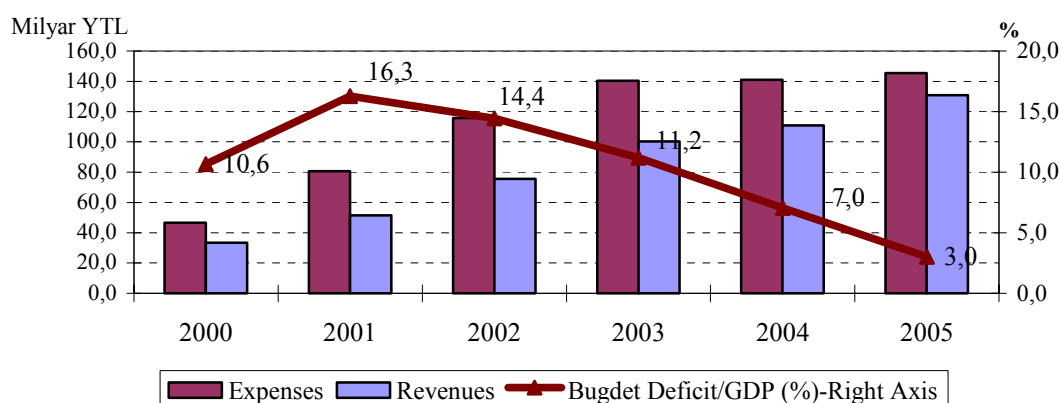
<b>TRY million</b>	<b>2004</b>	<b>2005*</b>	<b>% Increase</b>
Total Income	110,721	130,946	18.3
Tax Income	90,077	107,041	18.8
Tax-exempt Income	20,644	23,905	15.8
Total Expense	141,021	145,529	3.2
Personnel Expense	28,948	31,630	9.3
Purchases of Goods and Services	12,684	14,120	11.3
Current Transfers	27,683	37,372	35.0
Other Non-interest Expense	15,218	16,001	5.1
Interest Expense	56,488	46,406	-17.8
<b>Borrowing Requirement</b>	<b>30,300</b>	<b>14,583</b>	<b>-51.9</b>
Primary Surplus	26,189	31,823	21.5

Source: Ministry of Finance

\* Estimation of realization

The ratio of consolidated budget deficit to GDP decreased to 2% by end-2005 from 7,1% in 2004. The Maastricht criteria that was determined as 3% in the said ratio was reached in 2005.

**Chart 1.12 – Consolidates Budget Realizations**

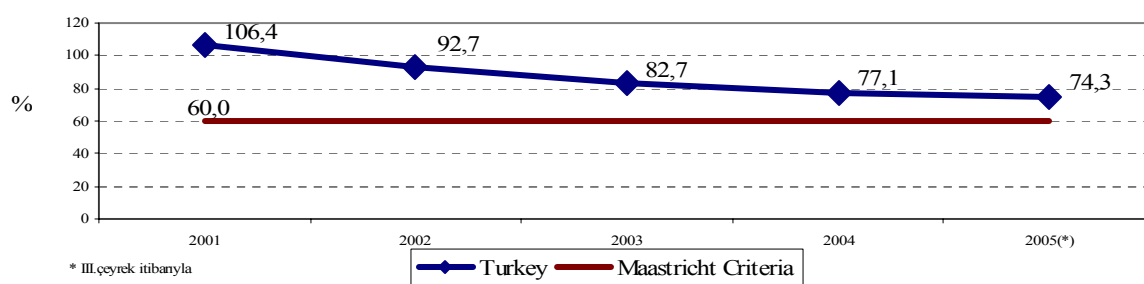


Source: Ministry of Finance

It is determined as basic strategies that interest, FX and liquidity risk is decreased and the maturity is extended as much as possible in the borrowing policies of the public sector in 2005. It is observed that the share of TRY is increased in the borrowing policies conducted in conformation with these strategies and in consolidated budget debt stock, and that floating interest borrowing increased.

As a result of these progresses, it is estimated that the ratio of public sector net debt stock to GDP decreased to 56,9% in end-2005 from 63,4% in 2004. The ratio of public sector net debt stock to GDP was 71,2% in end-2005, and the Maastricht criteria concerning the said ratio was 60%.

**Chart 1.13 – The Ratio of Public Sector Gross Debt Stock to GDP**



Source: TT

A single 15% ratio was determined for the taxes levied from returns on stocks and bonds, valid from the beginning of 2006, thus, disparities between investment vehicles in taxing was planned to be overcome. In the following periods, it is planned that policies about decreasing the taxes levied from income and the tax burden on employment to be accelerated.

### 1.2.1.6 Monetary Policy

The main target of the monetary policy carried out by the Central Bank is to decrease the inflation rate to the EU levels. Aimed at performing this target, the Central Bank carried out its implicit inflation targeting policy in also in 2005, which has been the main policy since 2002. As of 2005 the target were realized, for the forth-consecutive year. Thus, while improving the credibility of these policies and supporting the disinflation process, 12 months CPI inflation decreased by 7.7%.

The Central Bank used short-term interest rates as the basic policy instrument in the monetary policy it carried out in 2005 and monitored the monetary base and net domestic assets as an indicator (I) and the net international reserves as the extents as the performance criteria (PC), within the scope of the commitments take place in the letter of intent subimitted to the IMF dated April 23, 2005. As it is seen in the table below, end-year, all performance criteria and targets were met.

**Table 1.11 – Criteria in 2005 Monetary Program**

	May 31		June 30		September 30		December 31	
	Target	Real.	Target	Real.	Target	Real.	Target	Real.
Upper Limit Concerning Monetary Base (TRY billion) (PC)	23,6	23,0	23,6	22,6	24,7	26,8	29,2	28,8
Lower Limit Concerning the Level of Net International Reserves (USD billion) (PC)	2,0	5,8	2,0	10,5	2,8	13,2	14,0	22,4
Upper Limit Concerning Net Domestic Assets Stock (TRY billion) (I)	37,7	31,3	37,7	24,0	37,8	23,7	25,5	12,6

*Source: CBRT*

By end-2005, while monetary base increased by 12.6% when compared to the previous end-year, the nominal increase in GDP was realized as 13.4%. Monetary expansion, which mounted the nominal increase in national income is considered not to create an inflationary pressure, owing to reverse currency substitution mainly experienced after the macroeconomic program carried out successfully, and to TRY investment instruments demand increased.

The Central Bank, as from 2006, adopted explicit inflation targeting regime, and determined the end-year target in CPI as 5% in 2006. Within this scope, net international reserves will keep on being the performance criteria in monetary policy of 2006, and inflation review criteria will displace the targets on monetary base and net domestic assets. The Board of Monetary Policy, which gathers monthly in 2005 and which carries recommendatory resolutions, will be the ultimate decision maker on interest rates as from 2006. It is foreseen the Board of Monetary Policy to gather monthly, to carry resolutions by polling and to announce the gathering summaries to public. Inflation Report that will be published quarterly will be the basic communication instrument with public in monetary and inflation policies being initiated of the Board.

## 1.3 Developments in The Banking Sector

Looking at the Turkish financial sector in general, it is observed that the dominant element is the banking sector. Especially when CBRT and ISE market capitalization (market value of

the publicly held companies) is omitted, it is observed that the banking sector reached about 86% of total financial sector.

**Table 1.12 – Size and Composition of the Turkish Financial Sector**

	Total Assets		% Distribution			Assets/ GDP (%)
	TRY million	USD billion	Including CBRT	Exclud ing CBRT	Excluding ISE Mar. Cap.	
Banks (1)	396,967	295.6	51.4	58.2	85.5	81.3
Participation Banks (1)	9,945	7.4	1.3	1.5	2.1	2.0
Insurance Companies (2)	5,574	4.2	0.7	0.8	1.2	1.1
Financial Leasing Companies (3)	6,708	5.0	0.9	1.0	1.4	1.4
Factoring Companies (4)	4,691	3.5	0.6	0.7	1.0	1.0
Securities Intermediary Instit. (3)	2,341	1.7	0.3	0.3	0.5	0.5
Pension Companies (2)	4,234	3.2	0.5	0.6	0.9	0.9
Securities Investment Funds	29,374	21.9	3.8	4.3	6.3	6.0
Consumer Finance Companies (4)	1,769	1.3	0.2	0.3	0.4	0.4
Real Estate Investment Trust (1)	2,209	1.6	0.3	0.3	0.5	0.5
Securities Investment Trust (1)	488	0.4	0.1	0.1	0.1	0.1
ISE Market Capitalization (1)	218,318	162.6	28.3	32.0	-	44.7
Central Bank TR (1)	90,070	67.1	11.7	-	-	18.5
Total	772,688	575.4	100.0	100.0	100.0	158.3

Source: BRSA, SPO, HM, CMBT, CBRT, ISE, ACMIIT, BAT,

(1) December 2005, (2) December 2004, (3) September 2005, (4) June 2005.

The buoyancy in real economic activities and the development in the integration of the Turkish financial system with international markets reflected in the insurance, the leasing and the factoring activities positively. In order to finance the increased consumption and consumer loan demand, significant developments occurred in the consumer financing companies.

### 1.3.1 Structural Outlook of the Banking Sector

Tendency of decrease in the number of banks and increase in concentration continued in 2005. With the merger of two deposit banks, the number of deposit banks decreased to 34 from 35, and with the merger of two participation banks, the number of participation banks decreased to 4 from 5. Thus, the total banks in the sector decreased to 51 from 53. By end-2005, of the banks in the sector, 3 was state banks, 17 are private banks, 13 was foreign commercial banks, 4 was participation banks, and 13 was development and investment banks. There is also 1 SDIF bank in the system.

With the effect of the decrease in the number of banks and the increase experienced in the share of big banks in the sector in 2005, the share of first five banks increased to 63% from 59,5%, while Herfindahl-Hirschman Index<sup>1</sup>, which measures the concentration in the sector increased to 981 points from 949 points. Within this scope, it is observed that the weak

<sup>1</sup> Herfindahl-Hirschman Index (HHI) is an indicator widely used in measurement of concentration ratio of goods and services market and obtained through summing the squares of sector shares of the banks. HHI is an index, which takes a value between a value near zero (but never reaches to zero) and 10.000 points. While a near zero HHI value reflects a sector in which hundreds of firms similar in size compete, a 10.000 points of HHI value only reflects a monopoly in which only a single firm operates.



oligopolistic structure in Turkish banking sector gradually converges to a stronger oligopolistic structure.

When analyzed by banking groups, it is observed that the weight of state banks in the system continued, though decreased a little in favor of private banks. While the share of the state banks in the sector by asset size decreased to 31,4% from 34,9%, the share of private banks increased to 59,7% from 57,4%. One of the noteworthy developments of 2005 was the increase of foreign interest in the sector. The concrete result of this increase was that the share of banks in control of foreign capital in the sector increased to 5,2% from 3,4%, as well as the increase of the shares of foreign partnership in banks in control of domestic capital.

As a result of the fact that reverse currency substitution and national currency unit gained value against foreign currencies, the increase experienced in TL assets weight of the banking sector assets continued in 2005 and the ratio of TL assets increased to 68,3% from 63,8%.

The tendency of growth in Turkish banking sector is observed in the number of personnel and ATM as well as the number of deposit account and credit customers. While the number of deposit account in 2005 increased by 3,6% to 82,958 thousand, the number of credit customers increased by 14,7% to 28.863 thousand. While the number branches increased by 0,9% to 6.276, the number of personnel increased by 3,9% to 132.973. On the other hand, the number of automated teller machines increased by 7,2% to 14.529.

**Table 1.13 –Structural Outlook of the Banking Sector**

	2002	2002	2004	2005
Number of Banks	59	55	53	51
State Deposit Banks	3	3	3	3
Private Deposit Banks	20	18	18	17
SDIF	2	2	1	1
Foreign Capital Deposit Banks	15	13	13	13
Participation Banks	5	5	5	4
Development and Investment Banks	14	14	13	13
Group Shares by Asset Size (%)*	100,0	100,0	100,0	100,0
State	31,9	33,3	34,9	31,4
Private	56,2	57	57,4	59,7
SDIF	4,4	2,8	0,6	0,5
Foreign	3,1	2,8	3,4	5,2
Development and Investment	4,4	4,1	3,7	3,2
Distribution of Assets by Currency Unit (%)*	100,0	100,0	100,0	100,0
TL	56,8	62,0	63,8	68,3
FX	43,2	38,0	36,2	31,7
Concentration by Asset Size*				
Share of Biggest 5 Banks (%)	58,4	60,3	59,5	63,0
Herfindahl-Hirschman Index	883	942	949	981
Number of Deposit Account (thousand)*	67.993	78.790	80.087	82.958
Belongs to Natural Persons	62.017	70.455	71.203	77.292
Belongs to Legal Persons	5.976	8.335	8.885	5.666
Total Number of Credit Customer (thousand)*	15.784	18.707	25.168	28.863
Number of Credit Card Customer (thousand)**	11.752	13.518	19.104	20.578
Nmbr.of Crdt.Card Cust. /Tot Nmbr. of Cre. Cust. (%)*	74,5	72,3	75,9	71,3
Number of Branches*	6.203	6.078	6.219	6.276
Domestic	6.170	6.039	6.177	6.230
Foreign	33	39	42	46
Number of Staff*	124.009	124.030	127.944	132.973
Domestic	123.627	123.572	127.391	132.424
Foreign	382	458	553	549
Number of ATM *	12.035	12.726	13.556	14.529

Source: BRSA.

\* Excluding participation banks.

\*\* As the number of customers in bank basis united, double counting is made for the persons who have credit cards more than one bank.



### 1.3.2 Developments in the Banking Sector's Main Indicators

Asset size of the banking sector increased by 29,5% to TRY 397 billion in 2005, when compared to the previous year, owing to the fact that economic expectations progressed positively, the domestic demand was active and that the economic growth was strong. Depending on the decrease experienced in the interest rates and exchange rates, demand on loans increased and the loans of the sector increased by 50,9% to TRY 149,9 billion, when compared to 2004. Consumer loans, which constituted of total consumer and credit cards of the sector increased by 72,2% to TRY 45,5 billion from TRY 26,4 billion. Despite the high increase experienced in loans, net non-performing loans item showed a limited increase, when compared to the previous year and its share within total assets staying the same, was realized as 0,2%. Due to the developments in favour of loans and that borrowing need of public decreased, the share of securities portfolio within total assets decreased by 4,4 points to 36%.

Although deposit, the most important fund source of banks, increased by 27,2% to TRY 243,1 billion, when compared to 2004, its share within total liabilities decreased to 61,2% from 62,4%. Within the same period, own-funds increased to TRY 53,7 billion from TRY 45,9 billion. Net non-interest incomes increased more rapidly than interest incomes did in 2005, and the net profit of the sector was realized as TRY 5,7 billion. Total off-balance liabilities increased by 28,7% to TRY 198,9 billion, when compared to the previous year.

**Table 1.14 – Basic Indicators of the Banking Sector (Excluding Participation Banks)**

TRY million	2004	2005	% Share		% Change
			2004	2005	2005/2004
<b>Balance Sheet Items</b>					
Liquid Assets (*)	32.867	46.751	10,7	11,8	42,2
Securities Portfolio (**)	123.681	143.016	40,4	36,0	15,6
Loans	99.342	149.937	32,4	37,8	50,9
<i>Consumer Loans (***)</i>	<i>26.448</i>	<i>45.535</i>	<i>8,6</i>	<i>11,5</i>	<i>72,2</i>
Non-performing Loans (Net)	759	764	0,2	0,2	0,7
Subsidiaries, Affiliates, Premises and Equipment	20.240	18.474	6,6	4,7	-8,7
Other Assets	29.550	38.024	9,6	9,6	28,7
<b>Total Assets</b>	<b>306.439</b>	<b>396.967</b>	<b>100</b>	<b>100</b>	<b>29,5</b>
Deposit	191.065	243.121	62,4	61,2	27,2
Funds from Repo Transactions	10.596	17.414	3,5	4,4	64,3
Payables to CBRT, Monetary Markets and Banks	35.754	54.693	11,7	13,8	53,0
Own-Funds	45.963	53.736	15,0	13,5	16,9
Other Liabilities	23.060	28.004	7,5	7,1	21,4
<b>Profit/Loss Items</b>					
Interest Income	40.337	42.296	83,2	80,6	4,9
Non-interest Income	8.146	10.192	16,8	19,4	25,1
<b>Total Incomes</b>	<b>48.483</b>	<b>52.488</b>	<b>100</b>	<b>100</b>	<b>8,3</b>
Interest Expenses	22.708	23.995	61,0	55,4	5,7
Non-interest Expenses	14.513	19.340	39,0	44,6	33,3
<b>Total Expenses</b>	<b>37.221</b>	<b>43.335</b>	<b>100</b>	<b>100</b>	<b>16,4</b>
Profit (Loss) Before Tax	9.079	9.053	-	-	-0,3
Provision for Taxes	2.627	3.338	-	-	27,0
<b>Net Profit of the Period (Loss)</b>	<b>6.452</b>	<b>5.714</b>	<b>-</b>	<b>-</b>	<b>-11,4</b>
<b>Off-balance Liabilities</b>					
Contingencies	55.712	64.856	36,0	32,6	16,4
Commitments	98.860	134.006	64,0	67,4	35,6
<i>a) Derivative Financial Instruments</i>	<i>38.971</i>	<i>65.829</i>	<i>25,2</i>	<i>33,1</i>	<i>68,9</i>
<i>b) Other Commitments</i>	<i>59.889</i>	<i>68.177</i>	<i>38,7</i>	<i>34,3</i>	<i>13,8</i>
<b>Total Off-Balance Sheet Liabilities</b>	<b>154.571</b>	<b>198.862</b>	<b>100</b>	<b>100</b>	<b>28,7</b>

\* Liquid assets: Cash assets, receivables from Central Bank, receivables from money markets, receivables from banks.

\*\* Securities portfolio: securities held for trading, securities available for sale and securities held to maturity.

\*\*\* Consumer loans: Given as total consumer loans (housing, vehicle, personal finance, other) including FX indexed and personal credit cards.

### 1.3.3 Performance Indicators of the Banking Sector

As a result of the fact that macroeconomic stability became strong, and that inflation and nominal interest rates decreased, it is observed that the banking sector began to fulfill the mediatory function more effectively.

**Table 1.15 – Performance Indicators**

%	2004	2005
CAR	28,8	24,2
Free Capital/Total Assets*	8,1	8,7
ROA	2,1	1,4
ROE	14,0	10,6
Net Interest Income/Total Assets**	5,3	4,1
Net Non-interest Expenses/Total Assets	2,1	2,3
Staff Expenses/Total Non-interest Expenses	32,1	27,3
Loans Under Follow-up/Gross Loans	6,0	4,8
Loans/Deposit	52,0	61,7
Loans/Total Assets	32,4	37,8
Total Assets/GDP	71,2	81,3

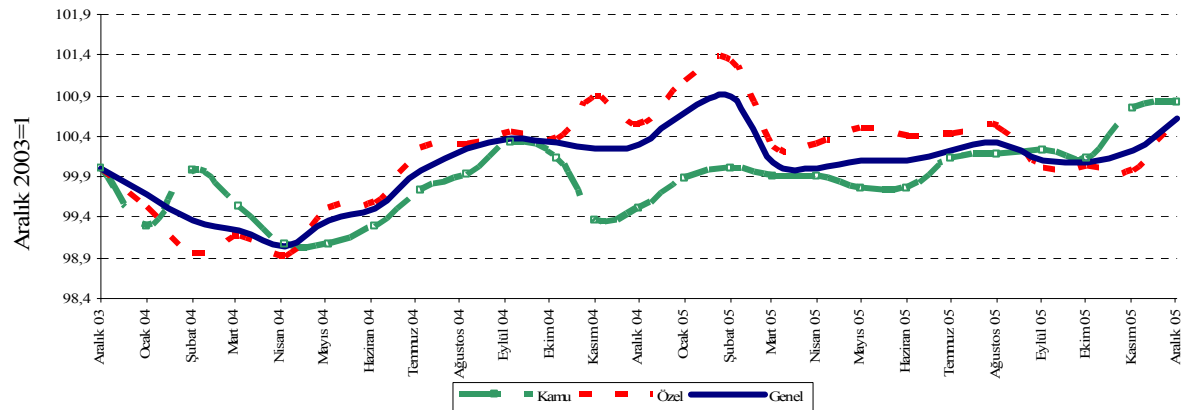
Source: BRSA, excluding participation banks.

\*Free capital=Total own-funds –non-performing loans (net)-Subsidiaries, affiliates and jointly controlled partnerships –premises and equipment.

\*\* Net interest income after provision.

The process that the BRSA Performance Index<sup>2</sup> has followed in 2005 also reflects the positive tendency in the performance of the banking sector. The index, which comprises of deposit banks in the sector, began to increase by mid-2004 and progressed in 2005 above the base period, December 2003.

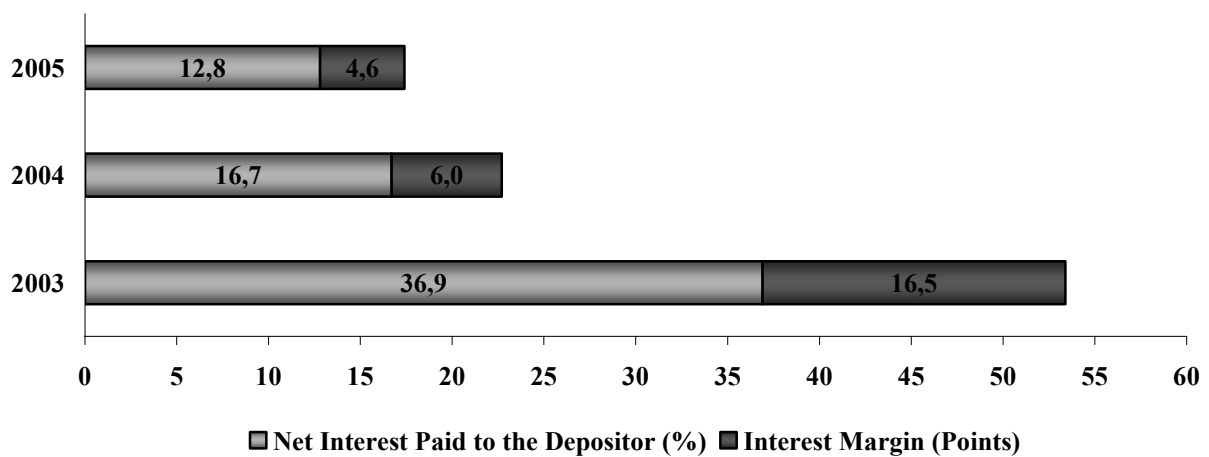
**Chart 1.14 – Banking Sector Performance Index**



<sup>2</sup> BRSA Performance Index is prepared montly, within the scope of macro surveillance of the banking sector, and includes all deposit banks excluding SDIF bank (s). In the Index, selected 10 indicators concerning liquidity, which is determined as the basic criteria of the sector performance, own-funds adequacy, Exchange rate risk, profitability and asset quality blocks are used. First of all, the selected indicators are converted to index in the block they belong, then averages of these indexes are taken in the following process and composite index is formed. Please turn to BRSA Banking Sector Evaluation Report June 2004 page 39-41 about the methodology used in BRSA-PI.

Public liabilities on banking activities increase fund costs and prevent the effectiveness of the intermediation function. Within this scope, in parallel with declining nominal interest rates, in order the banks carry on their profitabilities by focusing on their basic intermediation functions, it is vitally important that public obligations are decreased. The share of public obligations within the interest margin calculated on the basis of the difference between interest expense paid to the saver and interest income claimed from the borrower, serves as a basis in determining the the low or high level of intermediation costs. As a result of the decrease in nominal interest rates and change of legislation in decreasing public obligations, interest margin decreased by 4,6 points in 2005 from 16,5 points in 2003. 26% of the said 11,9 points of decrease is due to decrease of public obligations.

**Chart 1.15 – Developments in Intermediation Costs**



*In calculations, profit and expense margins of the banks assumed as zero. For detailed information about developments in mediatory activities, please refer to <http://www.bddk.org.tr/turkce/yayinlarveraporlar/rapor/bddk/arastirma/2005-9.pdf>*

### 1.3.4 Risk Assessment of the Banking Sector<sup>3</sup>

General structure of economy and macroeconomic indicators significantly affects the risk assuming level of the banking sector. The positive developments experienced throughout the economy in recent years have influences in decreasing general level of risks. On the other hand, growth of the economy, by bringing forth a boost in the investments of banks, resulted an increase in the risky exposures in the portfolios of the banks.

#### 1.3.4.1. Credit Risk

The amount of loans granted increased in December 2004-December 2005 period; especially in parallel with the positive progress in the economy and the recovery of the confidence in TRY, there were significant increases in TL-denominated loans. This increase is considered as a positive indicator in the intermediary function and funding of the real sector and a

<sup>3</sup> Assessments in this chapter based on the analyses come up in the Banking Sector Risk Assessment Report published periodically. For more detailed information please refer to the aforementioned Report. (<http://www.bddk.org.tr/turkce/yayinlarveraporlar/yayinlarveraporlar.htm> )

contributor to the economic growth, increase employment level and overall stability. On the other hand, an increase in the amounts of gross overdue loans between December 2004- December 2005 period shows the increase in positions subject to credit risk. However, at present the level of provisioning in overdue loans is high and net overdue loans showed a flat movement in the period analyzed. Witnessed increase in loans as a percentage of assets raised the relative importance of credit risk among other risks.

With respect to the composition in terms of maturity and monetary units, it is seen that the share of TL-denominated loans within total loans increased in December 2004- December 2005 period. This will decrease the negative impact of exchange rate increases especially on the default rates of FX-denominated loans.

In the period of analysis, among the loan types the most noteworthy relative increase is witnessed in consumer loans. This fact has some influences in different aspects; their low concentration ratio with large number of customers and adequate collateral structure (i.e automobile and housing) decreases the level of overall credit risk. However, increased competition in consumer loans may increase the risk appetite of the banks and may weaken the risk management perception. Owing to competition, if banks tend to grant loans to more risky customers, the ratio of non-performing loans may increase in the following periods.

The ratio of uncollateralized loans increased in the period of December 2004- December 2005 and hence shares of collateralized loans in overdue loans decreased. This may also lead to decrease in the collections obtained from these loans, but the high amount of provisions set aside would limit this extra loss.

#### **1.3.4.2 Market Risk**

Trading book, which constitutes the items that are exposed to market risk, showed a stable increase tendency in 2005. Although this situation has increased the market risk, the decrease in the volatilities of interest rates and stock prices has shown positive effects on market interest rate risk and stock price risk. Additionally, nearly no gap in the FX net general position that is obtained by taking both balance sheet and off-balance sheet positions into consideration, along with the decrease in the amount that is exposed to risk and the decrease in volatility of exchange rates ensures the FX risk exposure to remain in low levels.

When the composition of the trading book is analyzed it is seen that an increase was experienced in the share of public securities excluding FX-denominated ones and TL investments, a decrease was experienced in the share of FX-denominated securities and in the share of Eurobonds. Approximately 85% of the whole portfolio consists of public securities, which cause risk concentration, and this is assessed as a situation increasing interest rate risk. On the contrary, since there is a dramatic increase in the share of floating rate securities, the interest rate risk is reduced as the negative effects of the movement of interest rate can be compensated in a short time period.

Positions which are subject to specific risk, that is defined as the loss which may occur because of the changes in the credibility of the institutions which export or guarantee or undertake the liability of payment of the financial instruments that are forming positions exposed to risk, is mainly constituted by public securities. Although, in general, this situation

can be considered as a factor increasing concentration risk, it also has reducing effect on specific risk since the credit quality of the public institutions is rather high and stable compared to private companies.

By using scenarios related to changes in interest rates, stock prices and exchange rate, variation in trading book, which includes the basic items that are exposed to market, risk and changes in the value of FX positions are analyzed. As a result of the scenario analysis, it is seen that foreign banks and state-owned banks would be the most influenced groups from the possible changes in interest rates of public securities. The most sensitive group of banks to the possible fluctuations in Eurobond prices is private banks and the least sensitive group is development and investment banks. On the other hand, the effect on state-owned banks will be close to sector average.

It is seen that the most sensitive group to the stock and mutual fund price changes is development and investment banks group. On the other hand, because of the smaller share of stocks and mutual funds within trading book both in bank groups and whole banking sector their effect is very limited compared to the effects of changes in Eurobond prices, government securities interest rates or FX rates.

In the scenario analysis in which the effect of possible fluctuations in exchange rates on only balance sheet FX positions is taken into consideration, it is observed that the most sensitive group to increases in exchange rates are foreign banks and private banks whose ratios of open position to own-funds are high.

#### **1.3.4.3 Structural Interest Rate Risk (SIRR)**

When repricing mismatches of assets and liabilities, the amount that is subject to structural interest rate risk is analyzed and it is seen that significant increases occurred in 1-month TL and FX deficits and horizontal movements observed in 1-3 months TL and FX deficits between December 2004 and December 2005. The increase in the cumulative TL and FX deficits up to 3 months are considered as a factor increasing SIRR.

In the assessment period, when TL and FX items are analyzed together it is seen that the positions with fixed interest rates has increased both in assets and liability sides of the balance sheets. For the same period, the ratio of difference between assets and liabilities according to reprising dates to own funds is negative in short term positions and positive in long term positions.

In recent years, there has been a steady decrease in the TL interest rates, which is the essential risk factor for SIRR. In 2005 this tendency has not changed however, the decrease in the interest rates were more limited. In the December 2004 and December 2005 period the average investment interest rate of the banking sector decreased by 3.2 points to 10.8% and the average cost of interest decreased by 1.9 points to 6.5%. This has caused interest margins to decrease from 5.5% to 4.3%. Additionally, while the changes in the composition of FX denominated items remained in relatively limited levels, 1-3 months deficit in TL denominated items turned to positive from negative and 1-month deficit increased substantially. As a result, the possible loss or profit due to changes in interest rates will be observed in banking sector income and expenditures in a short period of time.

#### **1.3.4.4 Liquidity Risk**

After the analysis of developments concerning liquidity risk, it is observed that no substantial rises and falls were experienced in liquidity deficits in terms of maturity and currency types especially in the first half of the year.

For the analysis of cumulative liquidity, levels in different maturities are analyzed and it is seen that the share of TL has increased in all maturities within the distribution of assets and liabilities in terms of different currencies. With considering this fact together with the increase in the ratio of TL-denominated total assets to total liabilities, it would be evaluated as a positive development with respect to the mitigation of liquidity risk.

The fact that the maturity of approximately 90% of deposits is up to three months, leads to maturity mismatch especially between deposits and loans. While maturity of deposits and derivative transactions are concentrated in shorter terms, securities are concentrated in longer-terms.

Behavioral maturities of securities in trading portfolio on the asset side and the deposits on the liability side are the most important items determining the level of liquidity level. The prorated liquidity deficit of the banking sector is analyzed through scenario analysis. The scenarios about the different amounts of demand deposits longer than one month and different amounts of securities in the trading portfolio, which has longer than one month to maturity and could be sold in the secondary market, are utilized. Effects of each scenario on the prorated liquidity deficit of the sector are calculated. It is concluded that, level of liquidity in December 2005 period is more satisfactory than the level in December 2004 period.

### **1.4 DEVELOPMENTS IN NON-BANK FINANCIAL SECTOR**

#### **1.4.1 Developments Concerning Financial Leasing, Factoring and Consumer Finance Companies**

By end-2005, a total of 98 companies operate in Turkey; 84 of it are financial leasing companies in the financial leasing sector, 10 are development and investment banks and 4 are participation banks. In Turkey, beginning from 1985 to 2004, 197.000 projects were financed via leasing, thus, mid and long-term maturity sources were supplied to the investment at the amount of approximately USD 23 billion. Turkey is 24th in the world leasing ranking and 18th in the European ranking. Despite the big potential it bears, the share of the financial leasing in Turkish financial system is in a limited level. However, the fact that the total assets of the financial leasing sector which finances predominantly the manufacturing and services sector amounted to TRY 5,1 billion in end-September 2005 from TRY 2,2 billion in 2000 indicates that a growth trend has commenced. It is observed that most of the financial leasing companies have low capital levels, while the companies with high levels of capital are generally bank subsidiaries. Total paid-up capital of the financial leasing companies increased by 25,5 % to TRY 1,08 billion in September 2004-2005 period from TRY 0,86 billion.

By end- 2005; 88 factoring companies exists in Turkey; and these companies reached a transaction volume of TRY 8,6 billion by June 2005. Total assets of the factoring sector

amounted to TRY 4,7 billion in June 2005 from TRY 1,3 billion in 2000. When the own-funds of the factoring companies are analyzed; they increased by 42,7% to TRY 0,96 billion in end-2004, when compared to the previous year from TRY 0,67 billion and amounted to TRY 1,1 billion by June 2005. The share of own-funds within total liabilities increased by 23,7% in June 2005, from the ratio of 23,3% in 2004. Total paid-up capitals of the factoring companies increased from TRY 0,97 billion in 2004 to TRY 1,01 billion in June 2005.

The number of consumer finance companies is 9 by end-2005 in Turkey, while total assets is at TRY 1,5 billion levels. Securities portfolio with 50,4% and loans with 41% of share are the most substantial items in the assets of consumer finance companies, as of 2004. When the own-funds of consumer finance companies are analyzed; increased by 130,7 in end-2004, when compared to the previous year, while its share within total liabilities increased by 8,7% in 2004 from 7,3% in 2003. Total paid-up capitals of consumer finance companies increased by 31,9% to TRY 470 billion in 2003-2004 period from TRY 114 billion.

### 1.4.2 Capital Markets

In parallel with the positive improvements experienced in the macroeconomic environment, significant developments are observed in capital markets. The number of companies which of their shares traded in ISE rose to 315 in end-2005 from 307 in 2004. Owing to the effect of gaining value of TRY against US Dollar in 2005, USD-denominated market values of companies increased. The number of accounts, which indicates the number of active investor declined to 1.004.551 in 2005 from 1.072.663 in 2004, while the number of intermediary institutions within the same period declined to 149 from 154.

**Table 1.16 – Companies Operating in Capital Markets**

	2002	2003	2004	2005
Intermediary Institutions	169	161	154	149
Intermediary agencies *	121	117	112	108
Banks	48	44	42	41
Companies in Board Record **	629	631	626	625
Companies whose Shares Traded in ISE	301	298	307	315
Investment Funds	282	292	300	343
Investment Funds	242	245	253	290
Foreign Investment Funds	40	47	47	53
Investment Trusts	32	32	34	37
Securities Investment Trusts	22	22	23	25
Real Estate Investment Trusts	9	9	9	10
Venture Capital Investment Trusts	1	1	2	2
Portfolio Management Companies	20	21	21	19
Individual Pension Companies			81	91
Independent Audit Companies	78	80	83	91
Real Estate Valuation Companies		6	6	9
Rating Institutions ***	1	1	5	5

Source: CMBT

\*100 mediator institutions operate, while the operations of 8 of these institutions were aborted.

\*\* Investment trusts and stock market companies are included.

\*\*\*1 Rating institution, which was founded and went into operation in Turkey and 3 international credit rating institutions approved to operate in Turkey and 1 international institutional management principles consistency rating institution exist.

The number of investment funds rose to 343 by December 2005 from 300 in December 2004, while the portfolio values rose to TRY 29,5 billion from TRY 24,6 billion within the same period.

Total issued capital of 25 A type investment trusts operating by end-2005 is TRY 184,5 million, market value is TRY 451,9 million, net asset value is TRY 488,2 million. While the number of venture capital investment trusts remains as 2 in end-2005, the portfolio values declined to TRY 110,4 million from TRY 146,6 million. The funds managed by portfolio management companies reached to TRY 29,3 billion in end-2005, compare with TRY 24,5 billion in end-2004. By end-2005, total net asset value in Turkey is TRY 2,2 billion, however 10 real estate investment trusts operates whose market value is TRY 2,5 billion.

Individual pension system began to operate in Turkey in 2003, and by end-2004, the number of pension investment funds reached to 91 by end-2005 from 81, and the portfolio values of these funds increased by TRY 1.210 million from TRY 297,9 million.

Portfolio values of foreign investment funds increased by TRY 32 million in end-2005 from TRY 27 million in end-2004.

Turkish Derivatives Exchange-TurkDEX (VOBAŞ) began to operate in February 4, 2005, eight different forward transaction contracts based on financial products the real sector and financial markets need operates in stock exchange. Exchange of the said transaction is realized by ISE (İMKB) Clearing House (TAKASBANK). TurkDEX have 57 member which of 15 members are banks, while 42 members are intermediary institutions. While the transaction volume by monthly basis reached its maximum values as unit and amount in September 2005, the mentioned indicators decreased in November and December 2005.

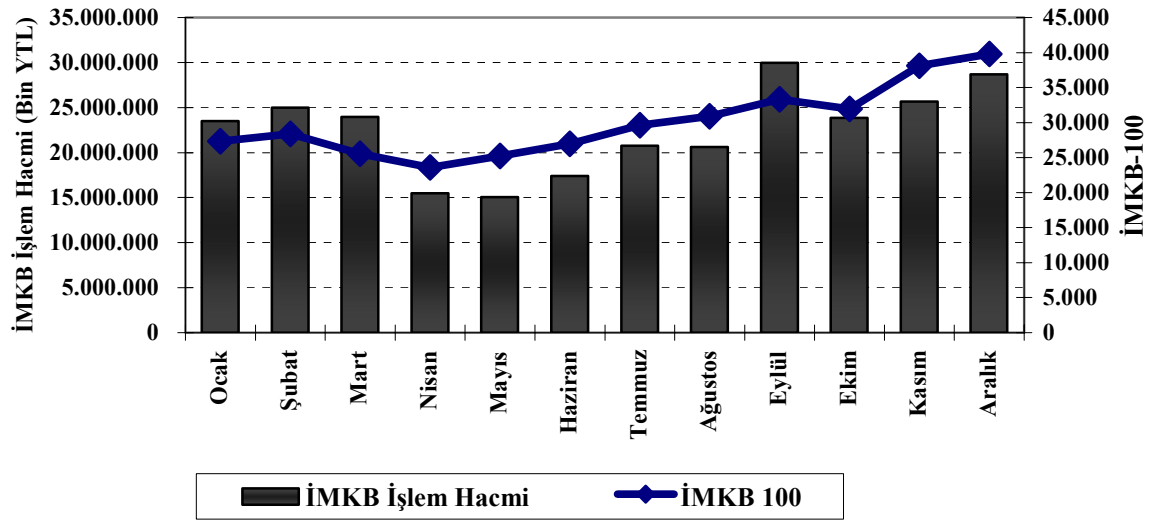
It is observed that the TRY/Gr-denominated transaction volume in the Precious Metals Market operating in the structure of Istanbul Gold Exchange (IGE) was realized as TRY 368,9 million in 2005. On the other hand, US Dollar/Ons-denominated transaction volume was realized as TRY 4,3 million.

Public securities stocks rose to TRY 249 million in end-2005 from TRY 227 million level in end-2004, while private sector securities stocks climbed to TRY 32 million from TRY 25 million.

Stocks, whose total market value belonging to 25 companies were TRY 3,9 billion in 2005, were registered by the Capital Markets Board of Turkey (CMBT). Issuing new stocks slightly moved up to TRY 4,0 billion in 2005 from TRY 3,8 billion in 2004.



**Chart 1.16 – ISE-100 Index and Volume of Transactions at ISE Stock Market**  
2005



Source: ISE

ISE-100 Index were closed at 39.778 in end-2005, where it closed at 24.972 points in December 2004. This indicates that, ISE Stock Market National-100 Index gained value by 59,3% in TRY basis in 2005, when compared to the previous year. Industrial sector index gained value by 49,1%, financial sector index by 76,9% and services sector index by 29,9% in 2005, when compared to the previous year.

**Table 1.17 – ISE Indexes**

	2002	2003	2004	2005
Composite Index	10.087	17.716	23.857	38.479
ISE-100 Index	10.370	18.625	24.971	39.778
Industrial Index	9.889	16.299	20.885	31.140
Financial Index	12.902	25.595	35.488	62.801
Service Index	6.897	9.923	13.914	18.087
Technology Index	7.261	8.369	7.539	13.890

Source: ISE

Total transaction volume in the ISE in 2005 amounted to TRY 269,9 billion (USD 200 billion). In 2005, daily average transaction volume amounted to TRY 1.063 million (USD 788 million). This number points an increase of 11,96% compared to the previous year. Under the 43,9 million contracts in a daily average 319 billion stocks have exchanged in ISE in 2005, which amounted 81 trillion in the total.

**Table 1.18 – Capital Stocks Market Transaction Volume**

Million TRY	National Market		Second National Market	New Economic Market	Probation Market	Total	Daily Average
	Capital Stock	Exchange Investment Found					
2000	110.056		958	22	130	111.165	452
2001	92.542		469	---	107	93.119	375
2002	105.149		818	---	336	106.302	422
2003	145.489		999	---	157	146.645	596
2004	206.658		1.335	305	125	208.423	837
2005*	23.232	67	80	106	13	23.499	1.237

Source: Istanbul Stock Exchange (ISE)

\* CBRT's daily Exchange rate on banknotes is used on turning the TRY values into the USD Dollars.

\*\* The New Economic Market has started to operate the March 3, 2003, the data before this date belong to New Companies Market.

On the other hand, it is in 2005 that the stocks of the companies, which effect transactions in the stock exchange are started to be registered within the scope of Central Registry Institution (CRI).

The total transaction volume realized in the ISE's Bond Market, Definitive Purchase and Sale Market and Repos- Reverse Repo, which was TRY 1.924 billion in 2004, has reached to TRY 2.340 billion in 2005. The daily average of transactions volume has increased to TRY 9.214 billion from TRY 7.635 billion within the same period. When the distribution of the transactions is observed, it is seen that the weight is on repo transactions with 79%.

The transaction volume formed as a result of the stocks purchase and sale of the foreigners is reached to USD 47,9 billion in the end of 2005 from USD 45,7 billion in the end of 2004. When the amounts of the purchase and sale of the foreigners are looked in net base, it is seen that in 2004 a purchase of USD 1.430 million, and in 2005, a purchase of USD 3.247 million has been made. When the retention rates of Takasbank are observed, the rate of stocks of foreigners to the total stocks in retention, which was 51,5% by the end of 2004, it increased to 66,4% by the end of 2005.

The total transaction volume realized in the ISE's Bond Market, Definitive Purchase and Sale Market and Repos- Reverse Repo, which was TRY 1.924 billion in 2004, has reached to TRY 2.340 billion in 2005. The daily average of transactions volume has increased to TRY 9.214 billion from TRY 7.635 billion within the same period. When the distribution of the transactions is observed, it is seen that the weight is on repo transactions with 79%.

Many regulations have been made to protect the capital market institutions, instruments, market and the investors in 2005, and the legislation is simplified to be compatible with the EU regulations and practices.

### 1.4.3 Insurance Trade

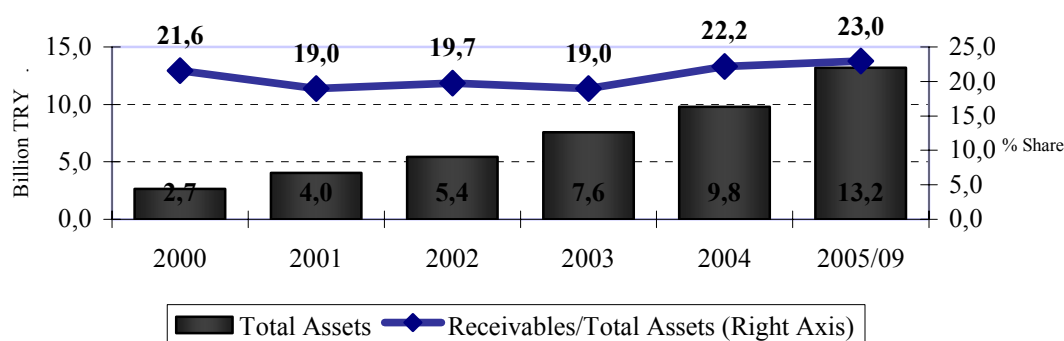
**Table 1.19 – The Number of Companies Operating in the Insurance Sector**

	2004	2005
Total Number of Companies	48	49
Insurance	47	47
Reassurance	1	2
Insurance Companies by Their Capital Structure	47	47
State	2	2
Private	40	40
Foreign Companies Established in Turkey	5	5
Insurance Companies by Their Activities		
Life	9	9
Life//Retirement	10	10
Mixed (Life/non-life)	12	12
Non-life	15	15
Retirement	1	1
Number of the Agencies	13.719	14.453
Number of Experts	1.265	1.386
Number of Brokers	55	49

Source: HM

The premium production of the insurance companies, which is TRY 6,1 billion (USD 4,6 billion) in 2004, has increased to TRY 7,8 billion (USD 5,8 billion) in 2005.

**Chart-1.17 – The Rate of Receivables of the Insurance Companies to the Total Assets Size**



Source: HM

The premium production of Natural Disaster Insurance Institution (NDII), which is calculated out of the sector's premium production is USD 111 million by the date of October 30, 2005, the total accumulation amount in the Individual Pension System has reached to USD 600 million. The total assets of the insurance companies which was TRY 9,8 billion by the end of 2004, has reached to TRY 13,2 billion by September 2005. It is seen that, the investments, which hold an important place in the company assets are mainly composed of government bonds.

The total assets of the reinsurance companies which were TRY 696 million within the first nine months of 2004, has reached to TRY 958 million in the same period of 2005.

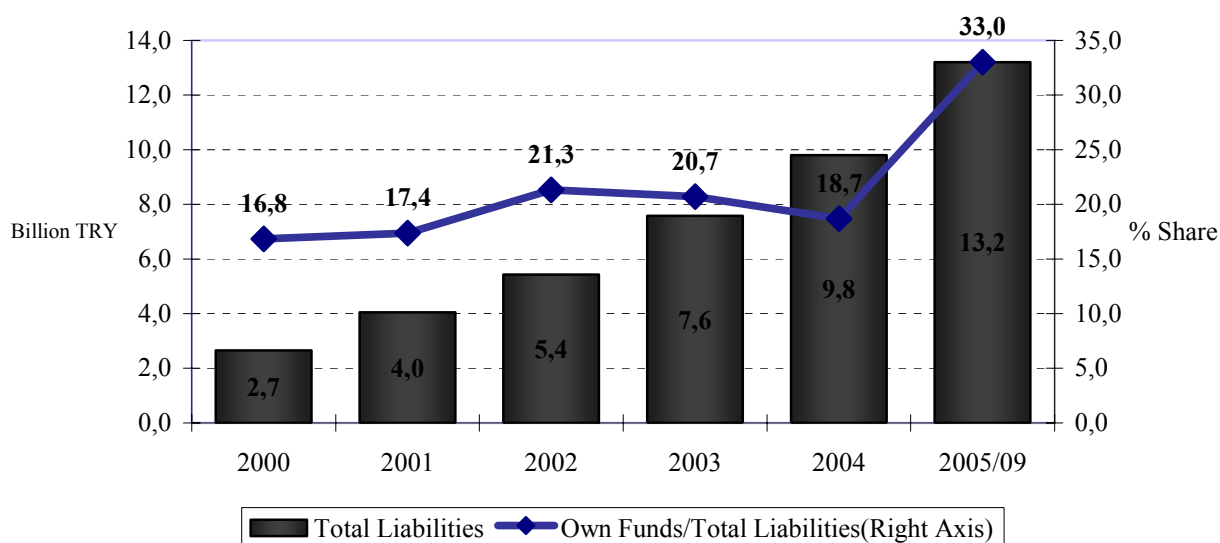
The total assets of the reinsurance companies which were TRY 696 million within the first nine months of 2004, has reached to TRY 958 million in the same period of 2005.

The Direct Premium/GNP ratio was realized as 2,19% by the end of 2003 and was decreased to 1,54% by the end of 2004. When considered that above mentioned this ratio is generally above 5% in developed countries, it can be concluded that although the sector has experienced stable and real growth there is still big potential ready to use .

The private insurance premium expense per capita, has reached to USD 65 in 2004 and it is predicted that it will pass over USD 80 by the end of 2005. By October 2005, 81,5% of the total premium production is from non-life branches. Within this framework, 30% of the total premium production is composed from accident, 15,4% is from fire, 15,4% is from traffic, 9,8% is from disease, 3,9% is from machinery-montage, and 3,9% is from transportation insurances. The share of life insurance branch, which was 23,6% by the end of 2003, it has shrank to 18,5% by the end of 2004 and it has not been changed in 2005 October.

The total profitability of the companies which was TRY 461,5 million by the end of 2004 is realized as TRY 247,9 million in September 2005; while their ownfunds increased to TRY 4,4 billion from TRY 1,8 billion.

**Chart 1.18 – The Rate of Ownfunds to the Total Liability Size of the Insurance Companies**



Source: HM

On the other hand, number of the insurance policy within the NDII system has floated around 2 million for years. By November 2005, among the residences, which under coverage of the obligatory insurance scheme the number of 2.320.033 residences had been insured. Individual Pension System commenced to operation by November 2003. By November 2005, number of the policy had reached to 659.276, where amount of the contributions had reached to TRY 789 million.

Main improvement in the regulation is sending to the Prime Ministry “The Draft Law of Insurance” which is prepared to get the Law in conformity with the international practices,

EU Aquis and IAIS regulations; suitable to the development level of insurance sector as well as better supervision of the sector for service quality, efficiency and effectiveness by November 1st, 2005. The above mentioned Draft, fits the EU Aquis and international practices, includes provisions on market access, licensing, technical provisions, solvency, financial soundness as well as on some other important issues such as establishment of the professional associations by agents and experts, formation of the organization for arbitration which will serve to solve the conflicts between insurance companies and consumers before taking the conflict to the court.

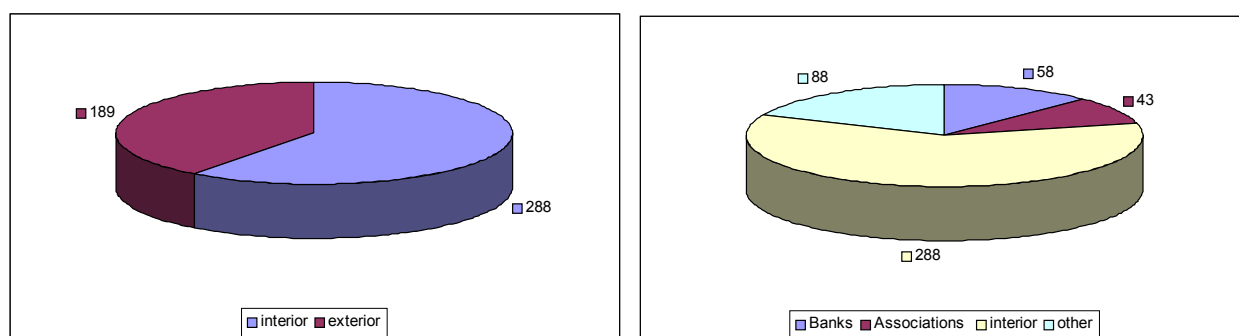
## 2. ANNUAL ACTIVIES OF THE AGENCY

### 2.1 Regulation Activities

In the function of regulation it was performed such activities like preparing the banking legislation, providing the accordance with the Acquis Communautaire and the international principles and standards, making amendments in the legislation in accordance with the needs appeared in practice and publishing circulars or delivering opinions about the uncertainties related to the mentioned regulations.

During the year five regulations, six communiqués, six circulars, and one Board decision were published. Also, seven regulations draft, one communiqué draft and eight Board decision draft prepared. On the other hand, within the same process, 477 comments (189 of them to institutions other than the Agency) were provided related to the abolished Banks Act Nr. 4389 and Banks Act Nr. 5411 and its sub-regulations.

**Chart 2.1 – Comments Provided By The Regulation Department**



#### 2.1.1 Regulations Which Were Put Into Effect

##### 2.1.1.1 Banks Act Nr. 5411

The abolished Banks Act Nr. 4389 changed nine times in last five years, within the aim of harmonization to the developments in the country and abroad. In this process, the need of strengthen the legal basis of sub-regulations was appeared. On the other hand, the new financial architecture made it necessary to establish the environment of confidence, to accomplish the financial liberalization, to provide competition in the financial markets, to pass into active and risk-focused supervision and to establish the principles of good governance. Within this framework; the Banks Act which prepared in accordance with EU directives and international principles and standards and published in the Official Gazette dated November 11,2005, repeated Nr. 25983 has become operative, within the aim of;

Settling markets to an active, regular and transparent structure,

Protecting the rights of the individual customers who use the financial services,

Settling the BRSA's structure, duties and responsibilities more sensitive to the market's needs and more elastic,

- Performing the functions of regulation and supervision of the activities of banks, financial holding companies financial leasing companies, factoring companies, financing companies and Support services institution by the Agency
- Making the management and organization structures of the institutions covered by this Law more sensitive, elastic, and based to dialogues,
- Making good governance dominant by implementing the corporate governance principles,
- Integrating the Turkish banking system to the international markets,
- Performing the establishment and operating permissions as a part of prudential supervision,
- Establishing a sufficiently flexible regulation and supervision system and regulation structure to answer the changing conditions of the financial markets,
- Protecting the fundamental principles such as transparency and equality between the parts of the financial system,
- Establishing and generalizing the confidence and stability in the financial markets,
- Predicting the risky developments in the financial markets,
- Decreasing the transactions and intermediation costs in the banking sector,
- Making the strategies and policies of the Agency compatible to the road maps of the financial markets,
- Establishing the procedures about the exchange of informations beetwen the Agency and related authorities.

#### **Highlights of the Banks Act Nr. 5411**

- The commercial titles of "Special Finance Institutions" is changed into "participation banks", the scope of the Act is enlarged as it includes the financial holding companies, Associations of institutions, and Savings Deposit Insurance Found (SDIF) and the provisions related to the regulation and the supervision of other financial institutions and independent auditing, evaluation and support institutions have been established.
- The article of definitions has been widened in parallel with the article of scope in order to understand the Act well and to provide harmonization to the international terminology. Within this framework, notions as development and investment bank, Fund Bank, participation bank, financial institution, financial holding company, central branch, control, Privileged shares, dominant partner, managers, savings deposit, private deposit account, participation account, participation fund, support services institution and off-shore banking have been added to the Act and have been defined conformably to the EU directives.
- The activities that the banks may engage in are listed clearly and as compatible with the directives of the EU, in order to identify the financial institutions and determine the scope of effective supervision and surveillance. The permissions related to the establishment and operations of the banks have been designed as a part of more extensive, clear, and prudent supervision, the revocation and rejection of applications for permission have been made compatible with the EU directives by associating them to the corporate governance principles and protective arrangements and, in accordance with the transparency principle, its adopted that the decisions for rejection shall be notified together with the reasons for such rejection. In accordance with the EU directives and the Basel Banking Monitoring and Supervision Committee principles; provisions about that bank's envisaged fields of activity shall be in harmony with planned financial, managerial and organizational structure, there should be a transparent and open partnership structure and organizational chart that will not constitute an obstacle for the efficient audit of the institution,; there should not be any element that hampers consolidated audit,; members of executive board shall bear the qualifications set out in the corporate governance provisions,; the work plans for the envisioned fields of activity, the projections regarding the financial structure of the

institution including capital adequacy, the budgetary plan for the first three years and an activity program including internal control, risk management and internal audit system showing the structural organization must be submitted are added into the banks' establishment conditions in the Act.

- Right along with the provisions related to the conditions for the bank founders in the abolished Banks Act Nr. 4389, in accordance with the EU directives and the principles of the Basel Banking Monitoring and Supervision Committee, the founders of banks shall have the honesty and competence required for the business and in case of a legal person, have a transparent and open partnership structure together with the risk group.
- Within the principle of transparency, the banks shall publish their articles of association in their web-sites.
- Within the aim of strengthening the financial structure of the banks, in capital increases, it is made compulsory that the capital increased shall be paid in cash as free from any collusion and without using internal resources, excluding resources permitted to be added to capital by the related legislation
- Parallel to the abolished Banks Act Nr. 4389, it is required that the qualified share holders of banks should meet the criteria applicable to founders and also, regarding the international standards, the principles related to the use of shareholding rights of the shareholders with qualified shares who do not bear the conditions required for founders any more are determined
- Parallel to the abolished Banks Act Nr. 4389, within the aim of monitoring the indirect shareholding structure in banks, the transfer of shares of legal persons directly or indirectly; who own ten percent or more of the capital of a bank, under terms and conditions mentioned in the Law shall be subject to the permission of the Board. Also, it is decided that in cases where the shares are transferred without the permission of the Board, the shareholder rights of the legal person stemming from these shares, other than dividends, shall be used by the Fund.
- Determining applicable principles of corporate governance for banks, it is decided that an audit committee consist of minimum two members appointed amongst the members of the board of directors who do not have executive duties, shall be established for the execution of the audit and monitoring functions of board of directors.
- Provisions related to independent audit, internal audit, internal control and risk management are made in accordance with the international practices and supportive to monitoring and prudent supervision. The Board is authorized to regulate the principles and procedures applicable to outsourcing institutions and types of outsourcing services that can be procured by banks within the aim of making these principles and procedures parallel to EU and international standards.
- It is made obligatory that the independent audit firms, valuation firms, rating institutions and outsourcing institutions shall have liability insurance to compensate for the potential damages to be arisen by the services they provide.
- Relationship between the bank's reporting systems and deterrent and encouraging provisions are established and the reporting system is regarded as a part of the corporate governance.
- It is aimed that The Board-requested financial reports prepared by banks shall be in a style and format that will meet the requirements of providing information, that is clear reliable and comparable and that is suitable for auditing, analysis and interpretation. It is also aimed to determine managers responsible from financial reporting providing the active supervision of top management in financial reporting process.
- It is made compulsory for the banks to prepare annual activity report that includes information about their status, management and organization structures, human resources, activities, financial situations, assessment of the management and expectations from the future; together with financial statements, summary of board of directors' report and independent auditing report.
- To provide the accountability of the board of directors of the bank, and for ensuring the establishment, implementation and monitoring of prudential policies for extending and approving loans, the principles and procedures related to the responsibilities of the board of directors, the assignment of the authority to extend loans, the evaluation and decision-taking phases for the loan transactions are stated in the Law and it is made compulsory that the loans extended in violation of those principles are considered as items of reduction in the calculation of the relevant bank's own funds or the obtainment of additional own funds in the amount of such loans.
- To assure that the banks can measure and monitor effectively the risks they will be exposed due to their loans , it is made compulsory that banks shall obtain the necessary information and documents; and the borrowers shall provide the documents and information requested.
- To provide that the banks can establish and implement a prudential management policy for the credits they granted, it is made compulsory that they form the policies regarding compensating for the damages that have



arisen or are likely to arise in connection with the loans and other receivables and to reserve adequate level of provisions against impairment in the value of other than those assets, for the quality and classification of assets; receiving of guarantees; measurement of value and reliability of them, monitoring the loans under follow-up and the repayment of overdue loans. Also, as an element of decreasing the costs of banks and as an encouraging element for them to establish prudential loan managements, all of the special provisions reserved in accordance with the Law are made to be discounted as expenses in the tax base of the corporation taxes of the year that they are reserved.

- Within the scope of protective provisions it is made compulsory for the banks to promptly inform the Agency in case the restrictions and threshold related to the standard ratios set in the Law are reached or exceeded, without waiting for the related reporting period; instead of sending reports related to prescribed limitations and standard rates only in the end-of-periods.
- Within the framework of the protective provisions, it is made compulsory for the banks to comply with the standard ratios and the measures they have to take related to this are associated to their performance.
- The provisions about capital adequacy which is a central concept and an operation base providing the reliability and sustainability of the operations and which involves the rights and liabilities of the related parts took place in the Law. The minimum level of the capital adequacy is determined as eight percent, parallel to the practices of other countries and to the principle of transparency. Within the scope of efficient supervision of the banks, within the aim of close follow-up of the financial bodies, minimum liquidity adequacy practice has brought for the banks.
- The rate of loans extended to a person or an artificial person, to a risk group or to a risk group which involves the banks too to the own funds, is made in accordance with the EU directives.
- Within the aim of protecting the financial powers of the banks, it is adopted that, it is forbidden to transfer resources for financing the deficient of funds and foundations established by the banks exclusively to provide their employees health and social aid, retirement, prudence and savings services.
- Provisions related to the grant limits are created within the aim of preventing the exploitation of the banks' resources, providing that the banks operate safely and protecting their financial power.
- In accordance with the practices of the EU countries, it is taken under provision that the deposit banks shall insure their deposit only on the basis of the portion subject to insurance and that they shall pay savings deposit insurance premium on this basis.
- Within the aim of forming an efficient monitoring and a prudent supervision structure, the provisions related to the demand of any information and documents by Agency from the banks are brought in accordance with the EU directives.
- The matters which can effect negatively the reliability and the permanence of the banks' activities are determined clearly and in case of detection of these matters by the Agency during the audits done in consolidated or non-consolidated base, the corrective, rehabilitating and restrictive measures to be taken are developed in a clear and extensive way.
- Within the coordination of the Agency and as a result of collective evaluation of the SDIF, the Turkish Treasury and the CBRT, in case of detection of a systematic risk danger, it is taken under provision that the Council of Ministers have the authority to determine the extraordinary measures.
- The provisions relate to the banking secrecy are made in accordance with the practices of EU countries.
- It is predicted to develop the ethical principles for the banks and their members.
- The provisions related to the rights of the customers within the aim of protecting the rights of the customers are developed in the Law.
- The provisions which the financial holding companies will be subject to within the practice of the Law are counted and in consideration of these companies will participate essentially to the other partnerships, it is taken under provision that the ratios and limitations which take place in the Law shall be taken into consideration only on a consolidated basis for these companies.
- The provisions related to the associations of institutions are enriched to provide that the banks work in accordance with the solidarity, unity and the dignity and discipline necessary for their profession, in accordance with the needs of the economy and to prevent unfair competition.
- The financial autonomy of the Agency is emphasized to guarantee the removal of the institutions which has not the adequacy necessary in the financial sector from the system, the prevent of the financial exploitations, the procurement the transparency and the stability of the financial markets, the adoption of decision in accordance with the competition rules, independent and neutrally from the political choices within the restructuring of the banks, the conferment of confidence to the financial markets, the increase of the effectiveness of the monitoring and supervision system, and so the bringing of the independent decision

machineries.

- Principles related to the monitoring of the Agency which is a part of the system of monitoring and supervision are regulated, and it is made compulsory that the companies which have the authority to make audits in the institutions subject to the Agency's supervision should send a copy of the reports and observations to the Agency.
- The provisions, which predict that the Agency should work more actively, efficiently, more transparent and more accountable way, are developed. It is taken under provision that the in-site and off-site audits should be conducted within the framework of the regulation which will be prepared by the Agency, within the aim of providing to the related parties to watch the forms and the contents of these audits. Within the framework of the principles of accountability and transparency, the fact of sharing the information possessed by the Agency by the related parties is made clear in the Law. Within the consideration of that the financial markets form a whole, a structure, which predicts cooperation and information sharing, is established.
- The scope of supervision and regulation functions of the Agency is enlarged as to include the financial holding companies, financial leasing companies, factoring companies, and financemement companies.
- The Agency is made responsible and authorized to take and apply the decisions necessary to prevent any operations and practices which can jeopardize the rights of the savers and the good fonctionnement of the banks and generate important damages in the economy, and to provide that the credit system works efficiently.
- Within the aim of developing the financial services sector; it is taken under provision that the Agency is authorized to determine strategies in acquiring competition power to the financial system, providing unity in the financial markets by establishing an active and transparent financial system, and making regulations related to the financial markets by consulting the related parties.
- Within the aim of increasing the effectiveness of the supervision; it is taken under provision that the Agency's Chairman can charge a supervision team composed by the sworn banks auditor and their assistants, banking experts and their assistants, information experts and their assistants, and law experts and their assistants which forms the professional employees of the Agency. It is declared that the Chairman is provided with the authority to charge the independent audit institutions to do investigations when he thinks that it is necessary and in special matters.
- Within the aim of advancing policy proposals about guaranteeing the confidence and the stability in the financial markets, delivering opinions about the subjects related to the finance sector, and providing the cooperation and coordination between institutions, it is predicted that a commission entitled "Financial Sector Commission" by the Agency, in which participate the CBRT, the Turkish Treasury, the Capital Markets Board, the Competition Board, the SDIF, the security exchanges, and the institution unions. It is taken under provision that the operating principles and procedures of this Commission will be set by the Board upon receiving the views of member agencies.
- The systematic processing of the financial sector necessitates information exchange between the authorities related to the execution of domestic money, credit and banking policies, and the authorities abroad authorized to supervision within the law and the authorities equivalent to the Agency; consequently, the principles related to the cooperation between the mentioned authorities are determined.
- Within the aim of guaranteeing the maximum cooperation between the Agency and the SDIF, the Agency's Chairman and Vice Chairmen and SDIF Chairman take it under provision that a "Coordination Comitee", composed and Vice Chairmen should be formed.
- Not providing the reports which are one of the most important instruments of the monitoring system and which are to be sent by the banks, in time or correctly to the Agency is condemned to administrative fine.
- In case of exceeding the grant limits brought by this Law, it is accepted that an administrative fine amounting the same as the amount exceeding the limit should be executed.
- In acquisition and transfer of shares, which are determined within the scope of the Law, in case of violation of the obligations related to the responsibility insurance and the consolidated financial reports, brought to the real persons, it is adopted that an administrative fine should be executed to these persons.
- To prevent that the banking operations to be left unrecorded or to be accounted in a manner which is not conforming to their true nature, and the end-of-year balance sheets to be closed without ensuring its conformity with ledger and subsidiary ledger, branches, and the correspondent banks in domestic and abroad; it is taken under provision that the persons who does not provide the information and documents to the persons charged with recording or accounting the operations, or who causes that the operations to be left unrecorded by not giving the necessary directives or who closes the end-of-year balance sheets in a way that changes significantly the statements, should be sentenced to imprisonment or judicial fine, dependent on the importance of the effect they cause in the statements and their intent.

- The data utilized in the execution of monitoring and the supervision are held mostly in the informatics systems, depending on the technologic progress and financial reports are prepared by the intervention of these systems; consequently, within the aim of providing the informatics systems of the institutions subject to the Law work safely, the penalty of imprisonment is brought to the persons who impair, dispose, change, or preventing the functioning of the information system or any element related to the financial reporting, and those who put data on the system or who send the existing data to another place.
- By an amendment made in the Article Nr 44 of the CBRT Law Nr. 1211; considering the subjects of monitoring and measuring the risk conditions of the institutions subject to the Law and their customers, analysing regularly the financial powers of the customers, providing the efficient work of the credit system, and protecting the rights and interests of the savers; and taking into account the importance attributed to the risk management within the Basel II which will be started to apply in 2007; the principles and procedures related to the information which will be collected by the Risk Central of CBRT and the sharing of these information between the Agency and CBRT are rearranged.

### 2.1.1.2 Sub-Regulations Made Based on the Abolished Banks Law Nr. 4389

#### a. Regulations On Establishment and Operations

- **Regulation Amending the Regulation on Establishment and Operations of the Banks Published in the Official Gazette Nr. 25905 dated August 13, 2005:** In the light of the positive developments of the market and the environment of stability in the economy, according to the increasing capacity of the banks of procuring subordinated loans from the foreign markets, the importance of this kind of loans is accrued; to guarantee the resolution of the problems experienced in the practice, with this Regulation, subordinated loans with an early redemption option are included in the Regulation On Establishment and Operations of the Banks, parallel to the international practices.
- **Regulation Amending the Regulation On Establishment And Operations of the Special Finance Institutions Published in the Official Gazette Nr. 25861 dated June 30, 2005:** With this Regulation, amendment is made to guarantee that the participation banks publish their financial statements and send it to the related authorities, in line with deposit banks according to the provisions of Regulation on Accounting Principles which is a main regulation related to the subject.
- **Circular Nr. 2005/6 dated June 14, 2005 regarding the Loan against Cash and Deposit Pledge:** With this circular it is specified that it is compulsory for the banks which are in an intense relationship of loan against cash with the majority shareholder group, to state clearly in remuneration for which loan the deposit is held as pledge in the pledge/transferral documents and not to let the depositors use the mentioned deposit during the maturity of the deposit, because of the risks which can be occur in case of the removal of the guaranties, and within this scope, it is compulsory to provide the accordance between the maturity of the loan and the maturity of pledged deposit, in loans against cash.

## **b. Regulations On Capital Adequacy**

- **Regulation Amending the Regulation On Principles Related to the Calculation and Practice of the FX Net General Position/ Own fund Standard Ratio by Banks in Consolidated and Non-Consolidated Base, Published in the Official Gazette Nr. 25812 dated May 11, 2005:** Within this Regulation, the responsibility of monthly reporting taken place in the appendix of Principles Related to The Calculation and Practice of the “FX Net General Position/Own fund” Standard Ratio by Banks in Consolidated and Non-Consolidated Base is abolished, and it is stated that the mentioned reporting should be done weekly. It is taken under provision that weekly calculated “FX Net General Position/ Own fund” Standard Ratio should not be exceeded more than six times in a year. The responsibility of correcting the exceed occurred in the mentioned ratio within two weeks is brought, and, regarding the amendments made in the Uniform Chart of Account, the notice schedules which take place in the appendix of the mentioned Regulation are changed.
- **Circular Nr. 2005/7 dated June 24, 2005 regarding the Certification of the Claim in the Non-Cash Loans:** In the calculation of the capital liability related to the market risk occurring from the exchange risk according to the standard method, declaration is made to dispel doubts of the various banks, related to certification of claims, to make sure that the receivables occurred from the non-cash loans to be considered as long position.

## **c. Regulations Regarding Financial Reporting System**

### **c.1 Regulations Related to the Provisions to be Made by the Banks**

- **Regulation Amending the Regulation On Determination of the Qualities of the Provisions to be Made by the Banks and Other Claims and on the Principles and Procedures Related to the Provisions Made Published in the Official Gazette Nr. 25692 dated January 6, 2005:** Within this Regulation, it is provided that the part which is in the share of the participation accounts of the funds extended by the special finance institutions from the participation accounts and other provisions made from the claims, can be reflected to the Agency’s expenses accounts. Also, by the date that the Regulation became operative, the time given to the provisions to be made to the related accounts of the funds extended by the special finance institutions from the participation accounts and the other claims which are classified as dead claims pursuing the provisions of the Regulation on Qualities of the Provisions to be Made by the Banks and Other Claims and on the Principles and Procedures Related to the Provisions Made is prolonged until December 31, 2005.

### **c.2 Communiqués and Amendments Regarding the Regulation of Accounting Practice**

- **Communiqué related to the Yearly Activity Report Published in the Official Gazette Nr. 25930 dated September 8, 2005:** With this communiqué, the responsibility of preparing and publishing the yearly activity reports including their financial performances and the risks they’ve faced in the end of every financial year, and it is aimed to inform the bank shareholders, the savers, and other related persons and institutions. In the Communiqué, the matters of in which elements the yearly reports have to include in minimum, to whom the reports should be presented, and

how should they be published are arranged. Furthermore, the banks responsible for publishing consolidated financial statements are obliged to publish an appendix with their yearly reports, including the consolidated financial statements and the information taken from these statements, the information of partnerships which is consolidated, and the consolidated independent auditor opinion.

- **Regulation Amending the Regulation on Accounting Practice Published in the Official Gazette Nr. 25861 dated June 30, 2005:** Within this Regulation, the banks are obliged to prepare yearly activity reports, and the persons which will sign the reports prepared by the banks and the terms related to the publishing and the sending to the Agency of these reports are rearranged.
- **Communiqué Nr 15 Related to the Accounting Practice Regulation Published in the Official Gazette Nr. 28585 dated June 6, 2005- Reorganization of Consolidated Financial Statements, and the Standards of Subsidiaries, Joint Controlled Partnership and the Accounting of the Affiliates:** According to the Communiqué, the consolidation of the subsidiaries, affiliates and the joint controlled partnerships of which the asset size is not important according to the main partnership's asset size, is left to the choice of main partnership bank, considering the principles of importance and fitting to needs.
- **Communiqué Nr 17 Related to the Accounting Practice Regulation Published in the Official Gazette Nr. 25858 dated June 6, 2005 – Communiqué Amending the Financial Statements To be Exposed to Public and the Standards of the Explanations and the Footnotes related to them:** With this Communiqué, it is aimed to present a more transparent financial statement and footnotes to the public. The non-consolidated financial statements and the explanations and footnotes related to them are organized and the provision related to presenting them to public is made clearer and more comprehensible, and the expressions such as Turkish Lira, Billion TL, Thousand TL and TL which take place in the various articles of the Communiqué are changed into Turkish Money, Thousand NTL, TM and NTL, because of the passage to the NTL system. The statements that the banks have to do in the interim period are changed, considering the Communiqué on The Uniform Accounting Plan and Its Explanation, the consumer loans, personal loans, personnel loans, instalment trading loans and corporate loans cards are made clearer to follow by Turkish money and FX indexed.
- **Communiqué Nr. 19 Related to the Accounting Practice Regulation Published in the Official Gazette Nr. 25858 dated June 27, 2005- The Financial Statements to be Exposed to Public by Special Finance Institutions and The Explanations and Footnotes Related to them:** In this Communiqué, the principles related to forms and contents of the consolidated and non-consolidated financial statements prepared by the special finance institutions and their explanations and footnotes, and their exposition to the public are determined, and it is aimed to enlighten the public within the framework of the principle of transparency and according to the international standards.
- **Circular on Account and Record System Nr. 2005/5 Dated 28.04.2005:** With this circular, indicators stated in Art.5 concerning the Communiqué Amending the Regulation Nr. 14 on Accounting Practice-Standards on the Regulation of Financial

Statements in Periods of High Inflation in the framework of Resolution of Banking Regulation and Supervision Board Nr. 1623 dated April 21, 2005 shall be defined to be laid down and decided that the banks and special finance institutions shall not have to prepare their financial tables according to the decisions of this Communiqué.

- **Circular on Unconvertible Exchange and Transacts Nr. 2005/3 dated February 21, 2005:** With this circular, it is stated that the rate being taken as a bases of valuation in the transactions realized with unconvertible foreign exchange shall be possible to be determined in order to ascertain reliably by taking the values of the foreign exchange similar or the same with the similar elements determined in international markets and considering the consistency principle.
- **Circular Nr 2005/2 dated January 14, 2005 Regarding Communiqué Nr. 1:** With this circular in the case of a transfer of securities taking place in the portfolio of securities available for sale under the Communiqué Nr.1 regarding the Regulation on Accounting Practice, the valuation differences of the said securities is provisioned that they shall be monitored under own funds until the distransfer of the valuation differences concerning the said securities to the conclusion accounts concurrent with the portfolio changes and the sale, disposal and insolvency of the said asset.
- **Circular on the New Turkish Lira Nr. 2005/1 dated January 05, 2005:** The monetary unit of the Turkish Republic is determined as New Turkish Lira (NTL) as of January 1, 2005 by the Law on Monetary Unit of Turkish Republic. With this circular the disclosures about the financial statements and reports to be announced to the public by the banks and private finance institutions is announced by taking the issues in the Law Nr. 5083 and the Communiqué Nr. 13 of Ministry of Finance into consideration.

### **c.3 Amendments made to the Communiqué on the Uniform Chart of Account**

- **Communiqué published in the Official Gazette Nr. 25984 dated November 02, 2005, Amending the Communiqué Concerning the Uniform Chart of Account and Explanations:** Amendments were made in order to prevent the problems encountered in practice and the accounting of GSM loans etc. granted by export credit institutions of foreign countries and mediated by them in various ways to finance import as well as the amounts guaranteed by the banks under various names like 'prize' to finance new goods and services consumption, in return for the expenses of credit card owners or banking services provided for them.
- **Communiqué published in the Official Gazette Nr. 25765 dated March 24, 2005, Amending the Communiqué Concerning the Uniform Chart of Account and Explanations:** With this Communiqué amendments are made for the accounting of non-paid up shares acquired by banks through their subsidiaries' capital increase which are made from the profit for the period as well as the internal sources accordingly.

## C.4 Regulations on Savings Deposits Insurance Fund and the Assurance Fund

- **Board Resolution on Saving Deposit Subject to the Insurance and Principles concerning the Premiums Collected by SDIF Nr. 1584 dated February 23, 2005:** With this resolution it is decided that the savings deposit of Turkish Lira/New Turkish Lira opened by the natural persons in the domestic branches of the banks operating in Turkey and authorized to accept deposit as well as FX domestic accounts and gold depot accounts having the feature of savings deposit and interest rediscount of them shall be subject to savings deposit, NTL 50 thousand of the total of the capitals of the accounts owned by a natural person in a bank and interest rediscount of them shall be under insurance and the savings deposit insurance premium shall be 15/10.000 of the total amount of savings deposit under insurance.

### 2.1.2 Draft Regulations In the Process of Becoming Law

Draft Act On Bank Cards and Credit Cards *
<ul style="list-style-type: none"><li>• With this act it is aimed to establish the efficient functioning of credit system by establishing legal framework related to the banking cards, issuing credit cards, usage and other related transactions.</li><li>• Provisions for issuance and revocation of operating permissions to the Institutions under the Law shall be established parallel to the provisions regulated for the banks</li><li>• It is foreseen that the card issuers shall not issue credit cards without a demand or written contract, the approval of the clients for the limit increase shall be required and maximum ratio between the card limit and the income of the natural person shall be determined.</li><li>• Credit Card account abstract arranged in the framework of the principles determined by the Board shall be informed to the cardholder in written or in electronic form on submission or any other efficient ways.</li><li>• Legal terms shall be determined for the cardholders in order to demand justice in case of transactions realized on the contrary of their consent, the procedures shall be determined in order to pursue in case of complaint and disapproval.</li><li>• The liability of cardholders in 24 hours before notification in case of lost or theft, unauthorized use of credit cards shall be limited with one hundred and fifty new Turkish liras.</li><li>• The institutions under the law shall be liable to account, prove and sustain the standard ratios and limits determined in the framework of the regulations and if it is seen necessary by the Board they shall be liable to take precautions required and implement them.</li><li>• The Institutions under this Law shall be subject to supervision of the Agency. The institutions shall keep their records, information, documents, structures and systems regarding their internal control, risk management and internal audit systems, accounting and financial reporting units ready and appropriate for supervision.</li><li>• It is foreseen that the exchange of information and document as well as clearing and deduction transactions shall be made by companies being established so as to pursue, evaluate and control the risk situations of cardholders, to collect the information of consumers' credit valuation and to fulfil the consumer services.</li><li>• The Agency, Ministry of Finance, Ministry of Industry and Trade, Turkish Treasury, Competition Authority, CBRT and the other Agencies determined by the Board shall share information and cooperate about the practice of this Act and implementation of credit card policy in order to provide regular operation, supervision of finance sector and the management of the market risk.</li><li>• Institutions under the Law shall be liable to keep the secrets of the cardholders, guarantors and institutions they learned as a result of the activities.</li><li>• The procedures of the inquiry and prosecution shall be determined related to the administrative and financial codes the parties exposed to as a result of the transactions against the Law as well as the codes specified in the Law.</li></ul>

\* Act on Bank Cards and Credit Cards Nr. 5464 was put into force by being published in the Official Gazette Nr. 26095 Dated March 01, 2006.

### 2.1.3 Ongoing Regulatory Studies

- **Draft Regulation on making Amendments on the Regulation on Banks' Establishment and Operations:** Studies on the Draft prepared in order to make amendments parallel to the regulation related to the capital adequacy and regulations foreseen in the framework of Banking Law Nr. 5411 and to overcome the problems encountered in practice of it, is carried on.
- **Draft Regulation on making Amendments on the Regulation on Measurement and Assessment of Capital Adequacy of Banks:** Studies on the Draft prepared in order to comply with the new developments, to overcome the problems grow out of practice, to become more understandable and prosecutable and to reflect the changes made in the Uniform Chart of Account, is carried on.
- **Draft Regulation on Principles of Independent Auditing:** Studies on the Draft prepared in order to authorize the independent auditing institutions that will audit in Banks, to eliminate the temporary or permanent authorization of them and to determine the procedures and principles concerning the activities of them.
- **Draft Regulation on the Measurement and Assessment of the Liquidity of the Banks:** Studies with the cooperation of CBRT on the Draft prepared in order to enable the Banks to prove and maintain the adequate liquidity level meeting their payment liability with its assets without meeting any loss, is carried on.
- **Draft Regulation on the Outsourcing Institutions and Outsourcing Issues:** Studies on the Draft prepared in order to determine the procedures and principles concerning the Outsourcing Institutions, authorization of these Institutions and outsourcing issues, eliminating the authorization of them temporarily and permanently, is carried on.
- **Draft regulation on Supervision of Information Systems:** Studies on the Draft prepared determining the procedures and principles of the supervision of information systems in order to determine the adequacy and efficiency of the information systems used in banking sector and to prove that information used in financial audit studies showing the actual situation, is carried on.
- **Draft Regulation on Principles and Procedures of Working of Financial Sector Commission:** Studies on the Draft prepared in order to increase the efficiency in financial markets as well as the cooperation between the Agencies and to establish common policies concerning the sector, is carried on.
- **Draft Board Resolution on the Qualifications of the Members of Audit Committee:** Studies on the Draft concerning the Qualifications of the Members of Audit Committee is carried on in accordance with the Article 24 of the Banking Law Nr. 5411.
- **Draft Board Resolution on accepted Avals, Guarantees and Suretyships recognized as loan:** With this Resolution it is aimed to determine the principles on taking accepted Avals, Guarantees and Suretyships into consideration in loan account according to the Article 48 of Banking Act Nr. 5411.
- **Draft of the Status of Participation Banks Association of Turkey:** Draft prepared by both Participation Banks Association of Turkey and Our Agency under the scope



of Article 81(2) of the Banking Law 5411 and presented to the Ministry of State and Vice Presidency by the Banking Regulation and Supervision Board Resolution Nr. 1781 Dated January 18, 2006 is laid down by the resolution Nr. 2006/10018 of Council of Ministers.

- **Draft of the Status of the Banks Association of Turkey:** Evaluations on the draft prepared by the Banks Association of Turkey under the scope of Article 81 (2) of the Banking Law Nr. 5411 is carried on.
- **Principles of Banking Ethics Draft:** Evaluations on the drafts prepared by the Banks Association of Turkey and Participation Banks Association of Turkey under the scope of Article 75 of the Banking Law Nr. 5411 is carried on
- **Draft of Principles and Conditions the Banks Liable to comply with while making advertisements and notices:** Evaluations on the drafts prepared by the Banks Association of Turkey and Participation Banks Association of Turkey under the scope of the Article 80 (f) of the Banking Law Nr. 5411 is carried on.
- **Draft Regulation on Financial Leasing Companies, Factoring Companies, and Consumer Financing Companies:** Studies on the preparation of framework regulation which will determine the general principles related to the establishment and activities of Financial Leasing Companies, Factoring Companies, Consumer Financing Companies, is carried on.
- **Draft Regulation on the Principles and Procedures Relating to Audit:** Studies on the Draft prepared by the Departments of Audit is carried on.

## 2.2 On-site Audit and Surveillance Activities

### 2.2.1 Surveillance Activities

Surveillance Activities are carried out through analyzing various indicators relating to banks' (deposit banks, participation banks, developing and investment banks) financial performance in daily, weekly, monthly and quarterly periods and preparing periodic reports and/or in the case of negative developments or determinations, through notifying related units and decision-makers without waiting for preparing standard reports. Main Data Sources used during carrying out the said activities are;

- “Surveillance Reporting Package”, which is comprised of weekly, monthly and quarterly forms oriented to the follow-up of banks' financial situations and limitations that they have to comply within the scope of the repealed Banks Act Nr. 4389 and related legislation;
- “Daily Reporting Set”, which includes daily data for close monitoring of liquidity status, cash movements and custody security information as well as for taking necessary measures in time;
- “Foreign Financial Institutions Reporting Set” which includes three months forms regarding the branches carrying out offshore operations abroad as well as the subsidiaries under consolidated supervision of the Banks.

- “Internal Audit and Risk Management Systems Reporting set” which the Banks announce in accordance with the Regulation on Internal Audit and Risk management Systems.
- "Market Risk Reporting Set" which is prepared for monitoring interest rate, FX and stock position risks and capital requirements relating those risks, within the scope of the Regulation on Calculation and Evaluation of CAR of Banks.

Furthermore, as a result of on-site audits financial structure reports prepared by Sworn Bank Auditors and independent audit reports are other important sources used in off-site audit process.

Main off-site activities realized in 2005 are as follows;

- Following up and reporting banks’ compliance with the Repealed Banks Act Nr. 4389 and related legislation, their liquidity status, capital adequacy ratios and FX positions by daily, weekly, monthly and quarterly periods on solo and consolidated basis,
- Preparing "Financial Status Determination Report" quarterly on bank basis, in which banks' liquidity and fund management, own fund adequacy, asset quality as well as income-expense balance and profitability status are analyzed and performance analysis and scoring within the peer group on the basis of various ratios are made,
- Preparing deposit development and interest rates, FX net general position/ownfund ratios and liquidity reports weekly on bank and sector basis; furthermore preparing weekly retail lending reports to monitor the growth seen in consumer loans and credit cards.
- Limited deposit assurance tables have been composed to follow the changes that may appear on savings deposit distribution among banks and the impacts of the savings deposit insurance limitation on banks' balance of liquidity and financial structure; and the banks' situations have been evaluated within the framework of several scenarios.
- Banking sector stress test studies have been made and reported to pursue the effects of developments appearing in internal and external economic conjuncture in time and closely.

### **2.2.2 On-site Audit Activities**

On-site auditing activities are carried out by the Sworn Bank Auditors Board. The Board follows the practical and theoretical progresses and innovations closely, and pursues the safety and soundness examinations, risk-based supervisions and oversees compliance with laws and regulations within the scope of guidelines that are prepared according to international best practices.

On-site examination activities are performed under annual examination programs that are approved by the Chairman of BRSA Board. Financial institutions that are subject to annual examination for 2005 and other issues to be examined are assigned to auditors and assistant

auditors within a timetable by the approval of SBAB Chairman, and results of the reports, dictums, researches and other studies are submitted to related authorities after being assessed by SBAB.

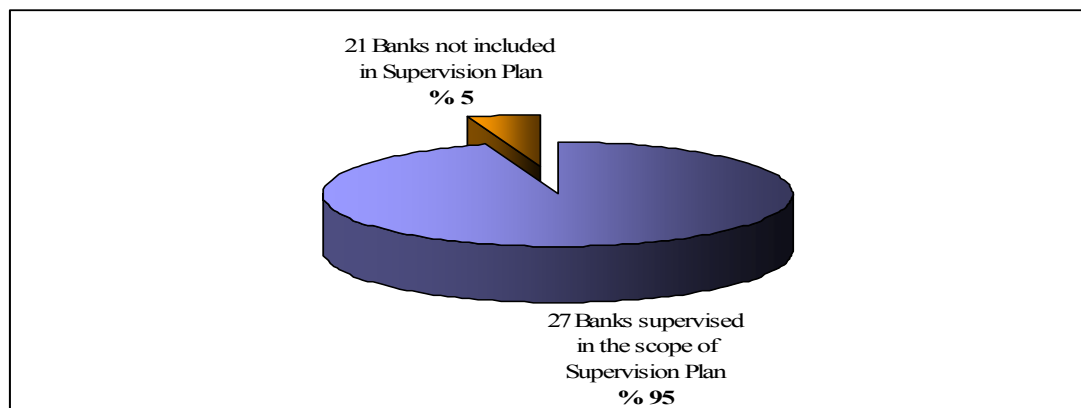
**Table 2.1 – Institutions under Audit**

Deposit Banks	34
Participation Banks	4
Development and Investment Banks	13
Financial Leasing Companies	84
Factoring Companies	88
Consumer Financing Companies	9
Asset Management Companies	4
Institutions having authority to make independent audit in Banks	41
Representations of Foreign Banks in Turkey	44
<b>Total</b>	<b>321</b>

The main supervision activities can be summarized as conducting safety and soundness examinations, performing risk based supervision, examining compliance with laws and regulations and investigating other subjects, which are related to the jurisdiction of BRSA. On the other hand, other assignments made by Prime Ministry Supervisory Board (veya Investigation Committee), Parliamentary Investigation Commissions and Financial Crimes Investigation Board occupy an important place regarding the examination activities.

27 Banks operating in Turkish banking system were examined in 2005. As it is seen from the Chart the share of the asset size of the banks examined in Turkish banking system in 2005 is 95%. 24 of these banks are deposit banks, 3 of them are development and investment banks. As well as the above-mentioned banks, all of the participation banks (private finance institutions) active in 2005 are subject to audit.

**Chart 2.2 – On-site Audits Realized**



The details of the reports that are submitted by Sworn Bank Auditors after various examinations and investigations are given below.

**Table 2.2 – Institutions Audited and Reports Prepared**

Reports	Reports		Number of the Banks
	Number of Reports	% Percentage	
Safety and Soundness Examinations	44	17,3	25
Compliance with Laws and Regulations	114	44,7	24
Determination of Duty Losses	3	1,2	2
Denunciation and Complaints	71	27,8	12
Examination Abroad	18	7,1	13
Other	5	2,0	-
<b>TOTAL</b>	<b>255</b>	<b>100,0</b>	<b>-</b>

As a result of safety and soundness examinations conducted at the headquarters of banks as well as various examinations at branches, relating to the implementation of the legislation starting with the repealed Banks Act Nr. 4389, 255 reports were submitted in 2005 and conveyed to related units and offices. The abroad examinations were realized in Germany, England, Holland and Bahreyn.

Furthermore, 10 Sworn Bank Auditors were assigned for various investigations of Prime Ministry Inspection Board and 31 Sworn Bank Auditors were assigned for Financial Crimes Investigation Board.

### **2.2.3 Supervision Activities under Banking Law Nr. 5411**

Supervision and surveillance activities have been reorganized by the Banking Law Nr. 5411. With this law, the scope of the Agency is expanded and financial holding companies, financial leasing companies and factoring and finance companies are included to this scope.

It is foreseen that the On-side audit to be conducted in Institutions subject to supervision shall be made by a supervision team chosen among the professional staff including sworn bank auditors and assistant sworn bank auditors, banking experts and assistant banking experts, legal experts and assistant legal experts, information experts and assistant information experts in the framework of working programs prepared by the approval of the Chairman of the Agency.

The Regulation on the Organization in the framework of Banking Law Nr. 5411, Supervision organization of the Agency has been reorganized. Three departments of audit have been established for the supervision and surveillance of the Institutions subject to the Law. Moreover, the procedures and principles regarding supervision and surveillance shall be determined by the regulation. The studies on the mentioned regulation are still carried on. As a result of the above-mentioned amendments, the studies on the preparation of supervision guidebook under the scope of the Law are carried on.

## **Risk Based Supervision**

Risk Based Supervision (RBS) Approach used by the Agency in the supervision activities means that the method, scope, time, intensity, allocation of supervision resources and supervision activities shall be planned by taking risk profile, internal audit and risk management as a basis. Benefits expected from RBS Approach are:

- Increasing the efficiency and effectiveness of the supervision function,
- Realizing the supervision in a dynamic and uninterrupted process,
- Complying with EU directives and international standards,
- Determining the important changes in the risk profile of the banks as a result of the change and complications of financial activities and products,
- Using new supervision techniques to provide efficient supervision of the Banks' risk profiles,
- Taking precautions related to the efficient management of the risks of the Banks by defining, measuring, controlling and monitoring as well as the reduction of probability of losses (proactive supervision),
- Preventing the problems by focusing on the reasons instead of the results.
- Keeping up with the changes in financial system,
- Reducing the systemic risks,
- Increasing the durability of the Banking System and the Banks to the crises by providing them to have efficient internal supervision and risk management systems.

The aim of the supervision made in the framework of RBS is to provide banks to understand levels and types of risk and to control these risks. In this concept, rather than the risks of banks as of a specific date, the quality and efficiency of risk management is important.

RBS enables the banks to allocate more sources to the high-risk areas. The Agency will realize this by;

- Determining the risks in the framework of generally accepted risk definitions,
- Measuring the risks on the basis of general risk evaluation factors,
- Evaluating the risk management systems in order to determine whether the Banks control and manage the risk levels adequately.
- Having more resources allocated for the high or developing risk areas on the basis of bank and overall sector.
- Considering the observations made on the basis of the audits and prosecutions related to the problematic areas as well as the opinions reached about the risks of the Banks, risk profile and position.

## **2.3 Enforcement Activities**

The enforcement activities carried out by the agency is gathered under two main headings; (i) Evaluation and Enforcement Activities, (ii) Establishment, Authorization and Licensing Activities.

### **2.3.1 Evaluation and Enforcement Activities**

Information submitted by off-site and on-site audit units as well as information and documents submitted by banks, independent audit firms and other persons, agencies and institutions are evaluated by related units, measures to be taken by banks are determined and notified to banks, and the practice and the compliance of the banks are closely monitored. Developments concerning the instructions and the evaluations made as a result of communication with the banks and off-site audits are informed to the sworn bank auditors to be used for on-site audits.

Furthermore the compliance of the banks to the legislation is pursued. In this framework in 2005, as a result of on-site audits and surveillances and evaluations of denunciations and complaints, a total of 10 requests for the initiation of legal proceedings were made about persons whose responsibility concerning banks detected, 20 administrative fines in total is applied to banks for their operations violating the Banks Act and 73 persons were forbidden temporarily to work in banks within a duty requiring signature.

### **2.3.2 Establishment, Authorization and Licensing Activities**

Within the scope of establishment, authorization and licensing activities carried out by the Agency; authorizations of establishment, operation, share transfer, mergers and acquisitions, opening branches and representative offices and acquirement of subsidiaries are granted.

Besides, the authorization requests of independent audit firms to carry out independent audit in the banks, authorization requests on establishment of asset management companies, banks' requests on capital increase and finalization of the transactions concerning hereof, the concordance of amendments on the articles of association to the Banks Act, the concordance of the appointments of bank general managers and assistant general managers to regulations and the authorization requests of independent audit firms to carry out independent audit activities of the banks are evaluated according to the related regulations. The oath and declaration of property required by Law and documents on minimum requirements to be fulfilled by Board members, general managers and assistant general managers as required by Law and the documents on the General Assemblies of Banks are filed, the limits of letters of guarantee banks can offer for the tenders subject to the Act Nr. 2886 are determined and requests on delay extension as regards the disposal of immovable and real estates acquired due to receivables are evaluated and finalized.

Within this framework, in 2005;

- Upon the Board Resolution Nr. 1758 dated December 22, 2005, it was deemed appropriate that the share representing 25,5% of the T. Garanti Bank A.Ş. Capital shall be taken over from Doğu Holding A.Ş. as well as 182 of 370 founder's share of the Bank shall be taken over from Somtaş Tarım ve Ticaret A.Ş. and the said

Company shall have directly the share of 25,5% in the Bank pursuant to the Article 18 (1) of the Banking Law Nr. 5411.

- Upon the Board Resolution Nr. 1658 dated June 22, 2005, it was deemed appropriate that the share of 89,34% of T. Dış Ticaret Bank A.Ş. shall be taken over by Fortis Bank SA/NV pursuant to the Article 8 (2) (a) of the Banks Act Nr. 4389.
- Upon the Board Resolution Nr. 1680 dated August 11, 2005, the transfer of the share of 57,4% belonging to SDIF and Çukurova Group in Yapı Kredi Bankası A.Ş. to Koç Bank A.Ş. pursuant to the Article 8 (2) (a) of the Banks Act Nr. 4389 is permitted.
- Upon the Board Resolution Nr. 1764 dated December 28, 2005, the approval of register of extraordinary general meeting decisions dated December 23, 2005 concerning the transfer of Anadolu Finans Kurumu A.Ş. and Family Finans Kurumu A.Ş. in accordance with the Article 19 and Provisional Article 1 of Banking Law 5411 is deemed appropriate. On the other hand the issues that Family Finans Kurumu A.Ş. was deregistrated by its transfer to Anadolu Finans Kurumu A.Ş. and the business title of Anadolu Finans Kurumu A.Ş. was changed to Türkiye Finans Katılım Bankası A.Ş., registered in Istanbul Commercial Register Office in December 30, 2005
- Upon the Board Resolution Nr. 1742 dated November 17, 2005, it is deemed appropriate that the share of 87% of Deutsche Bank A.Ş. to be transferred to Pilgrim Financial Services LLP, and Deutsche Bank Finance International GmbH shall be shareholder indirectly in the rate of 20,88% and Deutsche Bank Luxemburg S.A shall be shareholder in the rate of 20,88% in the Bank.
- Upon the Board Resolution Nr. 1570 dated February 17, 2005, it is deemed appropriate that through the transfer of 60% share of BNP Paribas, Societe ovacienne de Participations and Dresdner Bank AG in Bnp-Ak Dresdner Bank A.Ş to Akbank T.A.Ş, the share of Akbank T.A.Ş. in Bnp-Ak Dresdner Bank A.Ş. increased to 99%; in this scope the partnership of BNP Paribas, Societe Jovacienne de Participations and Dresdner Bank AG in Bnp-Ak Dresdner Bank A.Ş is permitted to finish in accordance with the Article 8 (2) (a) of the Banks Act 4389.
- It is deemed appropriate that the business title of Bnp-Ak-Dresdner Bank A.Ş. is changed to “Ak Uluslararası Bankası Anonim Şirketi” in February 14, 2005.
- Upon the Board Resolution Nr. 1695 dated September 09, 2005, the approval of registering the decisions of general assemblies of Akbank T.A.Ş and Ak Uluslararası Banksı A.Ş. on the transfer is deemed appropriate in accordance with the Paragraph 1 of the Article 18 of the Banks Act 4389 and the Regulation on the merger and transfer of the Banks enacted on the basis of the said Paragraph. The issue that Akbank Uluslararası Bankası A.Ş wiped off from the commercial register is published in the Commercial Register Gazette of Turkey Nr. 6395 dated September 22, 2005 by being registered in September 19, 2005.

- The share of T. Vakıflar Bankası T.A.O. was permitted to public offer in September 30, 2005 and 25,18% of the share of the Bank was offered to public between November 09, 2005 and November 11, 2005.

Besides, the changes in the shareholder structure of four private deposit banks and one development and investment bank were permitted in the framework of Banking Law.

T.İş Bankası A.Ş. was given permission to open branch in Turkish Republic of Cyprus and T. Vakıflar Bankası T.A.O. was given Permission to open branch in Bahreyn. Moreover, it was deemed appropriate that T. İş Bankası to open a representative office in China-Shanghai and T.C. Ziraat Bankası A.Ş. in Macedonia-Skopje.

In the same period, it was deemed appropriate by the board that seven foreign banks to open a representative office in Turkey.

**Table 2.3 – Representative Offices to which Operating licences were granted**

		<b>Date and Number of Resolution on Licence to open Representative Office</b>	<b>Date at which the Representative Office Started to Operate</b>
1	JP Morgan (Suisse) S.A.	17.11.2005-1741	Not started to operate
2	Euro Hypo A.G.	13.10.2005-1720	17.11.2005
3	Aareal Bank A.G.	13.10.2005-1721	02.11.2005
4	State Bank of India	19.08.2005-1686	Not started to operate
5	Agence Française de Développement	03.06.2005-1646	22.06.2005
6	ABC International Bank Plc	17.02.2005-1569	01.03.2005
7	Dubai Islamic Bank	14.01.2005-1550	25.03.2005

On the other hand, all domestic and foreign banks and the branches of foreign bank operating in Turkey as given the details hereunder, were realised capital increase amounting to a total of TRY 4,250 Million within the year 2005.

**Table 2.4 –Year 2005 Capital Increases**

<b>TRY Million</b>	<b>Cash</b>	<b>Internal Resources</b>	<b>Total</b>
Private Deposit Banks	1.779	2.060	3.389
State Deposit Banks	-	580	580
Foreign Capital Deposit Banks	-	22	22
Development and Investment Banks	22	57	78
Participation Banks	86	94	181
<b>TOTAL</b>	<b>1.887</b>	<b>2.813</b>	<b>4.250</b>

While it was granted an authorization to two independent audit firms to perform independent audit in banks, four independent audit firms' authorization to perform audit in banks was abolished within the year 2005. Besides, there existed two application to establish an asset management firm and it was granted permission to the establishment of the said firms as a result of the evaluation within the provisions of “ Regulation on the Establishment and Operations of the Asset Management Companies” which was entered into force by being published in the Official Gazette Nr. 24893 dated January 10, 2002.



**Tablo 2.5 –Authorization Activities**

<b>Authorized Independent Audit Firms</b>	
<b>Name of the Independent Audit Firm</b>	<b>Date and Number of the Board Resolution</b>
Denge Serbest Muhasebe ve Müşavirlik Hizmetleri A.Ş.	12.01.2005/1525
Elit Bağımsız Denetim ve Yeminli Mali Müşavirlik A.Ş.	11.02.2005/1558
<b>Independent Audit Firms of which their Authorizations were Cancelled</b>	
Gözlem Denetim ve Danışmanlık Hizmetleri A.Ş.	17.02.2005/1567
Denetim Finans Kontrol Yeminli Mali Müşavirlik A.Ş.	05.05.2005/1630
Önder Bağımsız Denetim ve Danışmanlık A.Ş.	22.06.2005/1656
Denge Denetim Yeminli Mali Müşavirlik A.Ş.	15.07.2005/1671
<b>Asset Management Firms to which the Establishment authorization were granted</b>	
<b>Name of the Asset Management Firm</b>	<b>Date and Number of the Board Resolution</b>
Finans Varlık Yönetim A.Ş.	01.09.2005/1689
RCT Varlık Yönetim A.Ş.	23.11.2005/1744

Pursuant to the Article 93 of the Banking Law Nr.5411, regulating the establishment and activities, merger, division, share exchange and liquidation of the banks and financial holding firms and financial leasing, factoring and finance firms; transactions of implementation, providing the implementation, monitoring the implementation and auditing thereof are determined within the missionary field of our Agency. Within the scope of that, the transfer of the transaction files of financial leasing, factoring and consumer finance firms from Turkish Treasury were accomplished and pursuant to Art. 170 of the said Act, authorization transactions and supervision and surveillance relating to establishment and activities of the financial leasing, factoring and finance firms are being implemented by our Agency as from the date of January 01, 2006.

## 2.4 Legal Affairs Activities

The information concerning the lawsuits to which the BRSA is party within the scope of legal respects and disagreements are being presented hereunder.

**Table 2.6 – the Lawsuits to which the BRSA is party**

<b>Lawsuits</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>% Change**</b>
Administrative Lawsuits*	1.295	16.912	24.302	43,7
Criminal Lawsuits	108	126	154	22,2
Civil Lawsuits	146	277	356	28,5
<b>Total Pending Lawsuits</b>	<b>1.549</b>	<b>17.315</b>	<b>24.812</b>	<b>43,3</b>
<b>Finalized Lawsuits</b>	<b>11</b>	<b>34</b>	<b>34</b>	<b>0,0</b>

\* 95% of the administrative lawsuits are comprised of T. İmar Bankası T.A.Ş. and 4,4% thereof are comprised of pleadings related to Demirbank T.A.Ş as from the year 2005.

\*\*Declares the annual change within the number of lawsuits as of the end-2004.

“Distribution of 1387 requests and complaints regarding the issues and institutions within the scope of Banking Law Nr. 5411 which were transmitted personally, by telephone and by e-mail to our agency under the provisions of the Law Related to the Right of Petition Usage Nr. 3071 is being presented in subject basis in the table 2.7.”

**Table 2.7 –Distribution of Demands by Topics**

Topics	2004		2005	
	Number	%	Number	%
Credit Cards	230	22,5	327	23,6
Deposit Accounts	97	9,5	159	11,5
Liquidation Operations of İhlas Finans Kurumu A.Ş	99	9,7	51	3,7
SDIF Units and Legal Entity of SDIF	80	7,8	5	0,4
Interest, expenditures and commissions	60	5,9	123	8,9
Consumer Loans	58	5,7	112	8,1
Problems related to negative Loans	63	6,2	49	3,5
Non-cash/ corporate Loans	35	3,4	17	1,2
Stocks	37	3,6	24	1,7
Transfer Operations	28	2,7	4	0,3
Notifications	34	3,3	47	3,4
Property Research	12	1,2	22	1,6
Internet Banking	13	1,3	12	0,9
BRSA Units and Legal Entity of BRSA	14	1,4	7	0,5
Other subjects	163	15,9	295	21,3
Problems arising from cheques	-	-	43	3,1
Government Bond	-	-	90	6,5
<b>Total</b>	<b>1.023</b>	<b>100,0</b>	<b>1.387</b>	<b>100,0</b>

When the complaint applications in 2005 are evaluated in topics basis, it can be seen that “the credit cards item” is the most intensive application subject. The complaint distribution concerning the credit cards is indicated in table 2.8.

Unless the subject of complaints contravenes the governing provisions of the Act, our Agency does not interfere in the disagreement.

**Table 2.8 – Topics of the Complaints Concerning Credit Cards**

Topics	2004		2005	
	Number	%	Number	%
Demand of Re-structuring Credit Card's Debt	44	18,5	42	12,8
High rates of credit cards interests	44	18,5	108	33,0
Noncancellation of the credit card by the bank despite the request of the consumer	27	11,3	22	6,7
Incidents of losing, stealing and swindling on Credit Cards	25	10,5	40	12,2
High rates of the commissions and fees gained from the Credit Cards	22	9,2	24	7,3
Issuing credit card without informing the related person	11	4,6	11	3,4
Refusal of credit card request	9	3,8	10	3,1
Not receiving any positive or negative answer related to the credit card request.	9	3,8	0	0,0
Other	47	19,7	70	21,4
<b>Total</b>	<b>238</b>	<b>100,0</b>	<b>327</b>	<b>100,0</b>

Transactions made relating to the applications made to the Agency within the scope of the Provisions of the Law on Right of Obtaining Information Nr. 4982 are in table 2.9.

**Table 2.9 –Applications Made Within The Scope of The Law on Right of Obtaining Information Nr. 4982**

<b>Datas</b>	<b>Number</b>	<b>%</b>
Applications which were provided with access to information and documents by a positive reply	1.090	64,5
Applications to which were provided with access to information and documents by partially positive and partially refusing reply	50	3,0
Refused application	339	20,0
Applications to which were provided with access to information and documents by removing the information with secrecy nature or secret.	1	0,1
Applications directed to other institutions and agencies	210	12,4
Total number of the objections made to the courts upon the refusal of the applications	1	0,1
<b>Total Obtaining Information Applications</b>	<b>1.691</b>	<b>100,0</b>

## **2.5 Activities relating to Strategy Development**

### **2.5.1 Strategies and Policies**

“Institutional Development Plan of the BRSA”, which was adopted in June 2001 by the Banking Regulation and Supervision Board, has been the first strategic planning activity to be executed in the Agency. The study conducted as one of the condition to the utilization of the World Bank’s The Programmatic Financial and Public Sector Adjustment Loan (PFPSAL II), was accomplished by realising the plan target by the end-2003. A new substructure study with a view to constitute a more comprehensive strategic plan by the Department of Strategy Development was started in 2004. By making internal and external environment analysis, the strong and weak sides of the Agency and opportunities and threats that shall affect the Agency were determined. In the light of these findings, within the coordination of the other units, the activities and the basic targets concerned that shall provide the realization of vision and mission of the Agency were determined and a working chart dependent on the activities thereof was prepared.

Within the scope of the studies mentioned, the studies have been accelerated with a view to form the first strategic plan of the BRSA and the Draft Strategic Plan of the BRSA, which comprise the years 2006-2008, was accomplished by the end-2005. The draft was presented to the Board by the beginning of 2006, after the Board’s passing the resolution, expected to be put into force within the second quarter of 2006. After putting into practice to the strategic plan, it is foreseen that monitoring table and performance criteria be put into force with the plan. Besides, preparing Strategic Plan progress and performance evaluation reports is planned at the first half of 2006.

The studies which were started in 2003, with a view to develop the efficiency and quality of the Agency’s activities, were carried on in 2005 and were participated to preparation and training studies within the scope of Turkish Quality Association with which were affiliated in October 19, 2004. Determining the study process and documentation study, which were initiated as a part of quality and performance management studies, were accomplished in

2005. By entry into force of the Banking Law Nr. 5411 and the BRSA Regulation on Organization renewed, in accordance with the amended legal framework and organization structure, the necessity to make a revision of the Agency's current work process study was needed in 2006. After the up-dating studies, it is planned that the department and activity handbooks be completed in 2006 and of the work process documents and hand books be formed the first components of quality, performance and institutional risk management systems.

## **2.5.2 Activities Conducted Relating to Risk Management**

The activities realised in 2005 relating to risk management are comprised of conducting research and analysis, executing international projects on risk management, conducting impact studies and contributing to the supervisory assessment process of the banks' risk management systems.

Within the scope of research and analysis on risk management, two working papers on operational risk and one working paper on internal rating systems were published and information notes on operational risk and credit risk data requirements were prepared. In addition to thereof, concerning risk measurement, four papers were presented in national and international congresses and symposiums with scientific context. Besides, Banking Sector Risk Assessment Report in which financial risks of the banking sector analyzed was continued to publish semi-annually.

The activities hereunder were conducted within the framework of the projects related to EU Capital Requirements Directive (CRD) and the New Basel Capital Accord (Basel-II). A road map on the transition to Basel-II was prepared and announced.

- Core documents on Basel-II and its implementation were translated into Turkish and published.
- 16 presentations and 6 speeches relating to Basel-II were made in national and international conferences, seminars and workshops.
- The Basel-II Training Report of the Agency was prepared and transmitted to concerned units.
- The guidance and coordination activities of the Basel-II Preparation Committees (intra agency Basel-II Project Committee, inter agency Basel-II Coordination Committee composed of BRSA, CBRT, Treasury, CMB and TBA, and Basel-II Steering Committee, the committee composed of BRSA, TBA and sector representatives) were carried out.
- The guidance and coordination studies of the activities of the committees, which were established relating to Basel-II, (Basel-II Project committee with a view to execute inter-Agency studies; .The Banks Association of Turkey for executing the studies concerning the banking sector; Basel-II Guidance Committee which were called into being by the banks; Basel-II Coordination Committee which was called into being by the participation of Turkish Treasury, CBRT, Capital Market Boards of Turkey, and the Banks Association of Turkey for executing the studies with the other public organizations; )were carried on.
- Two surveys on implementation of Basel-II in Turkish banking system were conducted and their results were made public.

- Consultations with international organizations (IMF, the World Bank etc.) and rating agencies were carried out.
- A workshop and a seminar on Basel-II Implementation were organized in coordination with World Bank and TAIEX and an extensive participation to the workshop and the seminar was procured thereof.
- An extensive participation of Agency's personnel to the international symposium on financial stability and Basel-II organized by the CBRT was procured.
- The module of the Basel-II Training Programme 'FSI Connect' which is serving upon internet was put into service of the Agency's personnel.
- Agency's personnel participated to the meetings about QIS-5 hold in Basel.

While a twinning project proposal with a view to prepare Agency to the CRD was prepared and presented to EU, the negotiations upon the respect are being carried on.

With a view to monitor the results and potential effects of national and international standards and developments in the financial sector, two working papers on the potential impacts of Basel-II on Small and Medium Sized Enterprise (SME) loans and its macroeconomic reflections were published.

As researches and analysis on risk management, working papers shall be published on the core banking risks namely credit, market and operational risks. The content of the Banking Sector Risk Assessment Report published semiannually, shall be further enhanced in 2006.

The preparation and implementation works activities of CRD and Basel-II shall be carried out within the scope of the Road Map.

Besides, with a view to analyze the potential and realized effects of Basel-II, a Quantitative Impact Study shall be conducted in 2006.

#### **Transition to Basel-II Road Map:**

Basel Committee on Banking Supervision, on which the banking supervisory agencies of the G-10 countries are being represented, are publishing various standards and principles on bank supervision in international era and the said principles are being adopted by many developed and developing countries.

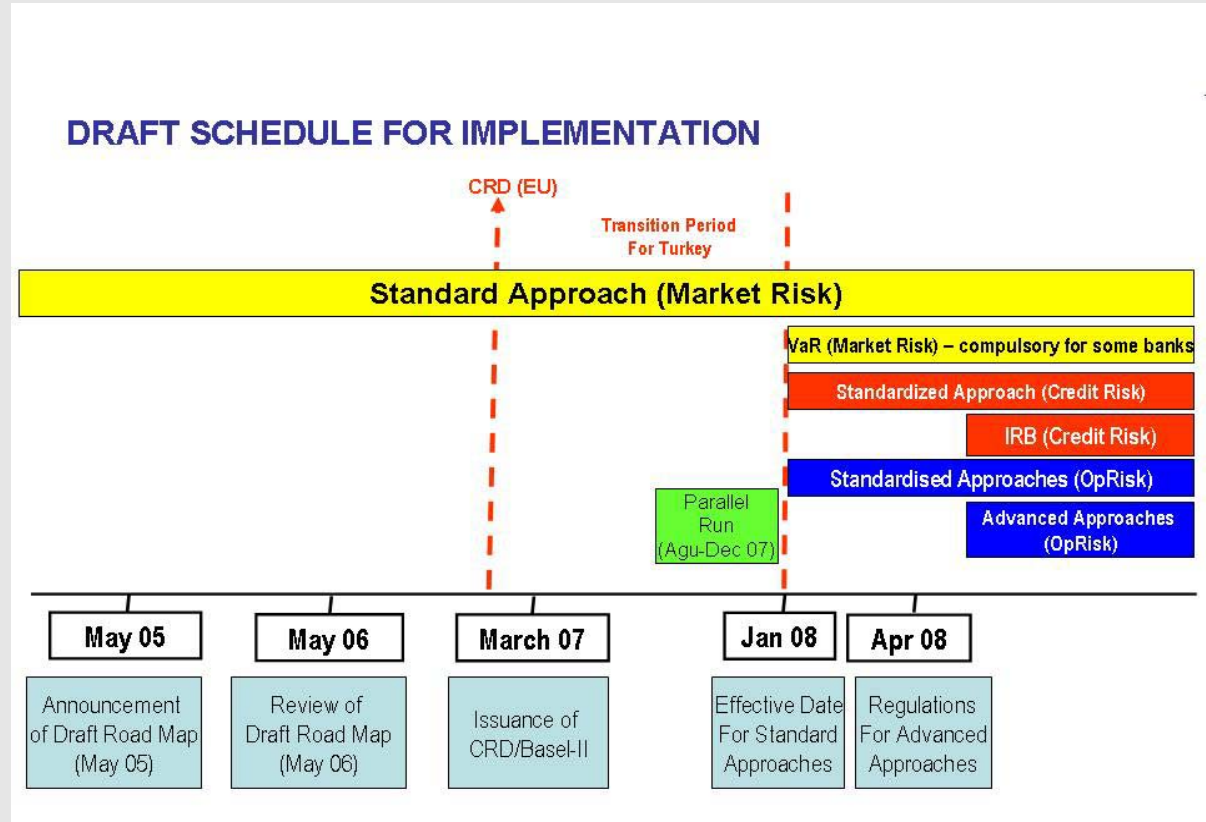
Basel-II is the most comprehensive and the highest costly one to the effected banks among the projects carried out by the Basel Committee. Basel-II studies were initiated in 1998 and final document was published in 2004. Basel-I, first capital accord dated 1988 adapted by more than 100 countries was significantly changed by Basel-II. Implementation of the New Accord in G-10 and EU countries was agreed upon and announced to start in 2007. According to results of a survey conducted by Basel Committee, the banking regulatory authority of more than 120 countries shall adapt to Basel-II rules until 2015.

Basel-II is reflected to Acquis Communautaire with Capital Requirement Directive (CRD). It is planned that Turkey shall harmonize its banking regulations to CRD within the context of accession negotiations between Turkey and EU. With this respect, studies carried out on Basel-II implementation shall provide harmonization to CRD.

To carry out the activities on Basel-II implementation, three committees were established by our Agency. Of the committees, in order to carry out Basel-II preparation activities within the Agency, Basel-II Project Committee was established in 2004. To carry out banking sector wide implementation activities with representatives from banks and Banks' Association of Turkey, Basel-II Steering Committee was established in 2003. To conduct interagency implementation studies in cooperation with other regulatory and supervisory bodies (CMBT, CBRT, Treasury, TBA), Basel-II Cooperation Committee was established in 2005. Of the said Committees, Basel-II Steering Committee has realized 5 meetings, Basel-II Project Committee 1 meeting and Basel-II Coordination Committee 2 meetings.

The second "Draft Road Map For the Implementation of Basel-II" was announced in May 2005. Key dates in the Road Map are provided in the figure hereunder.

## Key Dates of Basel-II Implementation Road Map



In the Road Map, it is planned that,

- Basel-II, as a capital adequacy regulation, shall be published in March 2007.
- Basel-I and Basel-II parallel run shall start in August-2007 and end in December 2007.
- Full Basel-II implementation shall start with standardized approaches for credit and operational risks in January 2007. Certain banks shall be required to use internal models for their market risk capital calculations.
- The regulation on the validation of internal ratings based (IRB) approaches for credit risk and advanced measurement approaches (AMA) for operational risk shall be published in April 2008.
- Use of IRB and AMA in regulatory capital calculation shall be available after January 2009.

## 2.5.3 Monitoring and Evaluation of National and International Financial Developments

The developments in real and financial sector within the national and international economies were monitored and the studies, relating to determination and evaluation of the risks that the evaluation thereof shall cause upon the banking system, were made. Within the scope of that, 5 operation report were published and the reports thereof were focused on the respects like the development of the efficiency within the banking sector, mediation costs on low inflation environment, foreign capital accession to the banking sector and the Turkish banking sector's level of competing within the perspective of EU membership. Besides, information notes and

expansive presentations relating to; banking sector developments relating to monitoring activities of financial market developments, housing loan, consumption loan, credit cards, investment and development banking, foreign capital accession to banking sector and real sector and banking sector relationship were prepared.

The effect analysis concerning the basic renewals that the Banking Law Nr. 5411 brings with a view to analyze national and international structural and institutional modifications and potential and realizing effects of standards upon financial sector, probable reflections upon borrowing market and credit market of emerging countries in case of Basel-II Accord shall enter into force, the Resolution Nr. 32, Draft Act on cash cards and credit cards and mortgage were made.

Presentation materials to conferences and seminars relating to the respects the banking sector and off-bank financial sector concerned were prepared. Annual Activity Report 2004 relating to Agency's activities was prepared and presented to the Council of Ministers and Public. The first edition of periodical report of which its sub-structure studies were accomplished and which shall evaluate national and international macroeconomic and financial developments in banking sector rigorously will be published in 2006. A list of operation reports relating to the activities as above is presented in annex in details.

#### 2.5.4 Information Resources and Librarianship Services

The BRSA Library which targets to be an specialization library, for assuring its services to execute efficiently and productive, became the subscriber of 1.646 books in respect of banking, economics, law and supervision and 129 periodic publication and has continued on developing its collection.

"Current Announcements Service" which including table of contents page of the periodicals subscribed and reports open to general public of which certain banks and financial institutions publishing were published with the title of "Off-Agency Reports" on intranet web-page.

Specialist thesis prepared by Agency's personnel and the authorization study reports were initiated to publish on intranet web page and were put into service on "Agency Thesis Shelf" in printed. Besides, the documents of the programs like inland and foreign seminars of which the Agency personnel were participated were exhibited on "Training Materials Shelf".

**Tablo 2.10 –Developments on Information Resources**

Type of Materials	End-2004 Total		Which were Added in 2005 or renewed subscription		End-2005 Total	
	Ankara	İstanbul	Ankara	İstanbul	Ankara	İstanbul
Book	3.691	1.932	1.181	465	4.872	2.397
Turkish Periodicals	60	44	64	42	64	42
Foreign Periodical	6	6	6	17	6	17
Turkish Database*	3	3	3	3	3	3
Foreign Database**	5	5	5	5	5	5
Cd- Rom	9	0	77	10	119	46

\* Başar Mevzuat, Kazancı Mevzuat ve İctihat Sistemi, Lebib Yalkın Yayınları Mevbank.

\*\* Bankers' Almanac, SSRN (Social Science Resource Network), EBSCO Business Source Corporate, Reuters, Olsinet

Within the scope of library working program 2006, it is planned that procedures and principles concerning operation and processing thereof be determined, the collection

concerning the activity field of the Agency be enriched by current publications, encouraging the practices with a purpose of covering the necessities and increasing the usage of information resources be developed, by means of the library the databases' put into service efficiently be provided, be monitored and be up-dated thereof, internet and intranet pages be renewed, the information resources concerning banking and financial system prepared off-the Agency which are to be taken on place on "Off-the Agency thesis Shelf" , "Articles Database" and "Articles Shelf" be formed.

## **2.6 Information Management Activities**

The weighted parts of the activities of 2005 are comprised of the studies in respect of Banks Reporting System, Management Information System of the Agency, and Information Systems Audit. Other activity topics are system, network and security studies and internet services which are the basic functions. It was focused on the studies relevant to inform the public about banking sector in accordance with the transparency principle of the Agency. Within the scope of that, the credit card interest rates executed by the banks were initiated to publish monthly on the Agency's web site.

The study of Banking Sector Executives Expectation Survey, with a view to monitor the banking sector administrators' perceptions in various respects relating to the banking sector and national economy and share out the results thereof with other economic units and public, was initiated. The first edition of the Survey, intending to measure the expectations of top managers of the banks and Special Finance Institutions within the forthcoming three-month period, was published in October.

With a view to reveal the most recent data relating to banking sector, it was started to publish the basic balance sheet information relating to banking sector daily upon internet. Besides, certain national and international economic and financial data are being published daily upon Internet.

The Weekly Bulletin, which are being prepared by the data received in the forms taken weekly and daily from the banks and are being demonstrated in excel file format; was put into service under the name of Interactive Weekly Bulletin which procuring the users make query upon Internet in an interactive manner, make a transfer of the selected data to their computers and make the query templates that they formed, saved. Monthly Bulletin, in which the comments included relating to banking sector and detailed data in banking group basis and ratios and changes on data, was initiated to be published. The English and Turkish versions of the Monthly Bulletin are being distributed to universities, libraries and other establishment and institutions concerned and included on Agency's Internet site at the same time.

### **2.6.1 Banks Reporting System**

Within the scope of TRY transition of the year 2005, TRY transition of the form package taken by means of Banks Reporting System from the banks was provided. By transition of the data belonging prior to 2005, data coherence by periods was provided.



Market Risk Reporting Set, which is being transmitted by the banks, was initiated to be taken on Banks Reporting System. Consequently, it is aimed that the data quality be increased by transition through the processes of the data belonging to market risk reporting from internal control, cross control and feedbacks.

Reporting Set of The Cross Border Financial Institutions comprised of 16 forms was prepared in order to make a prediction and evaluation concerning Turkish Banking System and with a view to establish an efficient consolidated supervision and surveillance system and to report the overseas activities of the Turkish Banks and financial houses, and domestic activities of which residing abroad extensively as much as possible by monitoring thereof. Consequently, all reporting of all financial corporations, with a statue of off-shore branches of main partnership and subsidiaries, affiliates, jointly controlled partnership of banks within the scope of consolidated supervision, which they made upon diskette and printed media to our Agency were procured to be made through Banks Reporting System.

By entry into force of the communiqué on Uniform Chart of Account that is to be executed by Participation Banks as from January 01, 2005; Participation Banks Reporting System composing from 45 forms, with a view to fulfill the audit and surveillance function of the participation banks, was prepared and thereof was procured to be taken upon Banks Reporting System. The reporting set, which was procured to be taken upon Banks Reporting System, was collected under the same roof. The new controls within-forms and between-forms relating to added reporting sets with a view to increase the data quality was put into practice.

The ratio set practice working upon data base with a view to assure the ratio analyses used in banks' surveillance are put into service of the Agency's concerned units.

Banks Financial Performance Report (BAFPER) implementation which are getting prepared upon data base, was developed by the Agency with a view to procure labor force and time disposal and the Quarterly Reports' debugging from the manual transactions, which are for monitoring the financial and administrative structure of the institutions subject to Banking Law. The implementation was realized by taken automatically from the Agency's database, as providing the alert to the report preparatory of probable data modifications and as providing the placement thereof to the place concerned within the template.

The studies relating to the preparation of Early Warning Reports and Performance Reports are being carried on. Within the scope of that, it is planned that the current ratio set be expanded, the similar implementations be made for the new added reporting system, the presentations of the data required be made and the appropriate software for the analysis be developed.

#### **2.6.2 The Agency Management Information System: Information Management System and e-signature**

With a view to ensure accurate and current information flow to the management, for the pursuit of the document forming process, the sharing of the Interagency and off-the Agency information and executing and directing documents electronically, the software for the Information Management System was acquired in 2005. When accomplished the regulation

concerning e-signature and substructure studies in our country, system's integrated usage with e-signature is aimed.

Within the scope of the Banking Law and the Regulation on Organization of the Agency entered into force in 2005, in parallel with the amendments occurred on the organizational structure of the Agency, the studies on updating the human resources software which was developed within the Agency are being carried on.

### **2.6.3 System, Network and Security Studies**

The Agency did not run into a significant problem and interruption on computer network and systems in 2005. As the previous years, while the maintenance operations were carrying on, it was continued on the improvement required for increasing availability of the Agency's information system.

A project was initiated with a view to provide an efficient, flexible and a secure access to the resources by the staff employed outside of the Agency included on the computer network of the Agency and the project was finished within the last quarter of the year 2005. With the project, currently it can be reached to the services in the computer network of the Agency safely and remotely from 51 banks currently by cable or wireless on ADSL line, upon Internet, by making user verification with coded or smart cards.

The study of collaborative evaluation of the information system security, which was initiated at the end-2004 by the Agency and the TÜBİTAK National Electronic and Cryptology Research Institute, was accomplished in August 2005. A presentation to the top management was made concerning the results of the said study by TÜBİTAK-UEKAE. Within the scope of the proposals included in the Report, it is planned that the improvements in respect of institutional information security be made and a certificate relating that the system (ISO-17799) is being used in long term be taken.

### **2.6.4 Internet Services**

The total visit amounting to 611.932 from 202.226 visitors to the website of the BRSA was realized in 2005. The average of visitors amounting between 42.000 and 65.000 per month was realized as an average around 55.000.

The most visited pages on the BRSA website and by the amount of visits by the dates in between January 2005 and December 2005 are respectively "Legislation (75.072)", "Human Resources (60.893)", "E-bulletin and Other Data (41.281)", "Publications and Reports (28.487)", " Banks and Special Finance Institutions (27.979)", "Basel-II (27.060)", "Contact us (25.815) and "Press Releases (22.215)". The website access statistics of the BRSA was put into access of the visitors by monthly reports. The access of public to the independent audit reports, which are taken from independent audit institutions relating to the banks, was provided.

### **2.6.5 Information Systems Audit**

The studies upon building the regulation relating to information systems audit activities in banks were carried on; within the scope of that, the studies with the public institutions, banks, independent audit firms, the institutions associations and the other institutions determined in the Law concerned with the subject were continued on in coordination, and the draft regulation was accomplished by the end-2005. It was claimed from the banks that they should realize Limited Application Controls Audit within the second half of 2005. The standards of the agreement relating to fixing the scope concerning audit and receiving service were determined.

The studies, relating to preparing a communiqué, which sets requirements for establishment of an appropriate information system infrastructure for banks being audited were, initiated at the second half of 2005 and it was brought to the process of completion. It is aimed that the communiqué shall be published by updating in a way that would enclose all required amendments after the publication of the regulation.

The studies relating to ensuring knowledge concerning accumulation above mentioned issues and obtaining a certificate were carried on, within the scope of that, training activities and literature follow-up were continued on, besides, two personnel has obtained the CISA certificate that found international acceptance on information system audit and three personnel had passed the examination relating thereof.

### **2.6.6 Banking Technology and Hardware Inventory**

The studies concerning banking technology and hardware inventory initiated within the fourth quarter of 2004 was accomplished at the beginning of 2005 and the information obtained was analyzed and the data was presented to public and to the Agency by considering secrecy provisions. Besides, it was drawn benefit from the information obtained at Audit of Information Systems activities.

## **2.7 Institutional Activities**

### **2.7.1 Foreign Relations**

#### **Relations with Domestic Institutions**

In order to establish intra-organizational cooperation, information and views concerning the implementation of monetary, credit and banking policies with Treasury Undersecretariat, State Planning Organization Undersecretariat, the SDIF and the CBRT were exchanged. Besides, views and evaluations concerning banking sector are transmitted to public institutions and agencies.

#### **Memorandum of Understandings**

The memorandum of understandings are being signed with the supervision authorities of the foreign countries with a view to form an internationally institutional framework that shall facilitate the collaboration in supervision and surveillance between the countries and to evaluate the structure of the institutions' activities and their connection with the main

institution which are subject to the supervision of the BRSA and to be able to reach to the right information relating to the supervision and regulation the activities thereof. The memorandums of understandings that have been signed by the Agency are presented in the table below.

**Table 2.11 – The Memorandum of Understandings signed**

<b>Country</b>	<b>Institutions</b>	<b>Date</b>
Turkish Republic of Northern Cyprus	Central Bank of TRNC	17.09.2001
Albania	Bank of Albania	19 .10.2001
Romania	Central Bank of Romania	19 .02.2002
Bahrain	Monetary Authority of Bahrain	30 .07.2002
Indonesia	Central Bank of Indonesia	11 .12.2002
Kazakhstan	Central Bank of Kazakhstan	22 .05.2003
Pakistan	Pakistan National Bank	20 .01.2004
Malta	Malta Financial Services Authority	10 .12.2004
Greece	Central Bank of Greece	28.01.2005
Kyrgyzstan	Kyrgyzstan National Bank	17 .05.2005
The Republic of Azerbaijan	National Bank of the Republic of Azerbaijan	14 .06.2005
Bulgaria	National Bank of Bulgaria	13 .09.2005

## **Relations with EU**

While the commitments relating to the BRSA of which were included on Turkey National Program for Adoption of the Acquis Communautaire, published in the Official Gazette Nr.25178 dated July 24, 2003 were realized. Also, contributions were made to the Regular Progress Report 2005. Within the framework of supporting the candidacy process of Turkey, the projects, with a view to benefit from the financial funds offered by EU within the scope of Matra program and Pre accession Programs (PSO) of which are granted to assist the candidate countries of EU in pre accession period, were prepared. On the other hand, the participation of the Agency's personnel to the programs realized by Technical Assistance Information Exchange Unit (TAIEX) was procured.

Within the scope of the accession period with EU, which was initiated on October 3, 2005, it was participated to the presentation and preparation meetings realized within the episodes of Free Movement of Capital and Economic and Monetary Policies. Presentation relating to the developments in banking sector was made in the sixth meeting of the Economic and Monetary Issues, Capital Movements and Statistics Subcommittee established by the Turkey – EU Association Council to exchange information between Turkey and the EU.

## **Relations with the World Bank and IMF**

While the negotiations relating to the issues under the responsibility of Agency with IMF and the World Bank representatives were carried on within 2005, contributions were made to the updating studies of the related sections of the various publications which were prepared by these institutions thereof.

## Relations with the Other International Institutions

The participation to the studies executed within the scope of The General Agreement on Trade in Services (GATS) was procured. In 2005, within the scope of the negotiations realized with the various countries which are on the accession process to the World Trade Organization, while the evaluations relating to the banking sector commitments of the said countries were transmitted to the Treasury Undersecretariat which is responsible from coordination; the issues included in the commitment list of Turkey and within the missionary field of the BRSA were updated within the framework of the amendments realized on the Banking Legislation.

The contribution to the meetings and the studies realized by Financial Markets Committee that are executed within the structure of OECD was procured and the exchange of information was made.

Within the framework of the studies concerning the preparation and evaluation of Turkey Report by The Group of States Against Corruption (GRECO), contributions were made to the studies executed by the Ministry of Justice that is responsible from the coordinating.

Meetings were held with the representatives of foreign institutions, agencies and equivalent supervisory authorities, on the current progresses in the banking sector and on the issues falling under Agency's responsibility.

### 2.7.2 Training Activities

The Agency's professional personnel's and the other personnel's participation to in-service training, domestic courses, seminar and similar training activities and foreign training programs, with a view to increase the knowledge and skill about their profession and to monitor the progress of their business, were provided.

In 2004, while a training opportunity, including domestic and abroad amounting to a total of 4,550 days was provided, and an average of 10 days of training per person was given.

The distribution of the said training by subjects and domestic/foreign was presented within the table 2.12 and Table 2.13.

**Table 2.12 – Domestic and Foreign Training Activities**

Years	Foreign		Domestic		Total	
	Number of Participants	Number of Days	Number of Participants	Number of Days	Number of Participants	Number of Days
2004	76	336	594	4.056	670	4.392
2005	68	324	1.351	4.226	1.419	4.55

**Table 2.13 – Training Activities by Topics**

Topics	Number of Participants		Number of Days	
	2004	2005	2004	2005
General Banking	208	321	2,597	1,435
Accounting	76	67	227	117
Economics	84	81	173	156
Supervision	75	172	266	722
Law	48	169	643	519
Computer	34	354	100	489
Illicit Money	8	6	32	17
Legislation	-	97	-	797
Other (Personal Skill, Quality, etc.)	137	152	354	298
<b>TOTAL</b>	<b>670</b>	<b>1,419</b>	<b>4,392</b>	<b>4,55</b>

The participation of our personnel to the courses, seminars, conferences and similar training activities concerning general banking, economics, risk and similar professional topics of which were arranged by the other countries' banking regulatory authorities were shown in below.

**Table 2.14 – Distribution as to the Arranger Institutions of the Foreign Training Activities**

Institutions	Number of Participant		Number of Days	
	2004	2005	2004	2005
FDIC	3	12	34	145
FED	-	4	-	17
FSI	13	14	43	31
IMF	3	4	16	11
ISACA	-	6	-	30
WB	12	4	52	23
OCC	7	5	34	25
Other	38	19	157	42
<b>TOTAL</b>	<b>76</b>	<b>68</b>	<b>336</b>	<b>324</b>

The information relating to basic training program, courses, conferences, seminars and similar training activities of which were organized by our Agency and other domestic institutions in 2005 was presented in table 2.15.

**Table 2.15 – Distribution of Domestic Training activities by Topics and Participants**

Topics	Participation		Number of Days		Participant Profile (*)
	2004	2005	2004	2005	
Basic Training Program (Law)	42	35	630	350	ASBA-ABS
Preparative Training Program (Banking-Finance-Accounting)	46	41	1.500	1.435	ASBA-ABS
CDS, CDO and Other Loan Instruments	-	150	-	150	SBA-ASBA -BS -ABS
Juridical Consequences of Inflation Adaptation	-	150	-	150	SBA-ASBA -BS-ABS
Risk focused Supervision and Risk Evaluation Seminar (**)	-	50	-	250	SBA-ASBA -BS-ABS
Basel-II Country Practices (***)	-	40	-	80	SBA-ASBA -BS-ABS
Banking Law Presentations	-	57	-	741	SBA-ASBA -BS-BSA
Information Technologies Supervision	50	-	150	-	SBA-IM
Control Objectives for Information And Related Technology-COBIT	-	30	-	90	IM
Preparative Training Program to specialization examination	48	-	634	-	ABS
Derivative Transactions	13	-	13	-	SBA
Consolidation Practices within the scope of IAS (International Accounting Standards)	63	-	189	-	M
Public Tender Legislation	-	20	-	40	PC
Manager Assistantship	22	-	44	-	S
Traffic Regulations	-	25	-	50	D
Other(****)	310	753	896	890	M
<b>TOTAL</b>	<b>594</b>	<b>1.351</b>	<b>4.056</b>	<b>4.226</b>	

\*SBA: Sworn Bank Auditors, ASBA: Assistant Sworn Bank Auditors, BS: Banking Specialists, ABS: Assistant Banking Specialists IM: information Management Department Personnel S: Personnel serve in the Agency's secretariat services D: Drivers, PC: Personnel Concerned, M: Mixed

\*\* Federal Reserve Bank Authorities gave the training.

\*\*\* The seminar was realized by technical support of TAİEX of which perform within the structure of EU Commission Enlargement Directorate General.

\*\*\*\* Programs with the subjects of general banking, economics, law, personnel skill etc.of which were arranged by the training institutions of the Banks Association of Turkey, OECD, CBRT and PWC.

## Other Training Activities

75 personnel participated to the foreign language training programmes organized inland in order to improve the foreign language knowledge and 14 personnel were sent to the universities in United States and in Europe for foreign master's degree training in banking, finance, economics, business enterprise, statistics, econometrics, accounting, mathematics, international relations, engineering and law.

### 2.7.3 Communication Activities

Pursuant to the communication strategy, which takes informing public properly and the principle of transparency concerning the activities of the Agency as the basic fundamental, all communication channels with press were made accessible. Within the scope of that, activities such as press conferences, press releases, panels, conferences and symposium were realized. The press was informed through 19 press releases and 4 press conferences concerning

Turkish banking system, enforcement and supervision activities of the BRSA within the year 2005.

**Table 2.16 – Press Releases made in 2005**

Topic	Number
Practices relating to Banks	5
BASEL II	3
Publication Announcement	7
Institutional Activities	2
Other	2
<b>Total</b>	<b>19</b>

The opinions and the evaluations concerning the Agency's activities were announced 8 times by providing participation to the national TV channels such as TRT, CNBC-e, NTV, CNN TURK and 3 times to the radio channels. Besides, the views relating to the Agency and the Chairman were transmitted to media organs in order to support the news concerning the BRSA on media in visual means.

By scanning domestic and foreign newspapers, a high quality press bulletin is being prepared everyday, early in the morning in which news and comments relating to the banking sector and the Agency and besides economic, political and technologic developments in our country and in the world included, and thereof are being served to the usage of all administrators and personnel and the bulletin is being filed.

The monitoring reports of the news concerning the Agency, which included on television broadcasts and news agencies are being pursued and the administrators are being informed. The conferences on "The Past and Present of the Banking System", "Economy and Unemployment", "The Draft Act on Credit Cards", "The Renewals focused to be made on Turkish Banking System within the Process of Accession to EU and the potential consequences" were arranged for the economics and business undergraduates of universities such as ODTÜ, Boğaziçi, Kafkas, Koç, Selçuk, Hacettepe, Dokuz Eylül and TOBB.

The symposium concerning the Draft Act on Credit Institutions was arranged with the participation of Ankara University and other universities. The BRSA specialists were participated to the symposium on Banking Problems arranged by Ankara University Research Institute of Banking and Commercial Law with the support of the BRSA and information was given upon the subject.

The publication policy of the Agency was determined and in consequence of the studies executed within the system, the information of publications included on annex was shared by transmitting to the persons, institutions, libraries and universities concerned.

The proposals and demands send by the public to the Agency through the web address [iletisim@bddk.org.tr](mailto:iletisim@bddk.org.tr) are being evaluated and conveyed to the related departments.



### **3. ABOUT BRSA**

"Banking Regulation and Supervision Agency", with the status of a public legal entity with administrative and financial autonomy, is hereby an institution responsible for taking necessary precautions to ensure confidence and stability in financial markets and efficient operation of credit system, to develop financial sector and to protect the rights of depositors by carrying out regulation, permission, monitoring and supervision activities for banks operating in Turkey or abroad, financial leasing companies, factoring companies, consumer finance companies, financial holding companies and asset management companies as well as the institutions providing support services to these companies. The responsibilities, duties and authorities of BRSA starting its operations on August 31, 2000, are determined in the Banking Law Nr. 5411. The Agency is headquartered in Ankara and it has a representative office in Istanbul.

BRSA is responsible for the regulation and supervision of 51 Banks as of December 31, 2005 and the total assets of the said institutions amount to approximately TRY 407 billion (USD 303 billion). This amount accounts for approximately 83% of GDP in 2005.

The Banking Regulation and Supervision Board is the decision-making organ of the Agency. The Board shall consist of seven members, including one chairman and one vice chairman. The chairman of the Board shall be the chairman of the Agency. The service units of the Agency consist of nine main departments and one support service department in the total of ten units.

The expenses of the BRSA are financed through the contributions paid by the banks and other financial institutions under supervision depending upon the balance-sheet totals of the previous year. The Agency shall not take allocation from government budget.

#### **3.1 Establishment and Development of BRSA**

Financial sector, playing a vital role for the economies as it channels the savings to investments, is becoming more cross-border and complex day by day as well as reaching to the magnitudes over the national product. This fact urges the institutions responsible for the supervision and regulation of this sector to specialize in their fields and to operate in more efficient, independent, flexible way. As a reflection of this approach adopted by the institutions like EU and OECD, the supervision function, which were formerly carried out through ministries or central banks, has been transferred to the autonomous institutions constituted out of general administration in many countries.

The first reflections of the aforementioned tendency are the entry of the policies towards "increasing the efficiency of the regulation and supervision system and formation of autonomous judgment mechanisms" into the 7th Five-year Development Plan as well as the related annual programs; and afterwards the establishment of "Banking Regulation and Supervision Agency (BRSA)," as a public legal entity with administrative and financial autonomy, with the repealed act Nr. 4389 published in the Official Gazette Nr. 23734 dated June 23, 1999. The responsibilities of the BRSA in the current Banking Law Nr 5411 are;

In order to ensure the confidence and stability in financial markets, the sound operation of the credit system, the development of the financial sector and the protection of the rights and interests of depositors,

To regulate, enforce and ensure the implementation of the establishment, activities, management and organizational structure, merger, disintegration, change of shares and liquidation of banks and financial holding companies and with the reservation of the provisions of other laws and the related regulation, financial leasing, factoring and consumer financing companies, and monitor and supervise enforcement of such,

To become members of international financial, economic and professional organizations, in which domestic and foreign equivalent agencies participate, sign memorandum of understanding with the authorized bodies of foreign countries regarding the matters that fall under the Agency's field of duty,

To prevent any transaction and practice that could endanger the rights of the depositors and the sound and safe operation of banks and severely damage the economy; and to take and implement the decisions and measures in order to ensure the efficient operation of the credit system.

To fulfill other duties assigned by the Law.

The Banking Regulation and Supervision Board, the decision-making organ of the Agency was appointed by the decision of Council of Ministers Nr. 2000/313 dated March 23, 2000. The service units of the Agency and the responsibilities and duties of them were arranged by the "Decision of Council of Ministers Regarding the Regulation on the Organization of the Banking Regulation and Supervision Agency," published in the Official Gazette Nr. 24087 dated June 22, 2000 upon the proposal of the Board. The Agency started to operate in Ankara at its main building on August 31, 2000 with the relevant units under Turkish Treasury and Central Bank of the Republic of Turkey as well as the assigned personnel from the Undersecretariat of the State Planning Organization and Finance Ministry.

Comprehensive changes were made in the Agency's Organization structure in 2002, 2004 and 2005 due to service necessities and the changes in legislation. In this context, while some units were added to the organization structure in 2002, an integrated structure where the licensing, monitoring and enforcement functions are carried out together, was adopted by a comprehensive reorganization program in 2004.

Lastly, in parallel with the public administration reform, by the Banking Law Nr. 5411 as well as the "Decision of Council of Ministers on the Regulation on the Organization of the Banking Regulation and Supervision Agency" published in the Official Gazette Nr. 2005/9859 dated December 31, 2005, number of the service units were restricted, on-site and off-site audits gathered in the same unit and the personnel system and status of the agency redefined effective from January 01, 2006.

## 3.2 Strategic Plan

In 2005, within the scope of the studies related to the Agency's strategy and policies, the Strategic Plan executed by the Strategy Development Department is aimed to be a guide to determine the Agency's present situation, its goals, and the methods to reach these goals, to present the Agency's long termed and future oriented point of view, to guide the budget studies.

The performance goals related to the Strategic Plan are beyond being instruments to provide the corporate contributions mentioned above; they are clearly indicated studies in the Banks Act Nr. 5411. Article 88 (1/b) of the Banks Act consigns the duty and the authority of "To set the strategic plan, performance criteria, goals and objectives and service quality standards of the Agency; to establish the human resources and working policies; to provide suggestions regarding the Agency's service units and their duties" to the Banking Supervision and Regulation Agency, and the Article 89 (2/g) authorizes the Chairman to "To assess the strategies, policies, the relevant legislation and the performance criteria of the Chairman's office and personnel". Also, pursuant the Article 101/6 of the Banks Act, "Each year at the end of March, the Agency shall publish an activity report that analyzes the decisions taken, the secondary legislation issued and their economic and social implications. The activity report shall also include the comparison of the Agency's performance objectives with the findings." The Article 97/2 of the Banks Act, which arranges the subjects of "transparency and accountability", related to BRSA decrees that "The Agency shall brief the Council of Ministers regarding its policies and the implementation of such policies, once every six months."

Within the Strategic Plan prepared by the method of strong-weak sides and the analyze of threats-opportunities (SWOT), it is given place to the mission, vision, main principles and strategic goals and targets. The Agency's mission, vision, main principles and values determined within this framework are given below.

### **Our Mission**

The mission of BRSA is; within the framework of its duties and authorities, to safeguard the rights and benefits of the depositors, to provide the confidence and stability in the financial markets, to bring competition power to the financial system, to ensure that the credit system work actively, to encourage the institutions subject to regulation operate healthy and orderly in a market discipline.

### **Our Vision**

Our vision is to be an executive authority in world standards, based on plentiful regulation and active supervision in financial markets, active risk management, competitiveness and efficiency in international scale, departure for the European Union, innovativeness, professionalism and perfection; trusted, possessing organizational harmony.

### **Our Main Values and Principles**

BRSA shall establish, implement and develop the required regulatory and supervisory frame in order to carry out its mission and implement its vision. In this scope, BRSA's main values are:

**Impartiality:** The BRSA equally treats all institutions that operate in its scope, and fulfills its responsibilities with care and impartiality, avoiding all types of discrimination.

**Transparency and Accountability:** In order to carry out in an accountable and transparent manner, informing the public about the operations and operation results is ensured.

**Effectiveness:** Regulatory and supervisory practices are carried out regarding cost/benefit approach and special attention is given to preventing the occurrence of any possible effects that could distort the competitiveness amongst institutions. Activities are carried out by a specialist and devoted staff with high ethical values.

**Responsiveness:** Demands of the individuals and institutions related to the activities of the Agency are timely and effectively responded.

**Cooperation:** Due diligence is given to effective and open communication with the sector, professional institutions, academic environment, and other related parties during the process of drafting regulations and implementation hereof. Besides, cooperation with other public agencies is made for ensuring consistency as regards policy implementation and regulations.

**International Cooperation:** Within the framework of the requirements of the national economy, considering the fast changes and developments in the financial field, BRSA operates with close cooperation with national and international institutions and organizations responsible from regulation and supervision of the financial sector.

**Professionalism:** The Agency considers the benefits of the public in reaching its targets, takes responsibility and accepts the charge of accountability.

**Consumer Oriented Service:** To make the consumers conscious about financial services, to review the regulations and policies in accordance with the propositions and complaints.

The strategic goals of our Agency are determined as:

- A safe, stable, efficient and competitive financial market,
- An effective and efficient supervision system,
- A flexible regulatory framework,
- Transparent, fair and promoting practices oriented to consumer rights,
- Effective and efficient corporate governance.

As infrastructure components of the process of determining the operations related to the strategic goals and targets, an environmental analysis explicating the general trends of the world and the developments of the environment in which the Agency operates and the analysis in the Agency in which the matters such as the past of the Agency, its legislation, its place within the bureaucracy, its important projects realized or executed, and its personnel structure are included to the Strategic Plan.

The 2006-2008 BRSA Draft Strategic Plan is presented to the Banking Regulation and Supervision Agency. Within the process of Strategic planning, a feedback operation shall be realized using the information obtained as a result of the monitoring and supervision operations. In order to secure that the monitoring and supervision and evaluation operations

can be realized effectively and to provide that the targets introduced within the Strategic Plan shall be associated with concrete and measurable indicators before the practice phase, a Draft Performance Criteria is prepared to be used only by the Agency.

The monitoring and evaluation process executed based on the performance criteria composed, shall provide the corporate learning and constant improvement, and shall contribute to the principles of accountability and transparency.

### 3.3 Human Resources Structure of the Agency

While the entire personnel of the Agency were being employed under contract until October 31, 2005 pursuant to the abolished Banks Act Nr. 4384, within the scope of the Banking Law Nr. 5411 which was entered into force by publishing on the Official Gazette dated 01.11.2005 and (repeated) Nr. 25983, the mode of employment was re-determined.

Pursuant to the Banking Law, vice presidents, head of departments, managers, advisors and sworn bank auditors and assistant sworn bank auditors, banking specialists and assistant banking specialists, law specialists and law specialist assistants, information technologies specialists and information technologies specialist assistants are initiated to be employed as career personnel under contract. The personnel employed under contract, excluding financial and social rights, and the other personnel are held subject to the Act on Public Sector Employers Nr. 657, in rights and obligations.

The Agency's permanent staff number was determined as 852 in table Nr. 851 annexed to the Banking Law and the ratio of the personnel who do not have the title of manager, advisor and career personnel was limited by 30% of the total permanent staff number. The Agency's permanent staff and distribution of the personnel, which was formed subsequently the BRSA Regulation on Organization published on the Official Gazette dated December 31, 2005, Nr. 26040, is included on Table 3.1.

**Table 3.1. The distribution of Agency positions and personnel**

	<b>Number of Position</b>	<b>Share %</b>	<b>Number of Personnel Employed</b>	<b>Share %</b>
Executive	17	2,0	14	3,2
Advisor	5	0,6	2	0,5
Specialized Personnel	614	72,2	286	64,6
Other Personnel	215	25,3	114	25,7
Other Personnel *	-	-	27	6,1
<b>Total</b>	<b>851</b>	<b>100,0</b>	<b>443</b>	<b>100,0</b>

\* It shows the number of the staff working pursuant to the provisional article 20/2 of the Banking Law Nr. 5411.

Distribution of the Agency staff by title is given below in Table 3.2.

**Table 3.2 – Distribution of personnel**

	Category	Title	Number of Personnel Employed
Executive personnel	GİH	Vice president	3
Executive personnel	GİH	Department Head	9
Executive personnel	GİH	Director	2
Advisor	GİH	Chairman's Advisor	2
Specialized personnel	GİH	Sworn Bank Chief Auditor	11
Specialized personnel	GİH	Sworn Bank Auditor	42
Specialized personnel	GİH	Assistant Sworn Bank Auditor	63
Specialized personnel	GİH	Chief Banking Specialist	21
Specialized personnel	GİH	Banking Specialist	80
Specialized personnel	GİH	Assistant Banking Specialist	69
Other Personnel	GİH	Chief Specialist	19
Other Personnel	GİH	Agency Specialist	9
Other Personnel	AH	Lawyer	5
Other Personnel	GİH	Translator-Interpreter	5
Other Personnel	TH	Architect	1
Other Personnel	TH	Engineer	1
Other Personnel	SH	Doctor	1
Other Personnel	GİH	Defense Expert	1
Other Personnel	GİH	Expert	10
Other Personnel	GİH	Chief	14
Other Personnel	GİH	Civil Servant	10
Other Personnel	GİH	Librarian	1
Other Personnel	TH	Technician	3
Other Personnel	GİH	Secretary	16
Other Personnel	GİH	Switchboard operator	1
Other Personnel	GİH	Security staff	1
Other Personnel	GİH	Driver	16
Other Personnel *			27
<b>TOTAL</b>			<b>443</b>

\* It shows the number of the staff working pursuant to the provisional article 20/2 of the Banking Law Nr. 5411.

Information regarding the academic background and age is shown in Table 3.3. and 3.4.

**Table 3.3 – Number of staff by Academic Background**

	Other	undergraduate	Graduate	Master	Phd
Executive	-	-	4	9	1
Advisor	-	-	-	-	2
Specialised personnel	-	-	243	39	4
Other Personnel	26	17	64	6	1
Other Personnel *	-	2	17	7	1
<b>Total</b>	<b>26</b>	<b>19</b>	<b>328</b>	<b>61</b>	<b>9</b>
<b>Share (%)</b>	<b>5,9</b>	<b>4,3</b>	<b>74</b>	<b>13,8</b>	<b>2</b>

\* It shows the number of the staff working pursuant to the provisional article 20/2 of the Banking Law Nr. 5411.

**Table 3.4 – Number of Personnel by Age**

Age Group	Number of Personnel	Share in Total (%)
Between 20-30 Years	240	54,2
Between 31-40 Years	135	30,5
Between 41-50 Years	58	13,1
Between 51- 60 Years	10	2,3
<b>Total</b>	<b>443</b>	<b>100</b>

The general information, and information about birth registry, family, educational status, department, title, city and status movements of the Agency's personnel, the information about proxy, the fixing of their term of office and their retirements, data about their salary, information about their vacations, their military state and similar information are followed by the Human Resources Module created in the Agency. Within the said module, while the staff has the opportunity to access to the information of their own and also the managers can monitor the staff's information related to their vacations and retirements.

while determining and covering the staff needs of the Agency, general employment policy on the principle of "to work with enough personnel with enough qualities to realize the functions which are necessary to access the goals", is accepted.

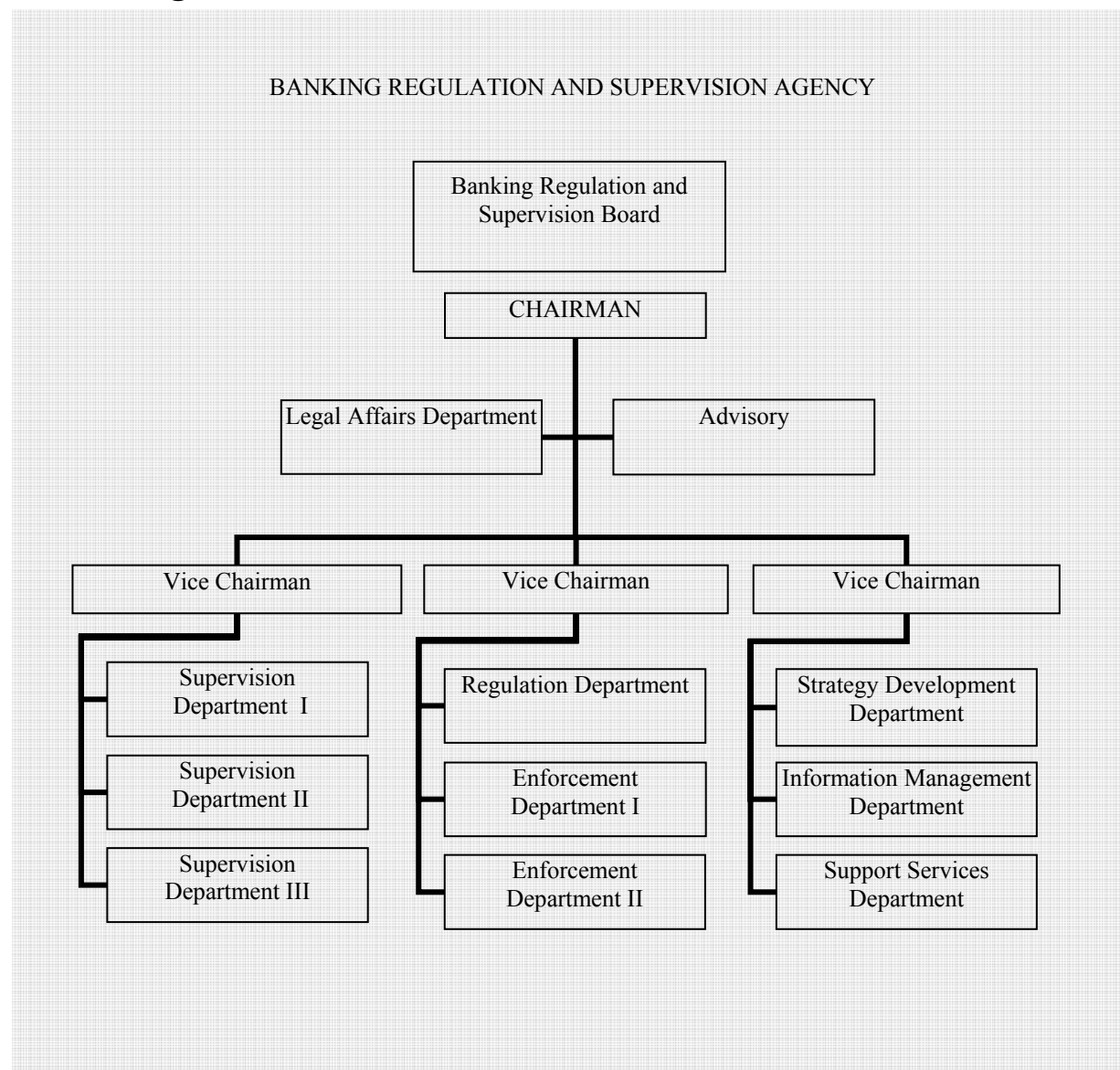
To guarantee the make-up of the necessity of the professional employee which will be employed in the main service units of the Agency, the inauguration operations of those who passed the "Sworn Bank Auditor Assistance and Banking Expert Assistance Entrance Examination", opened in 2004 November and 2005 October, announced all over Turkey, are completed generally in January, February, March, November and December 2005.

By December 2005, the personnel movements in the Agency are realized as it is shown in the Table 3.5.

**Table 3.5 – Personnel Movements**

Months	Appointed		Left		Existing	
	2004	2005	2004	2005	2004	2005
January	3	20	2	-	324	384
February	-	17	3	2	321	399
March	9	10	2	2	328	407
April	-	1	3	4	325	404
May	-	-	2	2	323	402
June	35	-	-	1	358	401
July	6	1	1	3	363	399
August	4	-	-	10	367	389
September	1	-	2	1	366	388
October	-	5	2	1	364	392
November	1	15	1	2	364	405
December	-	41	-	3	364	443
<b>TOTAL</b>	<b>59</b>	<b>110</b>	<b>18</b>	<b>31</b>		

### 3.4 The Organization Structure



The organization structure is prepared pursuant the Banking Regulation and Supervision Agency Organization Regulation published in the Official Gazette Nr. 26040, dated December 31, 2005.

### 3.5 The Activities of the Banking Regulation and Supervision Board

The number of total resolutions that the Banking Regulation and Supervision Board carried within the 68 meetings realized in 2005 is 250. The Board resolutions include usual operations such as regulation, licensing operations, sanctions, but also, issues such as strengthening the framework of monitoring and supervision and making it compatible with the international standards. Besides, as the Board is the Agency's decision body, the



resolutions related to the personnel operations and the administrative and financial resolutions are mainly carried by the Board.

**Table 3.6– Board Resolutions Carried in 2005**

<b>Subject</b>	<b>Number</b>	<b>Share %</b>
Regulation Operations	24	9,6
Licence Operations	32	12,8
Establishing A Bank*	1	0,4
Share Turnovers	13	5,2
Opening a Branch or a Representative Office	12	4,8
Turnover or Merger of the Banks	6	2,4
Sanctions	60	24,0
Removal/Restoration of the Authority to Sign of the Bank Authorities	9	3,6
Vesting Power to do Independent Audit or Annulment of the Power	8	3,2
Apply/Not Apply the Administrative Fine	43	17,2
Administrative, Financial and Personnel Operations Related to Agency Management	105	42,0
Other	29	11,6
<b>Total</b>	<b>250</b>	<b>100,0</b>

\* Pursuing the Article 12 (1/d) of the Abolished Banks Act Nr 4389, it is granted permission to Anadolubank A.Ş. to establish bank in the Netherlands.

## 4. FINAL ACCOUNTS AND BUDGETARY PRACTICE RESULTS

Related to the Agency's ex-post external audit, the provision of "Regarding the internal and external audits of the Agency, provisions of the Public Finance Administration and Control Law Nr. 5018 are applied" is included in the Article 101 of the Banks Act Nr. 5411 which became operative in November 1, 2005. According to the Article 68 of the Law Nr. 5018, the mentioned audit will be made by the Turkish Court of Accounts. However, according to the provision included in the temporary article 10 of the Law Nr. 5018 "The external audit of the operations until December 31, 2005 of regulation and supervision institutions and managements with special budget being subject to the Court of Accounts for the first time with this Act is continued to be made according to the related provisions", pursuing to the Article 7 of the Act on Restructuring the Debts to Financial Sector and Amendments in Some Acts Nr. 4743, the operations of the Agency related to Accounts and Expenses of 2005 are audited by a commission composed by the Inspector of Prime Ministry, auditor of Prime Ministry Supreme Board of Supervision and Fiscal Inspector.

The balance-sheet of the Agency including its assets and liabilities, the income statements including its income and expenses, budgetary practices statements presenting briefly the practice results (final accounts) of the income and expenses budget are shown below.

### 4.1 Balance Sheet

The cash total in the liquid assets is NTL 10 thousand, and total of the banks is NTL 81.317 thousand, and after deducting the NTL 778 thousand which is the amount of the order of payments from this amount the total liquid assets is NTL 80.550 thousand. NTL 437 thousand of the amount registered in the Trade Receivables shows the receivables from the participation share.

Among the NTL 1.285,7 thousand short-term debt of the Agency, NTL 737,8 thousand includes the tax due related to the period of December 2004 which is required to be declared by a withholding tax return and be paid until January 20, 2005, NTL 40,8 thousand includes several payments to the personnel, and NTL 499,9 thousand includes the amounts which will be paid to the other persons and institutions.

The Agency's 2005 comparative condensed balance sheet is presented in the table below.

**Table 4.1– BRSA 2005 Condensed Balance Sheet**

ASSETS NTL Thousand	2004	2005	LIABILITIES NTL Thousand	2004	2005
<b>1. Total Current Assets</b>	<b>78.790</b>	<b>81.070</b>	<b>1. Tot. S-T Foreign Resources</b>	<b>961</b>	<b>1.286</b>
1.1 Liquid Assets	76.901	80.550	1.1 Financial Liabilities	4	0,4
1.2 Commercial Receivables	1.831	438	1.2 Commercial Liabilities	494	500
1.3 Other Receivables	50	71	1.3 Other Liabilities	18	41
1.4 Other Current Assets	8	11	1.4 Tax and Other Liab. Payable	445	745
<b>2. Tangible Fixed Assets</b>	<b>1.500</b>	<b>1.500</b>	<b>2. Tot. L-T Foreign Resources</b>	<b>76.459</b>	<b>78.454</b>
<b>2.1- Tangible Fixed Assets*</b>	<b>1.500</b>	<b>1.500</b>	2.1 Income and Expenses Estimations of Forthcoming Years	76.459	78.454
2.1.1- Tangible Fixed Assets (Gross)	6.071	6.449	<b>3. Total Own Funds</b>	<b>2.870</b>	<b>2.831</b>
2.1.2- Accumulated Amortization	-4.571	-4.949	3.1 Previous Year's Positive Activity Results	85.924	85.924
<b>2.2- Intangible Fixed Assets</b>	<b>-</b>	<b>-</b>	3.2 Previous Year's Negative Activity Results	-39.485	-83.097
2.2.1- Rights	136	136	3.3 Period's Positive Activity Results	-43.569	-
2.2.2- Accumulated Amortization	-136	-136	3.4 Period's Negative Activity Results	-	4
<b>TOTAL ASSETS</b>	<b>80.290</b>	<b>82.570</b>	<b>TOTAL LIABILITIES</b>	<b>80.290</b>	<b>82.570</b>

## 4.2 Income Statement

The comparative income statement of the Agency as of 2005 is as shown below.

**Table 4.2– Income Statement**

NTL Thousand	2004	2005
<b>1. PARTICIPATION SHARE INCOME</b>	<b>64.955</b>	<b>74.994</b>
1.1 Banks Participation Share Income	64.955	74.994
<b>2. REDUCTIONS FROM SALE</b>	-	-
<b>3. NET INCOME (1-2)</b>	<b>64.955</b>	<b>74.994</b>
<b>4. COST OF SALES</b>	-	
<b>5. OPERATIONS EXPENSES</b>	<b>32.438</b>	<b>38.127</b>
5.1 Research and Development Expenses	-	
5.2 General Administrative Expenses	32.438	38.127
<b>6. OPERATING INCOME OR LOSS (3-5)</b>	<b>32.517</b>	<b>36.867</b>
<b>7. ORDINARY INCOME FROM OTHER OPERATIONS</b>	<b>14.313</b>	<b>9.618</b>
7.1 Interest Income	14.292	9.618
7.2 Foreign Exchange Rate Income	21	
7.3 Other Ordinary Income and Profits	-	
<b>8. ORDINARY EXPENSES FROM OTHER OPERATIONS</b>	<b>90.402</b>	<b>46.491</b>
8.1 Bank Commission and Transfer Expenses	2	
8.2 Other Ordinary Expenses and Losses*	90.400	46.491
<b>9. FINANCING EXPENSES</b>	-	
<b>10. EXTRAORDINARY INCOME</b>	<b>3</b>	<b>10</b>
10.1 Other Extraordinary Income	3	10
<b>11. EXTRAORDINARY EXPENSES AND LOSSES</b>	-	
<b>PERIOD RESULT (6 + 7 - 8 - 9 + 10 -11)</b>	<b>-43.569</b>	<b>4</b>

(\*) Transfers to the General Budget

With the budgetary surplus of NTL 46.439 thousand from 2003, the total income of 2004 is NTL 125.710 thousand.

## 4.3 Budget Realization

Considering the total of income and expenses that the Agency gained from Participation to Expenses Shares and other operations collected from banks, according to the Abolished Banks Act Nr. 4389 in 2005, the income- expenses difference is not predicted in the 2005 budget. The income of 2004 and 2005 are presented in two different tables below.

**Table 4.3– 2004 Income Budget and Realizations**

	2004 Budget	Realization	Difference
<b>Income From Participation</b>	<b>64.950</b>	<b>64.955</b>	<b>5</b>
Banks	63.800	63.802	2
Special Finance Houses	1.150	1.153	3
<b>Other Income</b>	<b>8.550</b>	<b>14.316</b>	<b>5.766</b>
Income from Interests	7.500	14.292	6.792
Other Various Income	1.050	24	-1.026
<b>2003 Turnover</b>	<b>46.500</b>	<b>46.439</b>	<b>-61</b>
<b>Total</b>	<b>120.000</b>	<b>125.710</b>	<b>5.710</b>

**Table 4.4– 2005 Income Budget and Realizations**

NTL Thousand	2005 Budget	Realization	Difference
<b>Income From Participation</b>	<b>76.436</b>	<b>74.994</b>	<b>-1.442</b>
Banks	76.436	73.460	-2.976
Special Finance Houses		1.534	1.534
<b>Other Income</b>	<b>8.064</b>	<b>9.628</b>	<b>1.564</b>
Income from Interests	7.500	9.618	2.118
Other Various Income	564	10	-554
<b>2004 Turnover</b>		<b>2.830</b>	<b>2.830</b>
<b>Total</b>	<b>84.500</b>	<b>87.452</b>	<b>2.952</b>

While the 2005 budget was prepared, it was predicted that an amount of NTL 76.436 thousand will be collected from banks as participation share, however by 2005 an amount of NTL 74.994 thousand is collected from banks as participation share. As a result, among the Agency's 2005 income, the share of participation shares is %88,6, and its share within the interest income from termed TL accounts is %11,4.

With the 2005 Budget accepted by the Board, it is provisioned that the Agency's resources can be evaluated in purchasing Government Securities or in foreign exchange accounts and forward TL accounts. It is predicted that all resources related to the budgets and savings of other public institutions, supreme councils and enterprises established pursuing the Article 10 of the 2004 Financial Year Budget Act Nr. 5027 and Public Treasury General Communiqué, should be evaluated in the accounts of CBRT and T.C. Ziraat Bankası A.Ş. Within this framework, as a result of the Agency's funds being evaluated according to the provisions and resolutions related to the Public Treasury and within the framework of Board Resolution Nr. 979 dated January 31, 2003, NTL 9.618 thousand of interest income is gained by the end of 2005.

The expenses budget of 2004 and 2005 of the Agency is presented below.

**Table 4.5– 2004 Expenditure and Expenses by Type**

NTL Thousand	Initial Expenditure	Revision	Budget Expenditure	Used	Remaining
Personnel Expenditure	20.800	-6.140	14.660	14.629	31
Social Sec. Premium Exp.	2.500	-1.875	625	616	9
Purchase of Goods&Service	20.550	-7.410	13.140	12.975	165
Current Transfers	2.950	86.125	89.075	92.150	-3.075
Capital Expenses	63.200	-61.420	1.780	1.752	28
Unforeseen Expenses	10.000	-9.280	720	718	2
<b>Total</b>	<b>120.000</b>	<b>0</b>	<b>120.000</b>	<b>122.840</b>	<b>-2.840</b>

**Table 4.6– 2005 Expenditure and Expenses by Type**

<b>NTL Thousand</b>	<b>Initial Expenditure</b>	<b>Transferred Expenditure</b>	<b>Budget Expenditure</b>	<b>Used</b>	<b>Remaining</b>
Personnel Expenditure	18.847	614	19.461	19.198	263
Social Sec. Premium Exp.	733	72	805	765	40
Purchase of Goods&Service	20.987	-3.676	17.311	16.719	592
Current Transfers	875	45.479	46.354	47.382	-1.028
01- Transfer to Gen. Budget		45.451	44.451	46.481	-1.030
02- Other Cur. Transfers	875	28	903	901	2
Capital Expenses	43.058	-42.489	569	544	25
<b>Total</b>	<b>84.500</b>	<b>0</b>	<b>84.500</b>	<b>84.608</b>	<b>-108</b>

When the initial expenditures, allocation transfers, total expenditure amounts and remaining allocation of 2005 are analyzed as of basic expenditure items, it is observed that a total amount of NTL 84.500 thousand allocations were assigned, and that a total of NTL 84.608 thousand expenditure were lavished from budget allocations in 2005.

NTL 46.481 thousand of the total expenditure, NTL 84.608 thousand, was realized as the amount, which was transferred to the General Budget, and NTL 19.198 thousand was realized as the personnel expenditure. Within this scope, of the expenditures excluding the transfers to the General Budget, constitutes of,

- Personnel expenditures by 50,35%,
- Premium expenses paid to social security institutions for the personnel of the Agency by 2,01%,
- Purchase of goods and services by 43,85%,
- Current transfers by 2,36%,
- Capital expenses by 1,43%.

When the distribution of 2005 expenses by allocation types is analyzed generally, the fact that the shares of the items such as purchase of consumption goods and materials, purchase of fixtures, purchase of office equipment and vehicles, allowances within total expenditures are low which is the indicator of the savings policy applied in the Agency.

It was stated that the Ministry of Finance is authorized to determine the Analytical Budget Classification (ABC) and account system, to develop this system and standards and to operate any study concerning the enforcement of them together and separately, and to determine the institutions and establishments or their units that will make pilot study, pursuant to the Article 9(b) of the 2004 Financial Year Budget Act Nr. 5027, which will be prepared according to a three year period budgeting methods of the budgets of the regulation and supervision institutions in the Article 17 of the Public Financial Administration and Audit Act Nr. 5018, and to the strategic plans and performance targets, and institutional, functional and economic classification system.

It was adjudicated that ABC became widespread to the institutions and establishments excluded in the Consolidated budget in the provisions stated above and 2004 Financial Year Budgetary Practice Directions of the Ministry of Finance Nr. 7.

Within the scope of the said provisions, implementation results of 2005 Budget of the Banking Regulation and Supervision Agency, which was prepared according to the ABC are displayed pricesly in the table below.

**Table 4.7– Budget Financial Account**

BUDGET CODE AND NAME TRY thousand	2005 Initial Expenditure	Exp. Transfer for the year	TOTAL	2005 Expenses	Rate (%)		Remaining
					A	B	
<b>00.02- PRIVATE BREAU OF THE CHAIRMAN</b>	<b>6.508</b>	<b>-1.271</b>	<b>5.237</b>	<b>5.155</b>	<b>6,09</b>	<b>13,51</b>	<b>82</b>
01- Personnel Expenditure	4.833	-885	3.948	3.921	4,63	10,28	27
02- Soc.Sec. Premium Expenses	127	-32	95	93	0,11	0,24	2
03- Purchase of Goods and Services	1.548	-354	1.194	1.141	1,35	2,99	53
04- Current Transfers			0				0
05- Capital Expenses			0				0
<b>00.03- DEFENSE EXPERT'S OFFICE</b>	<b>71</b>	<b>11</b>	<b>82</b>	<b>60</b>	<b>0,07</b>	<b>0,16</b>	<b>22</b>
01- Personnel Expenditure	48	14	62	52	0,06	0,14	10
02- Soc.Sec. Premium Expenses	4	0	4	4	0,00	0,01	0
03- Purchase of Goods and Services	19	-3	16	4	0,00	0,01	12
04- Current Transfers			0				0
05- Capital Expenses			0				0
<b>00.04- SUPPORT SERVICES</b>	<b>60.210</b>	<b>218</b>	<b>60.428</b>	<b>61.278</b>	<b>72,43</b>	<b>38,81</b>	<b>-850</b>
01- Personnel Expenditure	1.059	311	1.370	1.356	1,60	3,56	14
02- Soc.Sec. Premium Expenses	68	10	78	77	0,09	0,20	1
03- Purchase of Goods and Services	215	63	278	252	0,30	0,66	26
04- Current Transfers			0				0
05- Capital Expenses			0				0
03- Purchase of Goods and Services -04	16.057	-3.716	12.341	12.211	14,43	32,03	130
04- Current Transfers (*)	875	45.479	46.354	47.382	56,00	2,36	-1.028
05- Capital Expenses	41.936	-41.929	7	0	0,00	0,00	7
<b>00.05- DIRECTORATE OF HUMAN AFFAIRS</b>	<b>1.196</b>	<b>-227</b>	<b>969</b>	<b>923</b>	<b>1,09</b>	<b>2,42</b>	<b>46</b>
01- Personnel Expenditure	408	28	436	422	0,50	1,11	14
02- Soc.Sec. Premium Expenses	20	3	23	21	0,02	0,06	2
03- Purchase of Goods and Services	64	-15	49	31	0,04	0,08	18
04- Current Transfers			0				0
05- Capital Expenses			0				0
03- Purchase of Goods and Services	704	-243	461	449	0,53	1,18	12
04- Current Transfers			0				0
05- Capital Expenses			0				0
<b>00.13- DIRECTORATE OF BOARD AFFAIRS AND RESOLUTION</b>	<b>403</b>	<b>-29</b>	<b>374</b>	<b>340</b>	<b>0,40</b>	<b>0,89</b>	<b>34</b>
01- Personnel Expenditure	320	-9	311	296	0,35	0,78	15
02- Soc.Sec. Premium Expenses	19	0	19	16	0,02	0,04	3
03- Purchase of Goods and Services	64	-20	44	28	0,03	0,07	16
04- Current Transfers			0				0
05- Capital Expenses			0				0
<b>00.14- BUREAU OF CONSUMER RIGHTS AND COMPLAINTS</b>	<b>298</b>	<b>49</b>	<b>347</b>	<b>316</b>	<b>0,37</b>	<b>0,83</b>	<b>31</b>
01- Personnel Expenditure	252	44	296	282	0,33	0,74	14
02- Soc.Sec. Premium Expenses	12	2	14	12	0,01	0,03	2
03- Purchase of Goods and Services	34	3	37	22	0,03	0,06	15
04- Current Transfers			0				0
05- Capital Expenses			0				0
<b>00.15- COMMUNICATION AND TRANSLATION OFFICE</b>	<b>158</b>	<b>105</b>	<b>263</b>	<b>228</b>	<b>0,27</b>	<b>0,60</b>	<b>35</b>
01- Personnel Expenditure	79	135	214	200	0,24	0,52	14
02- Soc.Sec. Premium Expenses	6	6	12	10	0,01	0,03	2
03- Purchase of Goods and Services	23	6	29	15	0,02	0,04	14
04- Current Transfers			0				
05- Capital Expenses			0				
03- Purchase of Goods and Services	50	-42	8	3	0,00	0,01	5
04- Current Transfers							
05- Capital Expenses							
<b>00.20- BOARD OF SWORN BANK AUDITORS</b>	<b>5.105</b>	<b>1.001</b>	<b>6.106</b>	<b>6.043</b>	<b>7,14</b>	<b>15,84</b>	<b>63</b>

BUDGET CODE AND NAME TRY thousand	2005 Initial Expenditure	Exp. Transfer for the year	TOTAL	2005 Expenses	Rate (%)		Remaining
					A	B	
01- Personnel Expenditure	4.423	216	4.639	4.612	5,45	12,09	27
02- Soc.Sec. Premium Expenses	172	25	197	196	0,23	0,51	1
03- Purchase of Goods and Services	510	760	1.270	1.235	1,46	3,24	35
04- Current Transfers			0				0
05- Capital Expenses			0				0
<b>00.26- OFFICE OF ADVISORY</b>	<b>826</b>	<b>-295</b>	<b>531</b>	<b>487</b>	<b>0,58</b>	<b>1,28</b>	<b>44</b>
01- Personnel Expenditure	711	-234	477	453	0,54	1,19	24
02- Soc.Sec. Premium Expenses	37	-12	25	23	0,03	0,06	2
03- Purchase of Goods and Services	78	-49	29	11	0,01	0,03	18
04- Current Transfers			0				0
05- Capital Expenses			0				0
<b>30.00- DEPARTMENT OF INSTITUTIONS I</b>	<b>829</b>	<b>32</b>	<b>861</b>	<b>834</b>	<b>0,99</b>	<b>2,19</b>	<b>27</b>
01- Personnel Expenditure	713	18	731	725	0,86	1,90	6
02- Soc.Sec. Premium Expenses	27	3	30	29	0,03	0,08	1
03- Purchase of Goods and Services	89	11	100	80	0,09	0,21	20
04- Current Transfers			0				0
05- Capital Expenses			0				0
<b>31.00- DEPARTMENT OF INSTITUTIONS II</b>	<b>680</b>	<b>129</b>	<b>809</b>	<b>753</b>	<b>0,89</b>	<b>1,97</b>	<b>56</b>
01- Personnel Expenditure	584	111	695	681	0,80	1,78	14
02- Soc.Sec. Premium Expenses	23	10	33	29	0,03	0,08	4
03- Purchase of Goods and Services	73	8	81	43	0,05	0,11	38
04- Current Transfers			0				0
<b>32.00- DEPARTMENT OF INSTITUTIONS III</b>	<b>749</b>	<b>-24</b>	<b>725</b>	<b>692</b>	<b>0,82</b>	<b>1,81</b>	<b>33</b>
01- Personnel Expenditure	646	-10	636	629	0,74	1,65	7
02- Soc.Sec. Premium Expenses	25	3	28	25	0,03	0,07	3
03- Purchase of Goods and Services	78	-17	61	38	0,04	0,10	23
04- Current Transfers			0				0
05- Capital Expenses			0				0
<b>33.00- DEPARTMENT OF INSTITUTIONS IV</b>	<b>571</b>	<b>154</b>	<b>725</b>	<b>686</b>	<b>0,81</b>	<b>1,80</b>	<b>39</b>
01- Personnel Expenditure	487	153	640	620	0,73	1,62	20
02- Soc.Sec. Premium Expenses	20	7	27	25	0,03	0,07	2
03- Purchase of Goods and Services	64	-6	58	41	0,05	0,11	17
04- Current Transfers			0				0
05- Capital Expenses			0				0
<b>34.00- DEPARTMENT OF REGULATIONS</b>	<b>831</b>	<b>244</b>	<b>1.075</b>	<b>1.039</b>	<b>1,23</b>	<b>2,72</b>	<b>36</b>
01- Personnel Expenditure	714	222	936	925	1,09	2,42	11
02- Soc.Sec. Premium Expenses	28	12	40	37	0,04	0,10	3
03- Purchase of Goods and Services	89	10	99	77	0,09	0,20	22
04- Current Transfers			0				0
05- Capital Expenses			0				0
<b>35.00- DEPARTMENT OF INFORMATION MANAGEMENT</b>	<b>3.182</b>	<b>-428</b>	<b>2.754</b>	<b>2.705</b>	<b>3,20</b>	<b>7,09</b>	<b>49</b>
01- Personnel Expenditure	1.373	133	1.506	1.501	1,77	3,93	5
02- Soc.Sec. Premium Expenses	54	7	61	60	0,07	0,16	1
03- Purchase of Goods and Services	640	-8	632	606	0,72	1,59	26
04- Current Transfers			0				0
05- Capital Expenses	1.115	-560	555	538	0,64	1,41	17
<b>36.00- DEPARTMENT OF RESEARCH</b>	<b>1.139</b>	<b>-43</b>	<b>1.096</b>	<b>1.054</b>	<b>1,25</b>	<b>2,76</b>	<b>42</b>
01- Personnel Expenditure	841	9	850	838	0,99	2,20	12
02- Soc.Sec. Premium Expenses	34	4	38	36	0,04	0,09	2
03- Purchase of Goods and Services	257	-56	201	174	0,21	0,46	27
04- Current Transfers			0				0
05- Capital Expenses	7	0	7	6	0,01	0,02	1
<b>37.00- DEPARTMENT OF EXTERNAL AFFAIRS</b>	<b>400</b>	<b>61</b>	<b>461</b>	<b>434</b>	<b>0,51</b>	<b>1,14</b>	<b>27</b>
01- Personnel Expenditure	340	52	392	383	0,45	1,00	9
02- Soc.Sec. Premium Expenses	14	4	18	16	0,02	0,04	2
03- Purchase of Goods and Services	46	5	51	35	0,04	0,09	16
04- Current Transfers			0				0
05- Capital Expenses			0				0
<b>38.00- DEPARTMENT OF STRATEGY DEVELOPMENT</b>	<b>384</b>	<b>26</b>	<b>410</b>	<b>375</b>	<b>0,44</b>	<b>0,98</b>	<b>35</b>
01- Personnel Expenditure	325	11	336	322	0,38	0,84	14
02- Soc.Sec. Premium Expenses	13	5	18	15	0,02	0,04	3

BUDGET CODE AND NAME TRY thousand	2005 Initial Expenditure	Exp. Transfer for the year	TOTAL	2005 Expenses	Rate (%)		Remaining
					A	B	
03- Purchase of Goods and Services	46	10	56	38	0,04	0,10	18
04- Current Transfers			0				0
05- Capital Expenses			0				0
<b>39.00- DEPARTMENT OF LEGAL AFFAIRS</b>	<b>960</b>	<b>287</b>	<b>1.247</b>	<b>1.206</b>	<b>1,42</b>	<b>3,16</b>	<b>41</b>
01- Personnel Expenditure	691	295	986	980	1,16	2,57	6
02- Soc.Sec. Premium Expenses	30	15	45	41	0,05	0,11	4
03- Purchase of Goods and Services	95	36	131	109	0,13	0,29	22
04- Current Transfers			0				0
05- Capital Expenses			0				0
03- Purchase of Goods and Services	144	-59	85	76	0,09	0,20	9
04- Current Transfers			0				0
05- Capital Expenses			0				0
<b>GENERAL TOTAL</b>	<b>84.500</b>	<b>0</b>	<b>84.500</b>	<b>84.608</b>	<b>100</b>	<b>100</b>	<b>-108</b>

(A): The ratio of each expense item to total expense (Expense item / 84.608)

(B): The ratio of each expense item to total expense excluding the transfer to the General Budget (TRY 46.481 thousand) (Expense item / 38.127)

\* Pursuant to the letters dated December 21, 2005 Nr. 70769 of the Ministry of Finance and to the Provisional Article 2 of the Act Nr. 5398, TRY 1.028 thousand of the amount transferred to the General Budget, which cannot be met by the current allocation was met by the extra allowance, owing to the fact that TRY 9.257 thousand was demanded to be transferred to the General Budget and that the said transfer was realized by December 29, 2005.



# ANNEX

***Annex 1.1 National Regulations***

***Annex 1.2 EU Directives, International Principles and Standards***

***ANNEX 2. PUBLICATIONS OF THE BRSA***

***ANNEX 3. CHAIRMEN AND MEMBERS WHO WERE IN CHARGE OR  
ARE STIL IN CHARGE IN THE BRSA***

***ANNEX 4. SECTORAL TABLES***

## Annex 1.1 National Regulations

15.02.2005	25728	The Communiqué Nr. 2005/3 on the procedures and principles of the report the institutions are obliged to prepare concerning procuring information applications of the institutions the previous year, pursuant to the Article 30 of the Act on Procuring Right and to the Article 44 of the Regulation on the Procedures and Principles Concerning the Application of the Act on Procuring Information Right which was put into force according to the Resolution of Ministry of Council dated April 19, 2004 and Nr. 2004/7189, is published from the Prime Ministry.
20.02.2005	25733	The General Communiqué on Corporations Tax (Serial Nr. 86) on procedures and principles of the application of the reduction to be estimated on research and development expenses in search solely of new technologies and information, which the tax-payers perform within their institution bodies, in accordance with Income and Corporations Taxes, the Article 28 and 31 of the Act Nr. 5228 and with the amendments made, is published.
28.02.2005	25741	The General Communiqué (Serial Nr. 345) on Tax Procedure Law in order to ensure the remedy about some subjects concerning the application of Tax Procedure Law, which was published in the Official Gazette, dated January 10, 1961 and Nr. 10703 and to provide application unison, is published.
03.03.2005	25744	The General Communiqué (Serial Nr. 345) on Tax Procedure Law concerning the application of the submission of tax returns and tax statements over internet is published.
18.03.2005	25759	Act on Making Amendments to the Act on Execution and Bankruptcy Nr. 2004 published in the Official Gazette dated June 9, 1932, is published.
24.03.2005	25765	Communiqué on Making Amendments to the Communiqué on Uniform Accounting Plan and Explanation Thereof published in the Official Gazette repeated Nr. 24793 dated June 22, 2002, is published.
26.03.2005	25767	Communiqué (Serial: IV, Nr. 35) on Making Amendments to the Communiqué (Serial: IV, Nr: 27) published in the Official Gazette Nr. 24582 dated November 13, 2001 on the Principles to be Obeyed in Distribution of Dividend and Dividend Advance of the Publicly Held Incorporated Company Subject to the Capital Market Law, is published.
15.04.2005	25787	Communiqué (Serial: IV, Nr. 36) on Making Amendments to the Communiqué (Serial: IV, Nr: 28) published in the Official Gazette Nr. 24582, dated November 13, 2001 on the Principles and Procedures of Keeping Records Concerning Capital Market Means Registered is published.
11.04.2005	25783	Regulation of Act on Execution and Bankruptcy in Order to Regulate The Issues Concerning The Registration Book, Documents and Other Hard Copies As Well As The Register of the Evidence of Insolvency, Supervision and Examination Of Execution Offices And The Board of Creditors in Concordat By Conveyance of Assets and The Liquidators Is Published In Accordance With the Act on Execution and Bankruptcy Nr. 2004 dated June 9, 2004.
03.05.2005	25804	Regulation on Making Amendments to the regulation on implementation of free zones published in Official Gazette Nr. 21520 dated March 10, 1993, is published.
04.05.2005	25805	The Amendment on the Communiqué on Making Amendment to the Communiqué on the Uniform Accounting Plan and Explanation Thereof published in the Official Gazette Nr. 25765 dated March 24, 2005, is published.
11.05.2005	25812	Regulation on Making Amendments to the Regulation on the procedures concerning the Implementation and Accounting of the Foreign Exchange Net General Position/Security Standard Ratio on the basis of Consolidated and Non consolidated by the Banks published in the Official Gazette Nr. 24657 dated January 31, 2002, is published.
13.05.2005	25814	Communiqué on Making Amendments to the Communiqué on the Procedures concerning the Licensing and Registering for the ones acting in Capital Market published in the Official Gazette Nr. 24490 dated August 11, 2001, is published.
14.05.2005	25815	Regulation on the Abolition of the Main Status of Denizcilik Bankası T.A.Ş. published in the Official Gazette Nr. 18920 dated November 6, 1985, is published.
16.05.2005	25817	The Law no 5345, adopted in 2005 the General Directorate of Revenue has been abolished and the Presidency of Revenue Administration has been established as dependent on the Ministry of Finance; the objective of this law is to prepare the principles related to foundation of the Revenue Administration, the organization, duties, authority and responsibility in order to carry out revenue policy with justice and impartiality and to collect other revenues with the least cost; to ensure willingly adaptation of taxpayers to the tax; by protecting taxpayers' rights and providing high quality services, to take necessary measures in order to ensure that taxpayers implement their obligations easily, to work with the respect to main principles of transparency, accountability, participation, productivity, effectiveness, and customer focused organization."
18.05.2005	25819	The Act Nr. 5348 on Making Amendments to Some Acts is published. By the Article of 2 of the Act the sentence "...or being drawn" in the Article 16/b of the Act on the Regulation of Payments by Cheque and the Protection of the Holders of a Cheque Nr. 3167 dated March 19, 1985 is removed from the article.
20.05.2005	25820	The Amendment concerning the Regulation on Making Amendments to the Regulation on the procedures concerning the Implementation and Accounting of the Foreign Exchange Net General Position/Security Standard Ratio on the basis of Consolidated and Non consolidated by the Banks published in the Official Gazette Nr. 25812 dated May 11, 2005, is published.

08.07.2005	25869	The resolution Nr. 2005/9077 Related to Determination of the Rates of Obligatory Employment of Handicapped, Ex-Convicts and, Terrorism Victims within the scope of the Provisional Article I, Paragraph (B) of the Act on Prevention of Terrorism Nr. 3713, in Working Place with more than Fifty Workers is published.
08.07.2005	25869	The Act Nr. 5377 on Making Amendments to the Execution and Bankruptcy Law.
14.07.2005	25875	The Regulation on Making Amendment to the <a href="#">Istanbul Stock Exchange</a> Capital Stocks Markets Regulation Published in the Official Gazette Nr. 22559 dated February 19, 1996, is published.
14.07.2005	25875	The Regulation on Making Amendments to the Istanbul Stock Exchange Regulation Published in the Official Gazette Nr. 22559 dated February 19, 1996, is published.
14.07.2005	25875	The Regulation on Making Amendments to the Istanbul Stock Exchange Quotation Regulation Published in the Official Gazette Nr. 25502 dated June 24, 2004, is published.
09.08.2005	25901	The Procedures and Principles to be Obeyed in Examination and Evaluation of the Bogus Money in Order to Provide the Regulation of Principles and Procedures to be Obeyed in the Prosecution and Evaluation of the Information Related to the Banknotes Impounded as a Result of Forgery Accusation in the System formed by the Ministry of Justice, is published.
13.08.2005	25905	The Regulation on Making Amendments to the Regulation on The Establishment and Operating Principles of the Banks published in the Official Gazette Nr. 24445 dated June 27, 2001, is published.
13.08.2005	25905	The Regulation on Making Amendments to the Regulation on The Establishment and Operating Principles of <a href="#">Over- the-Counter Security Market</a> published in the Official Gazette Nr. 25052 dated March 18, 2003, is published.
03.09.2005	25925	The Communiqué (Nr. 2005-32/30) on Making Amendments to the Communiqué Nr. 91-32/ related to the Resolution Nr. 32 on the Protection of the Value of Turkish Currency published in the Official Gazette Nr. 20907 dated June 20, 1991, is published.
04.09.2005	25926	The Communiqué (Series V, Nr: 83) on Making Amendments to the Communiqué (Series V, Nr: 46) on Principles on the Intermediation Activities and Intermediary Institutions published in the Official Gazette Nr. 24163 dated September 7, 2000, is published.
06.09.2005	25928	The Regulation on Making Amendments to the Regulation on The Establishment and Operating Principles of Insurance and Reassurance Companies published in the Official Gazette Nr. 22153 dated July 24, 2001, is published.
08.09.2005	25930	The Communiqué, relating to the Annual Report in order to ensure the preparation of procedures and principles of the annual activity report of which the banks shall be publishing by every end of the fiscal year with a view to procure the information to bank's shareholders, savings owners and the other persons and institutions concerned, is published. .
13.09.2005	25935	The Resolution dated September 9, 2005 Nr. 1695 of the BRSA relating to approving the registration of Akbank T.A.Ş and AK Ulusal Arası A.Ş. General Board's Resolutions relating to the transfer is published.
17.09.2005	25939	The communiqué, relating to making amendments on the communiqué concerning Insurance Account Plan and explanations of which were entered into force by being published on the Official Gazette dated December 30, 2004 and Nr. 25686, is published.
20.10.2005	25972	The Communiqué Nr:5 ,relating to Turkey Account Standard (TAS 8) concerning Accounting Policies, Amending on Accounting Estimations and Mistakes with a view to ensure the entering into force of Turkey Accounting Standard Nr.8 which is relating to Accounting Policies, Amending on Accounting Estimations and Mistakes, is published.
20.10.2005 to the circumstances	25972	The communiqué Nr.6, concerning related Turkey Account Standard (TAS 10) after the balance sheet date with a view to ensure the entering into force to Turkey Accounting standard Nr. 10 concerned with the circumstances after the balance sheet date, is published.
22.10..2005	25974	The Regulation, concerned with Making amendments on the Regulation on Accordance of which was published in the Official Gazette dated February 03, 1999 Nr. 23600, is published.
22.10.2005	25974	The Regulation relating to making amendments on the Regulation on pre-assessment Accordance of which were published in the Official Gazette dated February 3, 1999 Nr. 23600, is published
26.10.2005	25978	The communiqué Nr.7 concerning Turkey Accounting Standard (TAS 11) relevant to Construction Agreements in order to ensure the entering into force of Turkey Accounting Standard Nr. 11 concerned with construction agreements is published.
01.11.2005 repeated	25983	The Banking Law Nr. 5411, with a view to ensure procedures and principles relating to guarding the rights and benefits of savings owners, making the credit system operate efficiently, providing the trust and stability on financial markets, is published.

02.11.2005	25984	The Communiqué relating to making amendments on the communiqué relating to Uniform Accounting Plan and Explanation of which was published on the (repeated) Official Gazette dated April 19, 2005 Nr. 24793, is published.
09.11.2005	25988	The communiqué Nr. 9, relating to Turkey Accounting Standard (TAS 23) concerned with Indebtmnt Expenses in order to ensure the entering into force of Turkey Accounting Standard Nr. 23 relevant to indebtment expenses is published.
10.11.2005	25989	The Resolution Nr. 2005/9585, relating to the Regulation concerning making amendments on the regulation relevant to the Act on Obtaining Information Right of which were entered into force by the Resolution of the Council of Ministers dated April 19,2004 Nr. 2004/7189, is published.
15.11.2005	25994	The General Communiqué on Tax Procedure Law Nr. 352 relating to the explanations required by reason of the amendments made, and the Regulation relating to making amendments on the Regulation of Accordance which was published in the Official Gazette dated October 22, 2005 Nr. 25974, are published.
16.11.2005	25995	The Communiqué Nr. 2005/1 relating to Statutory Provisions with a view to ensure the regulations of procedures and principles concerning the statutory provisions that the CBRT shall hold, is published.
18.11. 2005	25997	Turkey Statistics Law Nr. 5429, with a view to ensure the regulation of the principles relating to establishment mission and authorities of Turkey Statistical Institution, in order to procure; the coordination in between agencies and institutions which are included to the statistical process in Official Statistical Programme and to determine basic principles and standards relating to production and organization of official statistics, to compile, evaluate data and information in which fields the country requires , to product the statistics required and to publish and to distribute thereof , is published.
18.11.2005	25997	The Regulation, relevant to the explanation of small and medium size enterprises, the Resolution Nr. 2005/9617 and the annex thereof relating to determining the principles relating to classification, quality and explanation of small and medium size enterprises, with a view to ensure the taking basis the explanation and basis thereof on all institutions and agencies' practices , is published.
22.11.2005	26001	The Act. Nr. 5432 concerning making amendments on the Act dated October 9, 2003 Nr. 4982 on Obtaining Information Right , is published.
22.11.2005	26001	The communiqué relating to making amendments on the names of certain insurances' branches is published.
26.11.2005	26005	The regulation relating to making amendments on the regulation relating to principles and procedures concerned with reporting, budgeting, monitoring and granting the guarantees of the Treasury of which was published in the Official Gazette dated April 12, 2002 Nr. 24724, is published.
19.12.2005	26018	The Communiqué Nr. 10 relating to Turkey Accounting Standard (TAS 18) relevant to entering into force of Turkey Accounting Standard Nr. 18 concerned with proceeds, is published.
12.12.2005	26021	The communiqué (The Communiqué Nr. 2005-32/31) relating to making amendments on the Communiqué Nr. 91-32/5 relevant to the Resolution Nr. 32 concerned with the Turkish Liras value protection is published.
17.12.2005	26026	The communiqué of the Act on Securities Nr. 23 relating to the cost ascertained which are valid as from the date January 01, 2006 included in the Securities Table annexed on the Act Nr.210 and amended by the act nr.5281 (3), is published.
17.12.2005	26026	The Tax Procedure Law General Communiqué (Serial Nr. 354) relating to the amounts to be applied as from the date of January 01, 2006 which are included in the Tax Procedure Law Art.104, Repeated 115, 177, 232, 252, 313, 343, 352 (table included in the Act) 353, and repeated 355, is published.
20.12.2005	26029	The Communiqué concerning the annual interest rates to be applied on rediscount and advance transactions by the CBRT, is published.
23.12.2005	26032	The communiqué (Serie V, Nr.84) relating to making amendment on the principles concerning the mediation activities and mediator institutions serie V, Nr.46 of which was published in the Official Gazette dated September 7, 2000 Nr. 24163, is published.
23.12.2005	26032	The Resolution Nr. 2005/ 9808 concerning unrecorded export credits and duty exception records ,is published.
25.12.2005	26033	The Resolution Nr. 2005/9828 relating to making amendments on the Resolution concerning the principles and procedures of the SDIF 's paying the deposits of savings and commercial establishments and other institutions included in T. İmar Bankası T.A.Ş of which making banking transactions and the accepting deposit authority thereof was abolished pursuant to the Banking Law Art.14(3) the annex of the Decree Law dated December 29, 2003 Nr. 2003/6668, is published.
27.12. 2005	26036	The Regulation relating to the operation principles and the procedures of the SDIF Board with a view to ensure determination of the operation principles and the procedures the SDIF Board, is published.

27.12..2005	26036	The Stamp Act General Communiqué (Serial Nr.45) relating to amounts to be applied as from January 01, 2006 concerned with the lump-sum tax (including determining the limits of the minimum and maximal amounts of Lump-sum tax and proportional tax) determined as to the Provision of the Art. 7 of the Act Nr. 5281 and included in the table (1) annexed to the Act, pursuant to the Provision of the repeated Art. 30(1) of the Act Nr. 488, is published.
29.12..2005	26038	The Resolution Nr. 1764 of the Banking Regulation and Supervision Board relating to granting approval to registering Anadolu Finans Kurumu extraordinary general meeting Resolution relating to transfer, is published.

## Annex 1.2 EU Directives, International Principles and Standards

Date	Authority	Regulations
January, 2005	CGFS	BIS Committee on Global Financial System Report relating to the role of ratings in structured finance: issues and implications
February, 2005	Joint Forum	Joint Forum Document on Outsourcing in Financial Services
February, 2005	EC	The Recommendation Resolution Nr. 2005/162/EC relating to the role of non-executive or supervisory directors of listed companies and on the committees of the (supervisory) board
March, 2005	Joint Forum	Joint Forum Document on Credit Risk Transfer
April, 2005	BCBS	Basel Committee Document relating to Compliance and the compliance function in banks
May, 2005	CPSS	BIS Committee on Payment and Settlement Systems report relating to Central bank oversight of payment and settlement systems
July, 2005	BCBS	Basel committee document relating The Application of Basel II to Trading Activities and the Treatment of Double Default Effects
July, 2005	BCBS	Guidance on the estimation of loss given default (Paragraph 468 of the Framework Document)
September, 2005	BCBS	The explanation of Basel Committee including the explanations relating to Validation of low-default portfolios in the Basel II Framework
September, 2005	OECD	OECD Guidelines on Corporate Governance of State-Owned Enterprises
September, 2005	EC	The Commission Directive Proposal Nr. COM(2004)486 relating to capital adequacy of the financial institutions and investment firms, which the official authentication thereof are being expected to be in 2006 and which were obtained ratification by the Parliament and the Council
October, 2005	EC	Directive 2005/56/EC of the European Parliament and of the Council of on cross-border mergers of limited liability companies
November, 2005	BCBS	The Basel Committee Document relating to the Amendment to the capital accord to incorporate market risks
November, 2005	BCBS	The explanation of Basel Committee relating to the evaluation of the expected losses by the banks which are utilising advanced measurement approach within the framework of Basel II
November, 2005	EC	Commission Regulation No 1864/2005 amending Regulation No 1725/2003 adopting certain international accounting standards in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council, as regards International Financial Reporting Standard No 1 and International Accounting Standards Nos. 32 and 39
December 2005	EC	The Commission Report which explains Financial Services Policy of the EU in between the years 2005-2010
December 2005	EC	The Directive Proposal of the Commission Nr. 2004/177 which is approved by the Parliament as of the date December 15, 2005 relating to statutory audit of annual accounts and consolidated accounts and amending Council Directives 78/660/EEC and 83/349/EEC,
December 2005	EC	The Directive Proposal of the Commission Nr. 2004/725 which is approved by the Parliament as of the date December 15, 2005 on Directive of the European Parliament and of the Council amending Council Directives 78/660/EEC and 83/349/EEC concerning the annual accounts of certain types of companies and consolidated accounts

## ANNEX 2. PUBLICATIONS OF THE BRSA

Nr.	Subject	Date
<b>I. STRATEGIES and POLICIES</b>		
<b>a) The New Basel Capital Accord (Basel II)</b>		
1	The Road Map for the Transition to New Basel Capital Accord (Basel-II) (Turkish)	May 2005
<b>II. INTERNATIONAL REFERENCES</b>		
5	International Convergence of Capital Measurement and Capital Standards (Basel-II) – The New Basel Capital Accord (Turkish Translation)	October 2005
4	High Level Principles on the Cross Border Practice of New Accord (Basel-II)	June 2005
3	Implementation of Basel II: Practical Considerations	June 2005
2	International Convergence of Capital Measurement and Capital Standards (The Third Pillar-Market Discipline)	March 2005
1	International Convergence of Capital Measurement and Capital Standards (The Second Pillar Supervisory Review Process)	January 2005
<b>III. WORKING PAPERS</b>		
<b>a) The New Basel Capital Accord (Basel II)</b>		
5	The Guidebook on the Understanding of Basel-II National Discretion	October 2005 / 8
4	The Possible Impacts of Basel-II on the SME Loans	August 2005 / 4
3	Basel Approach to Operational Risk: Three Pillars of Operational Risk	July 2005
2	Basel Approach to Operational Risk: An Assessment on Operational Risk Data	July 2005
1	Basel-II, Economic Repercussions and The Transition Process	May 2005 / 3
<b>b) General Banking Reports</b>		
18	The Developments in the Housing Loans of Turkish Banking Sector	March 2006 / 1
17	The Efficiency Development in the Turkish Banking Sector during Disinflation Process	November 2005 / 10
16	Intermediation Expenses in Turkish Banking Sector	November 2005 / 9
15	Turkish Banking Sector during the integration to European Union	September 2005 / 7
14	Foreign Entry in Banking Sector: Global Developments and Turkey	September 2005 / 6
13	The Comparative study for Turkey and the New European Union Members	August 2005 / 5
12	Administrative Fines as to Discretionary Power of Banking Authorities	April 2004 / 1
11	Reduction of Mediation Expenses in the Turkish Banking Sector	November 2003 / 1
10	Financial Burdens in banking Sector: Stock Market Transactions Expenses in Turkey and the World	October 2002
9	Restructuring in Banking Sector: Japan Case	July 2002
8	Determinatives of Profitability in Turkish Banking System 1997-2000	June 2002 / 1
7	CAMELS Analyze in Turkish Banking Sector	September 2001 / 1
6	The Cost of Resources in Turkish Banking System: (1996–2000)	July 2001 / 5
5	Modeling the Net Interest Margin in Turkish Banking System	June 2001 / 4
4	Liquidation of Bad Assets by the Asset Management Companies	May 2001 / 3
3	Restructuring in Banking Sector: Argentina Case	February 2001 / 2
2	Restructuring in Banking Sector: South Korea Case	January 2001 / 1
1	Struggle with Inflation Program, Consumer Loans and Probable Risks Thereof	October 2000 / 1



Nr	Subject	Date
<b>IV. PRESENTATIONS and SPEECHES</b>		
<b>a) The Presentations of the Minister and the Chairman</b>		
7	The presentation made by Mr. Tevfik Bilgin, Chairman of the BRSA, in the Pres Conference in Istanbul.	July 19, 2005
6	The speech made by Mr. Abdüllatif Şener, Minister of State and Deputy Prime Minister, on the Basel II Road Map.	May 2005
5	The speech made by Mr. Tevfik Bilgin on the Basel II Road Map.	May 2005
4	The Speech made by Mr. Tevfik Bilgin, Chairman of the BRSA, in 2. International Finance Summit organized by Active Academy.	December 2004
3	The Speech made by Mr. Tevfik Bilgin, Chairman of the BRSA, in A.Ü. Banking and Commercial Law Research Institute.	November 26, 2004
2	The Presentation made by Mr. Engin Akçakoca the Chairman of the BRSA in Dubai	September 22, 2003
1	Banking Sector Restructuring Program: The Presentation made by Mr. Engin Akçakoca the Chairman of the BRSA	March 2, 2002
<b>b) The New Basel Capital Accord (Basel II)</b>		
5	The presentations and speeches made in the Basel II Seminar: The New Basel Capital Accord: Country Practices, realized by BRSA-TAEX cooperation	November 2005
4	The presentation on Banks Information Technologies Inventory Survey	July 2005
3	Basel II and Technology- the presentation made in the conference organized by Sun Microsystems	May 31, 2005
2	The presentations made in the BRSA on Basel-II	December 2004
1	The presentation made by the Department of Risk Management and Surveillance Techniques of BRSA in the BASEL II Information Meeting organized by the Banks Association of Turkey.	December 12, 2003
<b>c) General Banking Issues</b>		
13	The Presentation made in the press conference.	September 23, 2003
12	The presentation made in the annual conference of the International Association of Deposit Insurers (IADI)	October 22, 2003
11	The presentation made by Mr. Ercan Türkan, Vice President of BRSA, in the meeting organized by DEIK (Foreign Economic Relations Board) and Turkish-British Business Council in London.	October 10, 2003
10	The Intermediation Expenses in Turkish Banking Sector: Is it an Impediment for National Economy? The presentation made in TUSIAD (Turkish Industrialists' and Businessmen's Associations), METU, TOBB (The Union of Chambers and Commodity Exchanges of Turkey), ASO (Ankara Chamber of Industry)	September 7, 2003
9	The New Growth Strategy and Finance Sector- METU Economy Congress September 06, 2003.	September 6, 2003
8	The BRSA meetings- IV The Banking Sector, crises to stabilization	May 8, 2003
7	The potential Impact of EU Accession on Turkish Banking Sector	May 2003
6	Risk Management and Supervision of Banks	January 16, 2003
5	Bankruptcy of Banks and Special Finance Institutions	2003
4	The General Information on the BRSA and its Activities	November 19, 2002
3	The recent developments in Turkish Banking Sector: The role of BRSA	August 2, 2002
2	Banking Sector Restructuring Program Meeting- Resolution of Over-due Receivables (Istanbul)	July 26, 2002
1	Banking Sector Restructuring Program Meeting Seminar Notes	July 2002



Nr.	Subject	Date
<b>V. INFORMATIVE NOTES</b>		
<b>The New Basel Capital Accord (Basel II)</b>		
1	The New Basel Capital Accord (Basel II) with 10 questions	January 2005
<b>VI. OCCASIONAL PAPERS</b>		
<b>a) The New Basel Capital Accord (Basel II)</b>		
3	Results of the first survey on Turkish Banking System Basel-II	December 2005
2	Results of the second survey on Turkish Banking System Basel-II	July 2005
1	Quantitative Effect Study (QIS-TR) Evaluation Report	December 2004
<b>b) General Banking Subjects</b>		
7	Banking Law (with the new repealed Act Nr. 4389)	November 2005
6	Turkish Banking Sector Capacity Analyze (1981–2000)	July 2005
5	Report on Consumer Loans	September 2004
4	Report on Consumer Loans	August 2004
3	BRSA Lawsuit Prosecution Report (in Zip Format)	October 31, 2003
2	Micro Entrepreneur Oriented Financing Strategy: Microfinance	October 1, 2002
1	Information Report on Pamukbank	June 27, 2002
<b>VII. PERIODICALS</b>		
<b>a) Continued</b>		
<b>General Banking Issues</b>		
11	BRSA Annual Reports	2000–2004
10	Expectation Survey of Banking sector Administrator Sector (3 Months)	October 2005
9	Web Site Access Statistics (Monthly)	September 2005
8	Annual Reports: 2000–2003	June 2005
7	Monthly Bulletins (Monthly)	February 2005
6	Credit Cards Interest Rates (Monthly)	February 2005
5	Banks and SFIs	Weekly
4	Board Resolutions	Weekly
3	Economic Reports (Daily)	December 16, 2004
2	Banking Sector Report and Notification on the Daily Banking Sector Report (Daily)	December 31, 2003
1	Monthly Evaluation Report (Monthly)	September 2003
<b>Risk and The New Basel Capital Accord (Basel II)</b>		
5	Risk Evaluation Report (July 2005 Period)	December 2005
4	Risk Evaluation Report (June 2005 Period)	November 2005
3	Risk Evaluation Report (December 2004 Period)	August 2005
2	Risk Evaluation Report (June 2004 Period)	September 2004
1	Risk Evaluation Report (Mart 2004 Period)	June 2004
<b>b) Discontinuing</b>		
25	Progress Reports (02.08.2001 – 21.10.2003)	July 2005
24	Banking Sector Evaluation Report	October 2004
23	Banking Sector Evaluation Report	February 2004
22	Banking Sector Evaluation Report	September 2001

<b>Nr.</b>	<b>Subject</b>	<b>Date</b>
<b>21</b>	Banking Sector Evaluation Report	June 2001
<b>20</b>	Bank Capital Strengthening Program – Progress Report-VII	October 23, 2004
<b>19</b>	Bank Capital Strengthening Program – Progress Report VI	April 21, 2003
<b>18</b>	Bank Capital Strengthening Program – Progress Report -V	November 18, 2002
<b>17</b>	Bank Capital Strengthening Program – Progress Report -IV	July 232002
<b>16</b>	Bank Capital Strengthening Program – Progress Report	June 21, 2002
<b>15</b>	Bank Capital Strengthening Program – Introduction Guide	February 20, 2002
<b>14</b>	Bank Capital Strengthening Program – Progress Report	February 6, 2002
<b>13</b>	Bank Capital Strengthening Program	January 11, 2002
<b>12</b>	Banks Managed by the SDIF: Performance and Progress Report	August 24, 2001
<b>11</b>	SDIF Lawsuit Prosecution Report	October 312003
<b>10</b>	SDIF Subsidiary Sale Report	September 2003
<b>9</b>	SDIF Real Estate Sale Report	September 2003
<b>8</b>	SDIF Subsidiary Sale Report	October-November 2003
<b>7</b>	2003 SDIF Independent Auditors' Report	April 26, 2004
<b>6</b>	2002 SDIF Independent Auditors' Report	June 2, 2003
<b>5</b>	SDIF Monthly Balance Sheets	January 2002-December 2003
<b>4</b>	SDIF Monthly Income Statements	January 2002-December 2003
<b>3</b>	Banking Sector Restructuring Program	May 15,2001
<b>2</b>	Banking Sector Restructuring Program: Action Plan	September 25,2001
<b>1</b>	Banking Sector Reform (Progress Report)	August 2, 2001

### ANNEX 3. CHAIRMEN AND MEMBERS WHO WERE IN CHARGE OR ARE STIL IN CHARGE IN THE BRSA

NAME	TITLE	DATE OF INITIATION	DATE OF LEAVING
<b>Chairmen</b>			
Tevfik BİLGİN	Chairman	01.12.2003	Continuing
R. Engin AKÇAKOCA	Chairman	19.03.2001	05.11.2003
Zekeriya TEMİZEL	Chairman	06.04.2000	03.03.2001
<b>Second Chairmen</b>			
Ahmet ŞİRİN	Second Chairman	12.08.2003	Continuing
İbrahim Halil ÇANAKCI	Second Chairman	11.12.2002	05.05.2003
Ali Vefa ÇELİK	Second Chairman	13.06.2001	07.08.2001
Biltekin ÖZDEMİR	Second Chairman	06.04.2000	13.06.2001
<b>Members</b>			
Hüseyin AL	Member	28.07.2005	Continuing
Prof.Dr. Yusuf TUNA	Member	12.08.2003	Continuing
Mustafa EKİM	Member	01.07.2003	Continuing
Yusuf Ziya ÖNDER	Member	13.06.2001	Continuing
Prof.Dr. Kemal ÇEVİK	Member	06.04.2000	Continuing
Mehmet Nuri DOĞULU	Member	13.06.2001	13.06.2005
Atilla TAŞDEMİR	Member	13.06.2001	13.06.2003
Ali Akın TARI	Member	13.06.2001	13.06.2003
Ural ŞEKERCİ	Member	06.04.2000	13.06.2001
Servet TAŞDELEN	Member	06.04.2000	13.06.2001
Prof.Dr. Bilge HACIHASANOĞLU	Member	06.04.2000	13.06.2001
Halil YETGİN	Member	06.04.2000	13.06.2001

## **ANNEX 4. SECTORAL TABLES**

## ANNEX 4. SECTORAL TABLES

Annex Table 1 - Banks by Asset Size

December 31, 2005

		% Share in Total Assets	TOTAL ASSETS (TRY thousand)	TOTAL LOANS (TRY thousand)	TOTAL DEPOSIT (TRY thousand)	TOTAL OWN FUNDS (TRY thousand)	PAID IN CAPITAL (TRY thousand)	PROFIT/LOSS FOR THE PERIOD (TRY thousand)	FF BALANCE SHEET TRANSACTIONS (TRY thousand)	NUMBER OF PERSONNEL	NUMBER OF BRANCHES
<b>DEPOSIT BANKS</b>											
<b>- State Banks</b>											
1	T.C ZIRAAT BANKASI A.Ş.	16,4	65.050.166	13.338.431	51.615.291	5.796.017	2.221.978	1.802.120	5.568.473	20.373	1.252
2	T.VAKIFLAR BANKASI T.A.O.	8,2	32.382.800	11.901.997	22.323.355	4.261.408	1.279.000	535.170	7.618.736	7.164	304
3	T.HALK BANKASI A.Ş.	6,8	27.052.957	6.184.833	20.478.964	3.196.499	1.150.000	531.767	4.207.431	10.500	554
<b>- Private Banks</b>											
1	T.IŞ BANKASI A.Ş.	16,0	63.712.468	20.648.433	34.938.398	9.677.343	1.968.942	955.628	25.607.442	17.111	879
2	AKBANK T.A.Ş.	13,2	52.384.532	21.931.998	28.808.777	6.353.219	1.800.005	1.438.294	16.237.369	11.186	660
3	T.GARANTİ BANKASI A.Ş.	9,2	36.468.239	16.629.756	23.006.221	3.899.624	2.100.000	708.394	21.337.387	10.519	362
4	YAPI VE KREDİ BANKASI A.Ş.	6,0	23.866.400	11.103.067	16.548.073	1.677.301	752.345	-2.996.274	18.594.081	10.211	416
5	KOÇBANK A.Ş.	3,7	14.791.941	7.105.908	9.136.075	2.724.484	2.342.316	238.445	8.124.246	3.590	174
6	FINANSBANK A.Ş.	3,1	12.314.144	7.610.996	6.007.928	1.397.275	950.000	350.441	13.238.880	6.499	208
7	DENİZBANK A.Ş.	2,4	9.357.809	4.543.096	5.089.984	1.047.632	316.100	200.714	9.718.749	5.059	236
8	OYAKBANK A.Ş.	2,1	8.377.436	5.055.029	5.561.213	1.009.833	224.578	307.796	16.411.489	4.585	307
9	T.EKONOMİ BANKASI A.Ş.	1,4	5.421.868	2.914.427	3.140.795	468.810	57.800	78.716	4.206.439	2.619	113
10	ŞEKERBANK A.Ş.	0,8	3.137.819	1.134.594	2.456.292	349.971	125.000	37.030	2.776.867	3.407	203
11	ANADOLUBANK A.Ş.	0,5	2.066.815	946.430	1.284.696	199.473	66.000	39.527	1.844.089	1.199	58
12	TEKSTİL BANKASI A.Ş.	0,5	1.958.897	1.195.087	1.033.216	165.808	145.000	10.134	1.981.677	1.112	41
13	ALTERNATİFBANK A.Ş.	0,4	1.470.292	859.120	687.658	152.766	224.265	20.765	1.251.557	602	26
14	TEKFENBANK A.Ş.	0,2	739.214	300.058	490.296	96.931	50.000	2.164	391.772	575	30
15	TÜRKİSH BANK A.Ş.	0,1	468.756	87.716	207.435	65.659	10.400	3.919	194.802	192	13
16	MNG BANK A.Ş.	0,1	461.372	251.423	264.133	72.921	35.000	7.576	466.323	272	10
17	ADABANK A.Ş.	0,0	45.147	0	7.594	36.969	80.000	-12.755	41.631	66	1
<b>- Savings Deposit Insurance Fund</b>											
1	BİRLEŞİK FON BANKASI A.Ş.	0,5	1.858.478	5.782	54.649	1.532.010	440.522	259.445	393.482	395	1
<b>- Foreign Banks</b>											
1	HSBC BANK A.Ş.	2,0	7.856.015	5.049.846	4.483.744	1.146.812	277.290	237.454	13.517.447	4.180	158
2	FORTIS BANK A.Ş.	1,7	6.810.816	3.422.411	3.364.680	1.066.468	385.781	80.864	6.560.570	4.047	186
3	CİTİBANK A.Ş.	0,6	2.533.926	1.105.752	1.464.601	470.498	33.753	113.658	4.602.845	1.525	24
4	ABN AMRO BANK N.V. İSTANBUL ŞUBESİ	0,2	840.294	70.766	91.595	133.295	29.110	23.281	1.826.114	130	1
5	BANK EUROPA A.Ş.	0,2	618.650	331.747	431.007	50.309	77.351	-7.369	682.879	260	12
6	SOCIETE GENERALE S.A. İSTANBUL ŞUBESİ	0,1	444.703	34.890	53.514	24.933	8.352	1.169.950	56	1	1
7	ARAP TÜRK BANKASI A.Ş.	0,1	361.197	86.224	33.822	80.964	41.000	4.455	280.118	184	3
8	JP MORGAN CHASE BANK NATIONAL ASSOC. İSTANBUL ŞUBESİ	0,1	353.348	0	1.175	67.269	21.473	16.803	342.890	35	1
9	WESTLB A.G. İSTANBUL ŞUBESİ	0,1	321.355	8.430	28.551	44.023	6.371	6.191	367.325	55	1
10	DEUTSCHE BANK A.Ş.	0,1	300.867	62.566	40.839	147.385	20.000	24.767	1.622.287	44	1
11	BANK MELLAT İSTANBUL ŞUBESİ	0,0	194.433	36.133	21.442	20.700	4.236	4.552	11.401	50	3
12	BANCA DI ROMA İSTANBUL ŞUBESİ	0,0	51.354	16.742	6.316	8.832	4.351	354	40.635	29	1
13	HABİB BANK LIMITED İSTANBUL ŞUBESİ	0,0	25.564	1.582	974	9.943	2.833	-531	9.751	16	1
<b>DEVELOPMENT AND INVESTMENT BANKS</b>											
1	İLLER BANKASI	0,9	3.678.394	2.721.344	0	2.743.158	1.546.422	121.290	10.793	3.293	18
2	T. İHRACAT KREDİ BANKASI A.Ş.	0,9	3.518.103	1.445.788	0	1.951.480	657.864	361.841	1.762.386	350	2
3	T.SINAI KALKINMA BANKASI A.Ş.	0,8	3.324.014	1.246.572	0	554.136	200.000	100.025	1.273.140	288	1
4	T.KALKINMA BANKASI A.Ş.	0,2	690.000	281.572	0	461.500	160.000	26.526	1.270	740	1
5	CALYON BANK T.A.Ş.	0,2	648.329	27.669	0	20.207	13.400	7.798	3.206.444	38	1
6	İMKB TAKAS VE SAKLAMA BANKASI A.Ş.	0,1	442.767	18.852	0	230.222	60.000	42.955	443.533	199	1
7	BANKPOZİTİF KREDİ VE KALKINMA BANKASI A.Ş.	0,1	219.815	98.701	0	91.379	47.500	15.675	473.047	79	3
8	NÜROL YATIRIM BANKASI A.Ş.	0,0	114.560	33.060	0	45.979	28.282	-2.131	162.179	42	3
9	GSD YATIRIM BANKASI A.Ş.	0,0	81.605	43.659	0	45.973	15.000	4.215	75.239	29	1
10	DİLER YATIRIM BANKASI A.Ş.	0,0	66.404	100	0	39.686	14.000	155	94.941	20	1
11	ÇALIK YATIRIM BANKASI A.Ş.	0,0	64.199	43.956	0	55.567	13.500	4.296	111.441	28	1
12	TAİB YATIRIM BANKASI A.Ş.	0,0	14.970	0	0	11.169	15.000	-46	162	10	1
13	TAT YATIRIM BANK A.Ş.	0,0	3.396	283	0	3.355	2.000	23	284	10	1
79	<b>TOTAL SECTOR</b>	<b>100,0</b>	<b>396.966.628</b>	<b>149.936.851</b>	<b>243.120.923</b>	<b>53.735.776</b>	<b>20.040.701</b>	<b>5.714.469</b>	<b>198.861.993</b>	<b>132.973</b>	<b>6.276</b>
<b>Total Deposit Banks</b>											
<b>- Total State Banks</b>											
<b>- Total Private Banks</b>											
<b>- Total First 5 Banks</b>											
<b>- Other</b>											
<b>- Total Foreign Banks</b>											
<b>Total SDIF Banks</b>											
<b>Total Development and Investment Banks</b>											

Source: The BRSA Banks Reporting System as of March 29, 2006.

**Annex Table 2 - Balance Sheet of the Bnking Sector (TRY thousand)**

ASSETS	December 2002			December 2003			December 2004			December 2005		
	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL
1 CASH ASSETS	811.293	1.067.689	1.878.982	1.005.795	1.024.966	2.030.761	1.156.149	1.124.108	2.280.257	1.764.808	1.130.204	2.895.012
2 DUE FROM THE CENTRAL BANK	1.243.087	1.399.169	2.642.256	1.343.496	1.614.191	2.957.687	1.870.542	3.508.100	5.378.642	7.169.494	4.893.715	12.063.209
3 DUE FROM MONEY MARKETS	6.842.550	1.667.925	8.510.475	7.762.000	1.052.009	8.814.009	3.444.600	719.600	4.164.200	5.951.300	0	5.951.300
4 DUE FROM BANKS	1.670.344	13.942.723	15.613.067	2.358.380	12.782.186	15.140.566	4.552.425	16.491.124	21.043.549	6.276.149	19.565.441	25.841.590
5 SECURITIES - TRADING PORTFOLIO (NET)	9.616.211	11.218.158	20.834.369	16.696.479	13.328.665	30.025.144	10.251.765	8.834.909	19.086.674	7.603.141	9.735.294	17.338.435
6 SECURITIES AVAILABLE FOR SALE (NET)	7.640.367	10.023.975	17.664.342	15.987.871	14.619.085	30.606.956	28.874.084	23.702.224	52.576.308	52.753.362	25.183.563	77.936.925
7 REQUIRED RESERVES	2.190.724	7.159.592	9.350.316	2.857.683	7.116.085	9.973.768	4.669.663	8.490.046	13.159.709	5.373.798	9.166.231	14.540.029
8 RECEIVABLES FROM SECURITIES LENDING MARKET	0	0	0	0	0	0	0	0	0	0	0	0
9 RESERVE REPO RECEIVABLES	18.007	0	18.007	116.799	41.376	158.175	133.018	0	133.018	4.255.847	25.161	4.281.008
10 LOANS	20.136.475	28.844.650	48.981.125	36.176.466	30.045.370	66.221.836	64.346.735	34.995.370	99.342.105	107.257.340	42.679.511	149.936.851
11 PAST DUE LOANS (NET) (12-13)	3.422.810	315.959	3.738.769	921.457	66.571	988.028	707.091	52.265	759.356	740.687	23.805	764.492
12 a) PAST DUE LOANS	9.804.216	625.464	10.429.680	8.379.012	249.646	8.628.658	6.139.001	216.698	6.355.699	7.296.787	199.582	7.496.369
13 b) LOAN LOSS RESERVES (-)	6.381.406	309.505	6.690.911	7.457.555	183.075	7.640.630	5.431.910	164.433	5.596.343	6.556.100	175.777	6.731.877
14 INTEREST & INCOME ACCRUALS	11.985.293	1.503.370	13.488.663	10.691.857	1.995.320	12.687.177	8.190.062	2.077.335	10.267.397	9.193.892	1.667.762	10.861.654
15 LEASE FINANCING RECEIVABLES (NET)	843	126.951	127.794	330	165.765	166.095	279	238.400	238.679	4.593	297.350	301.943
16 SUBSIDIARIES, ASSOCIATED AND JOINT CONTROLLED COMPANIES (NET)	7.097.592	1.605.549	8.703.141	7.487.901	1.665.117	9.153.018	10.027.508	1.734.270	11.761.778	9.320.403	1.690.006	11.010.409
17 SECURITIES - HELD TO MATURITY (NET)	35.294.405	12.311.919	47.606.324	37.309.363	8.902.878	46.212.241	43.405.587	8.612.233	52.017.820	38.746.241	8.994.490	47.740.731
18 FIXED ASSETS TO BE SOLD (NET)	1.954.617	0	1.954.617	2.077.941	0	2.077.941	2.066.185	0	2.066.185	1.777.638	0	1.777.638
19 FIXED ASSETS (NET)	7.620.726	33.408	7.654.134	8.258.449	19.849	8.278.298	8.458.962	18.835	8.477.797	7.449.930	13.512	7.463.442
20 OTHER ASSETS	3.180.468	733.780	3.914.248	3.766.295	429.548	4.195.843	3.434.827	250.652	3.685.479	5.672.386	589.574	6.261.960
<b>21 TOTAL ASSETS (1+...+20)-(12+13)</b>	<b>120.725.812</b>	<b>91.954.817</b>	<b>212.680.629</b>	<b>154.818.562</b>	<b>94.868.981</b>	<b>249.687.543</b>	<b>195.589.482</b>	<b>110.849.471</b>	<b>306.438.953</b>	<b>271.311.009</b>	<b>125.655.619</b>	<b>396.966.628</b>
<b>LIABILITIES</b>												
22 DEPOSITS	58.915.338	79.058.034	137.973.372	79.844.552	75.467.086	155.311.638	105.705.197	85.360.226	191.065.423	154.570.341	88.550.582	243.120.923
23 DUE TO CENTRAL BANK	4.538	335.617	340.155	9.621	125.662	135.283	2.229	76.810	79.039	21.606	9.818	31.424
24 DUE TO MONEY MARKETS	333.579	2.558.774	2.892.353	429.712	1.756.728	2.186.440	769.132	1.141.054	1.910.186	351.548	0	351.548
25 BORROWINGS FROM SECURITIES LENDING MARKET	0	0	0	0	0	0	0	0	0	0	0	0
26 DUE TO BANKS	2.562.661	19.404.439	21.967.100	3.244.450	22.673.206	25.917.656	4.598.916	29.166.327	33.765.243	9.658.538	44.651.057	54.309.595
27 FUNDS OBTAINED FROM REPO TRANSACTIONS	4.987.294	1.173.490	6.160.784	7.745.407	3.495.701	11.241.108	8.263.450	2.332.943	10.596.393	14.170.691	3.242.971	17.413.662
28 FUNDS	3.623.842	9.684	3.633.526	4.616.909	9.394	4.626.303	4.762.667	7.783	4.770.450	5.446.133	6.072	5.452.205
29 SECURITIES ISSUED (NET) (30+31)	20	938.120	938.140	1	488.760	488.761	1	467.965	467.966	1	0	1
30 a) BONDS & BILLS	2	938.120	938.122	1	488.760	488.761	1	467.965	467.966	1	0	1
31 b) ASSET BACKED SECURITIES AND OTHER SEC. ISSUED	18	0	18	0	0	0	0	0	0	0	0	0
32 LEASE FINANCING OBLIGATIONS (NET)	25.315	72.543	97.858	14.970	91.526	106.496	27.250	128.233	155.483	15.030	165.661	180.691
33 TAXES, DUTIES, CHARGES & PREMIUMS PAYABLE	532.521	1.979	534.500	591.359	989	592.348	599.752	576	600.328	647.066	689	647.755
34 SUBORDINATED DEBT	1.115.658	408.927	1.524.585	465.073	353.152	818.225	449.308	669.310	1.118.618	21.325	734.626	755.951
35 INTEREST AND EXPENSE ACCRUALS	1.687.135	688.420	2.375.555	1.793.371	608.900	2.402.271	1.756.461	649.161	2.405.622	2.527.002	899.009	3.426.011
36 RESERVES	2.994.266	473.697	3.467.963	3.920.129	368.239	4.288.368	4.562.242	309.831	4.872.073	7.702.499	450.753	8.153.252
37 OTHER LIABILITIES	3.044.977	2.031.249	5.076.226	3.940.218	2.094.035	6.034.253	6.305.912	2.363.493	8.669.405	6.861.080	2.526.754	9.387.834
<b>38 TOTAL (22+...+37)-(30+31)</b>	<b>79.827.144</b>	<b>107.154.973</b>	<b>186.982.117</b>	<b>106.615.772</b>	<b>107.533.378</b>	<b>214.149.150</b>	<b>137.802.517</b>	<b>122.673.712</b>	<b>260.476.229</b>	<b>201.992.860</b>	<b>141.237.992</b>	<b>343.230.852</b>
39 PAID UP CAPITAL	12.010.588	97.237	12.107.825	13.515.586	99.876	13.615.462	14.824.196	0	14.824.196	20.040.701	0	20.040.701
40 LEGAL & PROVISIONAL RESERVES	16.718.480	437	16.718.917	21.362.627	0	21.362.627	23.586.000	5.712	23.591.712	42.334.651	4.972	42.339.623
41 CAPITAL RESERVES FROM INFLATION ACCOUNTING	33.543.219		33.543.219	22.210.289		22.210.289	19.005.422		19.005.422	0		0
42 FIXED ASSET REVALUATION FUND	220.783	0	220.783	107.768	0	107.768	61.655	8.371	70.026	226.287	0	226.287
43 SECURITIES REVALUATION FUND	1.022.130	7.772	1.029.902	1.576.668	390.105	1.966.773	3.289.032	338.154	3.627.186	3.804.027	555.413	4.359.440
44 PROFIT (LOSS) FOR THE PERIOD	2.883.323	0	2.883.323	5.608.277	0	5.608.277	6.452.002	0	6.452.002	5.714.469	0	5.714.469
45 PROFIT (LOSS) FOR PREVIOUS YEARS	-40.805.457	0	-40.805.457	-29.332.803	0	-29.332.803	-21.607.820	0	-21.607.820	-18.944.744	0	-18.944.744
<b>46 TOTAL OWNERS EQUITY (39+...+45)</b>	<b>25.593.066</b>	<b>105.446</b>	<b>25.698.512</b>	<b>35.048.412</b>	<b>489.981</b>	<b>35.538.393</b>	<b>45.610.487</b>	<b>352.237</b>	<b>45.962.724</b>	<b>53.175.391</b>	<b>560.385</b>	<b>53.735.776</b>
<b>47 TOTAL LIABILITIES (38+46)</b>	<b>105.420.210</b>	<b>107.260.419</b>	<b>212.680.629</b>	<b>141.664.184</b>	<b>108.023.359</b>	<b>249.687.543</b>	<b>183.413.004</b>	<b>123.025.949</b>	<b>306.438.953</b>	<b>255.168.251</b>	<b>141.798.377</b>	<b>396.966.628</b>
<b>48 NON CASH CREDITS AND OBLIGATIONS</b>												
<b>49 COMMITMENTS (50+51)</b>	<b>16.649.651</b>	<b>27.661.800</b>	<b>44.311.451</b>	<b>39.934.232</b>	<b>36.297.237</b>	<b>76.231.469</b>	<b>62.675.089</b>	<b>36.184.515</b>	<b>98.859.604</b>	<b>79.507.840</b>	<b>54.498.415</b>	<b>134.006.255</b>
50 a) DERIVATIVE FINANCIAL INSTRUMENTS	1.665.199	23.731.066	25.396.265	2.750.843	31.484.315	34.235.158	7.212.157	31.758.860	38.971.017	15.465.487	50.363.307	65.828.794
51 b) OTHER COMMITMENTS	14.984.452	3.930.734	18.915.186	37.183.389	4.812.922	41.996.311	55.462.932	4.425.655	59.888.587	64.042.353	4.135.108	68.177.461
<b>52 TOTAL OFF BALANCE SHEET LIABILITIES (48 + 49)</b>	<b>29.028.766</b>	<b>60.119.009</b>	<b>89.147.775</b>	<b>55.374.199</b>	<b>67.510.229</b>	<b>122.884.428</b>	<b>81.284.233</b>	<b>73.287.023</b>	<b>154.571.256</b>	<b>102.576.674</b>	<b>96.285.319</b>	<b>198.861.993</b>

Source: The BRSA Banks Reporting System as of March 29, 2006.

**Annex Table 3 - Balance Sheet of the Banking Sector (USD million)**

ASSETS	December 2002			December 2003			December 2004			December 2005		
	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL
1 CASH ASSETS	496	653	1.150	721	734	1.455	861	838	1.699	1.314	842	2.156
2 DUE FROM THE CENTRAL BANK	761	856	1.617	963	1.156	2.119	1.394	2.614	4.008	5.338	3.644	8.982
3 DUE FROM MONEY MARKETS	4.186	1.020	5.207	5.561	754	6.315	2.567	536	3.103	4.431	0	4.431
4 DUE FROM BANKS	1.022	8.530	9.552	1.690	9.157	10.847	3.392	12.288	15.680	4.673	14.568	19.242
5 SECURITIES - TRADING PORTFOLIO (NET)	5.883	6.863	12.747	11.962	9.549	21.511	7.639	6.583	14.221	5.661	7.249	12.910
6 SECURITIES AVAILABLE FOR SALE (NET)	4.674	6.133	10.807	11.454	10.473	21.927	21.514	17.661	39.175	39.280	18.752	58.032
7 REQUIRED RESERVES	1.340	4.380	5.721	2.047	5.098	7.145	3.479	6.326	9.805	4.001	6.825	10.827
8 RECEIVABLES FROM SECURITIES LENDING MARKET	0	0	0	0	0	0	0	0	0	0	0	0
9 RESERVE REPO RECEIVABLES	11	0	11	84	30	113	99	0	99	3.169	19	3.188
10 LOANS	12.320	17.647	29.967	25.917	21.525	47.442	47.945	26.075	74.020	79.864	31.779	111.643
11 PAST DUE LOANS (NET) (12-13)	2.094	193	2.287	660	48	708	527	39	566	552	18	569
12 a) PAST DUE LOANS	5.998	383	6.381	6.003	179	6.182	4.574	161	4.736	5.433	149	5.582
13 b) LOAN LOSS RESERVES (-)	3.904	189	4.094	5.343	131	5.474	4.047	123	4.170	4.882	131	5.013
14 INTEREST & INCOME ACCRUALS	7.333	920	8.252	7.660	1.429	9.089	6.102	1.548	7.650	6.846	1.242	8.088
15 LEASE FINANCING RECEIVABLES (NET)	1	78	78	0	119	119	0	178	178	3	221	225
16 SUBSIDIARIES, ASSOCIATED AND JOINT CONTROLLED COMPANIES (NET)	4.342	982	5.325	5.364	1.193	6.557	7.472	1.292	8.764	6.940	1.258	8.198
17 SECURITIES - HELD TO MATURITY (NET)	21.593	7.533	29.126	26.729	6.378	33.107	32.342	6.417	38.759	28.851	6.697	35.548
18 FIXED ASSETS TO BE SOLD (NET)	1.196	0	1.196	1.489	0	1.489	1.540	0	1.540	1.324	0	1.324
19 FIXED ASSETS (NET)	4.662	20	4.683	5.916	14	5.931	6.303	14	6.317	5.547	10	5.557
20 OTHER ASSETS	1.946	449	2.395	2.698	308	3.006	2.559	187	2.746	4.224	439	4.663
<b>21 TOTAL ASSETS (1+..+20)-(12+13)</b>	<b>73.861</b>	<b>56.259</b>	<b>130.120</b>	<b>110.915</b>	<b>67.966</b>	<b>178.880</b>	<b>145.734</b>	<b>82.594</b>	<b>228.328</b>	<b>202.019</b>	<b>93.563</b>	<b>295.582</b>
<b>LIABILITIES</b>												
22 DEPOSITS	36.045	48.368	84.413	57.202	54.066	111.268	78.761	63.602	142.363	115.093	65.935	181.028
23 DUE TO CENTRAL BANK	3	205	208	7	90	97	2	57	59	16	7	23
24 DUE TO MONEY MARKETS	204	1.565	1.770	308	1.259	1.566	573	850	1.423	262	0	262
25 BORROWINGS FROM SECURITIES LENDING MARKET	0	0	0	0	0	0	0	0	0	0	0	0
26 DUE TO BANKS	1.568	11.872	13.440	2.324	16.243	18.568	3.427	21.732	25.159	7.192	33.247	40.439
27 FUNDS OBTAINED FROM REPO TRANSACTIONS	3.051	718	3.769	5.549	2.504	8.053	6.157	1.738	7.895	10.552	2.415	12.966
28 FUNDS	2.217	6	2.223	3.308	7	3.314	3.549	6	3.554	4.055	5	4.060
29 SECURITIES ISSUED (NET) (30+31)	0	574	574	0	350	350	0	349	349	0	0	0
30 a) BONDS & BILLS	0	574	574	0	350	350	0	349	349	0	0	0
31 b) ASSET BACKED SECURITIES AND OTHER SEC. ISSUED	0	0	0	0	0	0	0	0	0	0	0	0
32 LEASE FINANCING OBLIGATIONS (NET)	15	44	60	11	66	76	20	96	116	11	123	135
33 TAXES, DUTIES, CHARGES & PREMIUMS PAYABLE	326	1	327	424	1	424	447	0	447	482	1	482
34 SUBORDINATED DEBT	683	250	933	333	253	586	335	499	833	16	547	563
35 INTEREST AND EXPENSE ACCRUALS	1.032	421	1.453	1.285	436	1.721	1.309	484	1.792	1.882	669	2.551
36 RESERVES	1.832	290	2.122	2.808	264	3.072	3.399	231	3.630	5.735	336	6.071
37 OTHER LIABILITIES	1.863	1.243	3.106	2.823	1.500	4.323	4.699	1.761	6.460	5.109	1.881	6.990
<b>38 TOTAL (22+..+37)-(30+31)</b>	<b>48.839</b>	<b>65.558</b>	<b>114.397</b>	<b>76.381</b>	<b>77.039</b>	<b>153.420</b>	<b>102.677</b>	<b>91.404</b>	<b>194.081</b>	<b>150.404</b>	<b>105.166</b>	<b>255.570</b>
39 PAID UP CAPITAL	7.348	59	7.408	9.683	72	9.754	11.046	0	11.046	14.922	0	14.922
40 LEGAL & PROVISIONAL RESERVES	10.228	0	10.229	15.305	0	15.305	17.574	4	17.578	31.522	4	31.526
41 CAPITAL RESERVES FROM INFLATION ACCOUNTING	20.522	0	20.522	15.912	0	15.912	14.161	0	14.161	0	0	0
42 FIXED ASSET REVALUATION FUND	135	0	135	77	0	77	46	6	52	168	0	168
43 SECURITIES REVALUATION FUND	625	5	630	1.130	279	1.409	2.451	252	2.703	2.832	414	3.246
44 PROFIT (LOSS) FOR THE PERIOD	1.764	0	1.764	4.018	0	4.018	4.807	0	4.807	4.255	0	4.255
45 PROFIT (LOSS) FOR PREVIOUS YEARS	-24.965	0	-24.965	-21.015	0	-21.015	-16.100	0	-16.100	-14.106	0	-14.106
<b>46 TOTAL OWNERS EQUITY (39+...+45)</b>	<b>15.658</b>	<b>65</b>	<b>15.723</b>	<b>25.109</b>	<b>351</b>	<b>25.460</b>	<b>33.984</b>	<b>262</b>	<b>34.247</b>	<b>39.594</b>	<b>417</b>	<b>40.012</b>
<b>47 TOTAL LIABILITIES (38+46)</b>	<b>64.497</b>	<b>65.623</b>	<b>130.120</b>	<b>101.491</b>	<b>77.390</b>	<b>178.880</b>	<b>136.661</b>	<b>91.667</b>	<b>228.328</b>	<b>189.999</b>	<b>105.583</b>	<b>295.582</b>
<b>48 NON CASH CREDITS AND OBLIGATIONS</b>	<b>7.574</b>	<b>19.858</b>	<b>27.431</b>	<b>11.061</b>	<b>22.362</b>	<b>33.423</b>	<b>13.866</b>	<b>27.645</b>	<b>41.511</b>	<b>17.177</b>	<b>31.115</b>	<b>48.292</b>
<b>49 COMMITMENTS (50+51)</b>	<b>10.186</b>	<b>16.924</b>	<b>27.110</b>	<b>28.610</b>	<b>26.004</b>	<b>54.614</b>	<b>46.699</b>	<b>26.961</b>	<b>73.660</b>	<b>59.202</b>	<b>40.580</b>	<b>99.781</b>
50 a) DERIVATIVE FINANCIAL INSTRUMENTS	1.019	14.519	15.538	1.971	22.556	24.527	5.374	23.664	29.037	11.516	37.501	49.016
51 b) OTHER COMMITMENTS	9.168	2.405	11.572	26.639	3.448	30.087	41.325	3.298	44.623	47.686	3.079	50.765
<b>52 TOTAL OFF BALANCE SHEET LIABILITIES (48 + 49)</b>	<b>17.760</b>	<b>36.781</b>	<b>54.541</b>	<b>39.671</b>	<b>48.365</b>	<b>88.037</b>	<b>60.565</b>	<b>54.606</b>	<b>115.171</b>	<b>76.379</b>	<b>71.694</b>	<b>148.073</b>

Source: The BRSA Banks Reporting System as of March 29, 2006.

Annex Table 4 - Balance Sheet of the Banking Sector (% Change) (December 2005/December 2004)

ASSETS	Nominal Değişim YTL			Nominal Değişim ABD Doları			Reel Değişim YTL		
	T P	Y P	TOPLAM	T P	Y P	TOPLAM	T P	Y P	TOPLAM
1 CASH ASSETS	52,6	0,5	27,0	52,5	0,5	26,9	46,0	-3,8	21,4
2 DUE FROM THE CENTRAL BANK	283,3	39,5	124,3	283,0	39,4	124,1	266,6	33,4	114,5
3 DUE FROM MONEY MARKETS	72,8	-100,0	42,9	72,7	-100,0	42,8	65,3	-100,0	36,7
4 DUE FROM BANKS	37,9	18,6	22,8	37,8	18,6	22,7	31,9	13,5	17,5
5 SECURITIES - TRADING PORTFOLIO (NET)	-25,8	10,2	-9,2	-25,9	10,1	-9,2	-29,1	5,4	-13,1
6 SECURITIES AVAILABLE FOR SALE (NET)	82,7	6,2	48,2	82,6	6,2	48,1	74,8	1,6	41,8
7 REQUIRED RESERVES	15,1	8,0	10,5	15,0	7,9	10,4	10,1	3,3	5,7
8 RECEIVABLES FROM SECURITIES LENDING MARKET	-	-	-	-	-	-	-	-	-
9 RESERVE REPO RECEIVABLES	3.099,5	-	3.118,4	3.097,3	-	3.116,2	2.960,4	-	2.978,5
10 LOANS	66,7	22,0	50,9	66,6	21,9	50,8	59,4	16,7	44,4
11 PAST DUE LOANS (NET) (12-13)	4,8	-54,5	0,7	4,7	-54,5	0,6	0,2	-56,4	-3,7
12 a) PAST DUE LOANS	18,9	-7,9	17,9	18,8	-8,0	17,9	13,7	-11,9	12,8
13 b) LOAN LOSS RESERVES (-)	20,7	6,9	20,3	20,6	6,8	20,2	15,4	2,3	15,1
14 INTEREST & INCOME ACCRUALS	12,3	-19,9	5,7	12,2	-20,0	5,7	7,4	-23,4	1,1
15 LEASE FINANCING RECEIVABLES (NET)	1.546,2	24,7	26,5	1.545,1	24,6	26,4	1.474,7	19,3	21,0
16 SUBSIDIARIES, ASSOCIATED AND JOINT CONTROLLED COMPANIES (NET)	-7,1	-2,6	-6,4	-7,1	-2,6	-6,5	-11,1	-6,8	-10,5
17 SECURITIES - HELD TO MATURITY (NET)	-10,7	4,4	-8,2	-10,8	4,4	-8,3	-14,6	-0,1	-12,2
18 FIXED ASSETS TO BE SOLD (NET)	-14,0	-	-14,0	-14,0	-	-14,0	-17,7	-	-17,7
19 FIXED ASSETS (NET)	-11,9	-28,3	-12,0	-12,0	-28,3	-12,0	-15,8	-31,4	-15,8
20 OTHER ASSETS	65,1	135,2	69,9	65,0	135,1	69,8	58,0	125,0	62,5
21 TOTAL ASSETS (1+...+20)-(12+13)	38,7	13,4	29,5	38,6	13,3	29,5	32,7	8,4	23,9
LIABILITIES									
22 DEPOSITS	46,2	3,7	27,2	46,1	3,7	27,2	39,9	-0,8	21,7
23 DUE TO CENTRAL BANK	869,3	-87,2	-60,2	868,7	-87,2	-60,3	827,2	-87,8	-62,0
24 DUE TO MONEY MARKETS	-54,3	-100,0	-81,6	-54,3	-100,0	-81,6	-56,3	-100,0	-82,4
25 BORROWINGS FROM SECURITIES LENDING MARKET	-	-	-	-	-	-	-	-	-
26 DUE TO BANKS	110,0	53,1	60,8	109,9	53,0	60,7	100,9	46,4	53,9
27 FUNDS OBTAINED FROM REPO TRANSACTIONS	71,5	39,0	64,3	71,4	38,9	64,2	64,0	33,0	57,2
28 FUNDS	14,4	-22,0	14,3	14,3	-22,0	14,2	9,4	-25,4	9,3
29 SECURITIES ISSUED (NET) (30+31)	0,0	-100,0	-100,0	-0,1	-100,0	-100,0	-4,3	-100,0	-100,0
30 a) BONDS & BILLS	0,0	-100,0	-100,0	-0,1	-100,0	-100,0	-4,3	-100,0	-100,0
31 b) ASSET BACKED SECURITIES AND OTHER SEC. ISSUED	-	-	-	-	-	-	-	-	-
32 LEASE FINANCING OBLIGATIONS (NET)	-44,8	29,2	16,2	-44,9	29,1	16,1	-47,2	23,6	11,2
33 TAXES, DUTIES, CHARGES & PREMIUMS PAYABLE	7,9	19,6	7,9	7,8	19,5	7,8	3,2	14,4	3,2
34 SUBORDINATED DEBT	-95,3	9,8	-32,4	-95,3	9,7	-32,5	-95,5	5,0	-35,4
35 INTEREST AND EXPENSE ACCRUALS	43,9	38,5	42,4	43,8	38,4	42,3	37,6	32,5	36,2
36 RESERVES	68,8	45,5	67,3	68,7	45,4	67,2	61,5	39,2	60,0
37 OTHER LIABILITIES	8,8	6,9	8,3	8,7	6,8	8,2	4,1	2,3	3,6
38 TOTAL (22+...+37)-(30+31)	46,6	15,1	31,8	46,5	15,1	31,7	40,2	10,1	26,0
39 PAID UP CAPITAL	35,2	-	35,2	35,1	-	35,1	29,3	-	29,3
40 LEGAL & PROVISIONAL RESERVES	79,5	-13,0	79,5	79,4	-13,0	79,3	71,7	-16,7	71,7
41 CAPITAL RESERVES FROM INFLATION ACCOUNTING	-100,0	-	-100,0	-100,0	-	-100,0	-100,0	-	-100,0
42 FIXED ASSET REVALUATION FUND	267,0	-100,0	223,1	266,8	-100,0	222,9	251,1	-100,0	209,1
43 SECURITIES REVALUATION FUND	15,7	64,2	20,2	15,6	64,1	20,1	10,6	57,1	15,0
44 PROFIT (LOSS) FOR THE PERIOD	-11,5	-	-11,5	-11,5	-	-11,5	-15,3	-	-15,3
45 PROFIT (LOSS) FOR PREVIOUS YEARS	-12,3	-	-12,3	-12,4	-	-12,4	-16,1	-	-16,1
46 TOTAL OWNERS EQUITY (39+...+45)	16,6	59,1	16,9	16,5	59,0	16,8	11,5	52,2	11,8
47 TOTAL LIABILITIES (38+46)	39,1	15,3	29,5	39,0	15,2	29,5	33,1	10,2	23,9
48 NON CASH CREDITS AND OBLIGATIONS	24,0	12,6	16,4	23,9	12,6	16,3	18,6	7,7	11,4
49 COMMITMENTS (50+51)	26,9	50,6	35,6	26,8	50,5	35,5	21,3	44,1	29,7
50 a) DERIVATIVE FINANCIAL INSTRUMENTS	114,4	58,6	68,9	114,3	58,5	68,8	105,1	51,7	61,6
51 b) OTHER COMMITMENTS	15,5	-6,6	13,8	15,4	-6,6	13,8	10,4	-10,6	8,9
52 TOTAL OFF BALANCE SHEET LIABILITIES (48 + 49)	26,2	31,4	28,7	26,1	31,3	28,6	20,7	25,7	23,1

Source: The BRSA Banks Reporting System as of March 29, 2006.



**Annex Table 5 - Balance Shhet of the Banking Sector - Excluding SDIF Banks (TRY thousand)**

ASSETS	December 2002			December 2003			December 2004			December 2005		
	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL
1 CASH ASSETS	788.207	1.032.846	1.821.053	986.282	1.000.120	1.986.402	1.156.125	1.123.897	2.280.022	1.764.786	1.130.142	2.894.928
2 DUE FROM THE CENTRAL BANK	1.239.007	1.399.040	2.638.047	1.336.165	1.614.133	2.950.298	1.870.469	3.508.079	5.378.548	7.169.454	4.893.715	12.063.169
3 DUE FROM MONEY MARKETS	6.790.050	1.667.925	8.457.975	7.757.450	1.052.009	8.809.459	3.444.500	719.600	4.164.100	5.951.000	0	5.951.000
4 DUE FROM BANKS	1.525.315	13.468.965	14.994.280	2.138.070	12.546.857	14.684.927	4.505.613	16.341.627	20.847.240	6.108.404	19.511.558	25.619.962
5 SECURITIES - TRADING PORTFOLIO (NET)	7.721.402	11.209.135	18.930.537	15.168.796	13.326.468	28.495.264	8.739.139	8.834.853	17.573.992	6.838.784	9.735.232	16.574.016
6 SECURITIES AVAILABLE FOR SALE (NET)	5.131.441	10.023.975	15.155.416	12.942.108	14.415.617	27.357.725	28.874.084	23.702.206	52.576.290	52.753.362	25.183.548	77.936.910
7 REQUIRED RESERVES	2.190.724	7.159.592	9.350.316	2.857.683	7.116.085	9.973.768	4.669.663	8.490.046	13.159.709	5.373.798	9.166.231	14.540.029
8 RECEIVABLES FROM SECURITIES LENDING MARKET	0	0	0	0	0	0	0	0	0	0	0	0
9 RESERVE REPO RECEIVABLES	18.007	0	18.007	116.799	41.376	158.175	133.018	0	133.018	4.255.847	25.161	4.281.008
10 LOANS	19.642.656	28.343.263	47.985.919	35.743.672	29.770.849	65.514.521	64.342.426	34.988.602	99.331.028	107.255.354	42.675.715	149.931.069
11 PAST DUE LOANS (NET) (12-13)	2.599.686	245.820	2.845.506	722.506	62.373	784.879	692.734	51.146	743.880	729.236	23.165	752.401
12 a) PAST DUE LOANS	7.790.608	379.504	8.170.112	7.572.619	230.956	7.803.575	6.026.543	207.670	6.234.213	7.206.800	193.945	7.400.745
13 b) LOAN LOSS RESERVES (-)	5.190.922	133.684	5.324.606	6.850.113	168.583	7.018.696	5.333.809	156.524	5.490.333	6.477.564	170.780	6.648.344
14 INTEREST & INCOME ACCRUALS	11.491.217	1.494.544	12.985.761	10.376.861	1.991.658	12.368.519	8.135.806	2.076.946	10.212.752	9.111.901	1.667.337	10.779.238
15 LEASE FINANCING RECEIVABLES (NET)	843	126.951	127.794	330	165.765	166.095	279	238.400	238.400	4.593	297.350	301.943
16 SUBSIDIARIES, ASSOCIATED AND JOINT CONTROLLED COMPANIES (NET)	6.427.070	1.599.460	8.026.530	7.484.202	1.664.634	9.148.836	10.022.087	1.734.055	11.756.142	9.320.403	1.690.006	11.010.409
17 SECURITIES - HELD TO MATURITY (NET)	35.058.121	12.305.776	47.363.897	37.124.744	8.902.878	46.027.622	43.405.587	8.612.233	52.017.820	38.746.241	8.994.490	47.740.731
18 FIXED ASSETS TO BE SOLD (NET)	1.903.840	0	1.903.840	2.067.300	0	2.067.300	2.065.673	0	2.065.673	1.777.087	0	1.777.087
19 FIXED ASSETS (NET)	7.330.253	33.346	7.363.599	7.994.077	19.426	8.013.503	8.357.390	18.835	8.376.225	7.384.224	13.512	7.397.736
20 OTHER ASSETS	2.923.828	478.193	3.402.021	3.691.734	413.665	4.105.399	3.408.369	237.069	3.645.438	4.977.349	579.165	5.556.514
<b>21 TOTAL ASSETS (1+...+20)-(12+13)</b>	<b>112.781.667</b>	<b>90.588.831</b>	<b>203.370.498</b>	<b>148.508.779</b>	<b>94.103.913</b>	<b>242.612.692</b>	<b>193.822.962</b>	<b>110.677.594</b>	<b>304.500.556</b>	<b>269.521.823</b>	<b>125.586.327</b>	<b>395.108.150</b>
<b>LIABILITIES</b>												
22 DEPOSITS	56.514.102	75.689.701	132.203.803	77.800.196	73.378.792	151.178.988	105.683.174	85.312.869	190.996.043	154.552.931	88.513.343	243.066.274
23 DUE TO CENTRAL BANK	4.538	204.556	209.094	9.621	125.662	135.283	2.229	76.810	79.039	21.606	9.818	31.424
24 DUE TO MONEY MARKETS	323.579	2.558.774	2.882.353	407.812	1.756.728	2.164.540	769.132	1.141.054	1.910.186	351.548	0	351.548
25 BORROWINGS FROM SECURITIES LENDING MARKET	0	0	0	0	0	0	0	0	0	0	0	0
26 DUE TO BANKS	2.374.535	18.318.906	20.693.441	2.925.125	22.155.322	25.080.447	4.598.912	29.065.229	33.664.141	9.658.534	44.650.077	54.308.611
27 FUNDS OBTAINED FROM REPO TRANSACTIONS	3.963.218	1.173.490	5.136.708	5.720.418	3.495.701	9.216.119	8.261.479	2.332.943	10.594.422	14.168.285	3.242.971	17.411.256
28 FUNDS	3.558.427	9.684	3.568.111	4.503.853	9.394	4.513.247	4.762.667	7.783	4.770.450	5.446.133	6.072	5.452.205
29 SECURITIES ISSUED (NET) (30+31)	20	938.120	938.140	1	488.760	488.761	1	467.965	467.966	1	0	1
30 a) BONDS & BILLS	2	938.120	938.122	1	488.760	488.761	1	467.965	467.966	1	0	1
31 b) ASSET BACKED SECURITIES AND OTHER SEC. ISSUED	18	0	18	0	0	0	0	0	0	0	0	0
32 LEASE FINANCING OBLIGATIONS (NET)	25.315	72.543	97.858	14.970	91.308	106.278	27.250	128.233	155.483	15.030	165.661	180.691
33 TAXES, DUTIES, CHARGES & PREMIUMS PAYABLE	501.804	1.979	503.783	561.147	989	562.136	598.859	576	599.435	646.407	689	647.096
34 SUBORDINATED DEBT	214.669	408.927	623.596	214.669	353.152	567.821	214.669	669.310	883.979	1.325	734.626	735.951
35 INTEREST AND EXPENSE ACCRUALS	1.579.930	661.237	2.241.167	1.751.237	592.316	2.343.553	1.756.375	648.970	2.405.345	2.526.865	898.910	3.425.775
36 RESERVES	2.718.519	323.768	3.042.287	3.698.090	281.387	3.979.477	4.446.433	243.692	4.690.125	7.585.225	389.195	7.974.420
37 OTHER LIABILITIES	2.936.760	1.968.993	4.905.753	3.856.721	2.033.900	5.890.621	6.289.596	2.304.184	8.593.780	6.847.030	2.472.102	9.319.132
<b>38 TOTAL (22+...+37)-(30+31)</b>	<b>74.715.416</b>	<b>102.330.678</b>	<b>177.046.094</b>	<b>101.463.860</b>	<b>104.763.411</b>	<b>206.227.271</b>	<b>137.410.776</b>	<b>122.399.618</b>	<b>259.810.394</b>	<b>201.820.920</b>	<b>141.083.464</b>	<b>342.904.384</b>
39 PAID UP CAPITAL	11.004.185	97.237	11.101.422	12.431.629	99.876	12.531.505	14.383.674	0	14.383.674	19.600.179	0	19.600.179
40 LEGAL & PROVISIONAL RESERVES	1066720	437	1067157	1.458.276	0	1.458.276	4.298.459	5.712	4.304.171	22.791.854	4.972	22.796.826
41 CAPITAL RESERVES FROM INFLATION ACCOUNTING	29.843.904	0	29.843.904	20.052.965	0	20.052.965	18.750.167	0	18.750.167	0	0	0
42 FIXED ASSET REVALUATION FUND	220.783	0	220.783	105.010	0	105.010	58.904	8.371	67.275	223.536	0	223.536
43 SECURITIES REVALUATION FUND	707.502	7.772	715.274	1.576.668	390.105	1.966.773	3.289.032	338.154	3.627.186	3.804.027	555.413	4.359.440
44 PROFIT (LOSS) FOR THE PERIOD	4.013.442	0	4.013.442	5.336.245	0	5.336.245	6.065.662	0	6.065.662	5.455.024	0	5.455.024
45 PROFIT (LOSS) FOR PREVIOUS YEARS	-20.637.578	0	-20.637.578	-5.065.353	0	-5.065.353	-2.507.973	0	-2.507.973	-231.239	0	-231.239
<b>46 TOTAL OWNERS EQUITY (39+...+45)</b>	<b>26.218.958</b>	<b>105.446</b>	<b>26.324.404</b>	<b>35.895.440</b>	<b>489.981</b>	<b>36.385.421</b>	<b>44.337.925</b>	<b>352.237</b>	<b>44.690.162</b>	<b>51.643.381</b>	<b>560.385</b>	<b>52.203.766</b>
<b>47 TOTAL LIABILITIES (38+46)</b>	<b>100.934.374</b>	<b>102.436.124</b>	<b>203.370.498</b>	<b>137.359.300</b>	<b>105.253.392</b>	<b>242.612.692</b>	<b>181.748.701</b>	<b>122.751.855</b>	<b>304.500.556</b>	<b>253.464.301</b>	<b>141.643.849</b>	<b>395.108.150</b>
<b>48 NON CASH CREDITS AND OBLIGATIONS</b>	<b>11.086.258</b>	<b>30.013.329</b>	<b>41.099.587</b>	<b>14.531.930</b>	<b>29.805.257</b>	<b>44.337.187</b>	<b>18.435.682</b>	<b>36.858.647</b>	<b>55.294.329</b>	<b>22.942.227</b>	<b>41.596.325</b>	<b>64.538.552</b>
<b>49 COMMITMENTS (50+51)</b>	<b>16.649.637</b>	<b>27.425.814</b>	<b>44.075.451</b>	<b>39.315.149</b>	<b>36.293.266</b>	<b>75.608.415</b>	<b>62.675.085</b>	<b>36.165.732</b>	<b>98.840.817</b>	<b>79.507.836</b>	<b>54.422.123</b>	<b>133.929.959</b>
50 a) DERIVATIVE FINACIAL INSTRUMENTS	1.665.199	23.498.150	25.163.349	2.750.843	31.483.635	34.234.478	7.212.157	31.740.077	38.952.234	15.465.487	50.287.015	65.752.502
51 b) OTHER COMMITMENTS	14.984.438	3.927.664	18.912.102	36.564.306	4.809.631	41.373.937	55.462.928	4.425.655	59.888.583	64.042.349	4.135.108	68.177.457
<b>52 TOTAL OFF BALANCE SHEET LIABILITIES (48 + 49)</b>	<b>27.735.895</b>	<b>57.439.143</b>	<b>85.175.038</b>	<b>53.847.079</b>	<b>66.098.523</b>	<b>119.945.602</b>	<b>81.110.767</b>	<b>73.024.379</b>	<b>154.135.146</b>	<b>102.450.063</b>	<b>96.018.448</b>	<b>198.468.511</b>

Source: The BRSA Banks Reporting System as of March 29, 2006.

**Annex Table 6 - Balance Sheet of the Banking Sector - Excluding SDIF Banks (USD million)**

ASSETS	December 2002			December 2003			December 2004			December 2005		
	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL
1 CASH ASSETS	482	632	1.114	707	717	1.423	861	837	1.699	1.314	842	2.156
2 DUE FROM THE CENTRAL BANK	758	856	1.614	957	1.156	2.114	1.394	2.614	4.008	5.338	3.644	8.982
3 DUE FROM MONEY MARKETS	4.154	1.020	5.175	5.558	754	6.311	2.567	536	3.103	4.431	0	4.431
4 DUE FROM BANKS	933	8.240	9.174	1.532	8.989	10.521	3.357	12.176	15.533	4.548	14.528	19.077
5 SECURITIES - TRADING PORTFOLIO (NET)	4.724	6.858	11.582	10.867	9.547	20.414	6.512	6.583	13.094	5.092	7.249	12.341
6 SECURITIES AVAILABLE FOR SALE (NET)	3.139	6.133	9.272	9.272	10.328	19.600	21.514	17.661	39.175	39.280	18.752	58.032
7 REQUIRED RESERVES	1.340	4.380	5.721	2.047	5.098	7.145	3.479	6.326	9.805	4.001	6.825	10.827
8 RECEIVABLES FROM SECURITIES LENDING MARKET	0	0	0	0	0	0	0	0	0	0	0	0
9 RESERVE REPO RECEIVABLES	11	0	11	84	30	113	99	0	99	3.169	19	3.188
10 LOANS	12.018	17.341	29.358	25.607	21.328	46.936	47.942	26.070	74.012	79.863	31.776	111.639
11 PAST DUE LOANS (12-13)	1.591	150	1.741	518	45	562	516	38	554	543	17	560
12 a) PAST DUE LOANS	4.766	232	4.999	5.425	165	5.591	4.490	155	4.645	5.366	144	5.511
13 b) LOAN LOSS RESERVES (-)	3.176	82	3.258	4.908	121	5.028	3.974	117	4.091	4.823	127	4.950
14 INTEREST & INCOME ACCRUALS	7.030	914	7.945	7.434	1.427	8.861	6.062	1.548	7.610	6.785	1.242	8.026
15 LEASE FINANCING RECEIVABLES (NET)	1	78	78	0	119	119	0	178	178	3	221	225
16 SUBSIDIARIES, ASSOCIATED AND JOINT CONTROLLED COMPANIES (NET)	3.932	979	4.911	5.362	1.193	6.554	7.467	1.292	8.760	6.940	1.258	8.198
17 SECURITIES - HELD TO MATURITY (NET)	21.449	7.529	28.978	26.597	6.378	32.975	32.342	6.417	38.759	28.851	6.697	35.548
18 FIXED ASSETS TO BE SOLD (NET)	1.165	0	1.165	1.481	0	1.481	1.539	0	1.539	1.323	0	1.323
19 FIXED ASSETS (NET)	4.485	20	4.505	5.727	14	5.741	6.227	14	6.241	5.498	10	5.508
20 OTHER ASSETS	1.789	293	2.081	2.645	296	2.941	2.540	177	2.716	3.706	431	4.137
<b>21 TOTAL ASSETS (1+...+20)-(12+13)</b>	<b>69.001</b>	<b>55.423</b>	<b>124.424</b>	<b>106.394</b>	<b>67.418</b>	<b>173.812</b>	<b>144.418</b>	<b>82.466</b>	<b>226.884</b>	<b>200.686</b>	<b>93.512</b>	<b>294.198</b>
<b>LIABILITIES</b>												
22 DEPOSITS	34.576	46.308	80.883	55.737	52.570	108.307	78.745	63.567	142.311	115.080	65.907	180.988
23 DUE TO CENTRAL BANK	3	125	128	7	90	97	2	57	59	16	7	23
24 DUE TO MONEY MARKETS	198	1.565	1.763	292	1.259	1.551	573	850	1.423	262	0	262
25 BORROWINGS FROM SECURITIES LENDING MARKET	0	0	0	0	0	0	0	0	0	0	0	0
26 DUE TO BANKS	1.453	11.208	12.660	2.096	15.872	17.968	3.427	21.657	25.083	7.192	33.247	40.438
27 FUNDS OBTAINED FROM REPO TRANSACTIONS	2.425	718	3.143	4.098	2.504	6.603	6.156	1.738	7.894	10.550	2.415	12.964
28 FUNDS	2.177	6	2.183	3.227	7	3.233	3.549	6	3.554	4.055	5	4.060
29 SECURITIES ISSUED (NET) (30+31)	0	574	574	0	350	350	0	349	349	0	0	0
30 a) BONDS & BILLS	0	574	574	0	350	350	0	349	349	0	0	0
31 b) ASSET BACKED SECURITIES AND OTHER SEC. ISSUED	0	0	0	0	0	0	0	0	0	0	0	0
32 LEASE FINANCING OBLIGATIONS (NET)	15	44	60	11	65	76	20	96	116	11	123	135
33 TAXES, DUTIES, CHARGES & PREMIUMS PAYABLE	307	1	308	402	1	403	446	0	447	481	1	482
34 SUBORDINATED DEBT	131	250	382	154	253	407	160	499	659	1	547	548
35 INTEREST AND EXPENSE ACCRUALS	967	405	1.371	1.255	424	1.679	1.309	484	1.792	1.882	669	2.551
36 RESERVES	1.663	198	1.861	2.649	202	2.851	3.313	182	3.495	5.648	290	5.938
37 OTHER LIABILITIES	1.797	1.205	3.001	2.763	1.457	4.220	4.686	1.717	6.403	5.098	1.841	6.939
<b>38 TOTAL (22+...+37)-(30+31)</b>	<b>45.711</b>	<b>62.607</b>	<b>108.318</b>	<b>72.690</b>	<b>75.054</b>	<b>147.745</b>	<b>102.385</b>	<b>91.200</b>	<b>193.585</b>	<b>150.276</b>	<b>105.051</b>	<b>255.327</b>
39 PAID UP CAPITAL	6.732	59	6.792	8.906	72	8.978	10.717	0	10.717	14.594	0	14.594
40 LEGAL & PROVISIONAL RESERVES	653	0	653	1.045	0	1.045	3.203	4	3.207	16.971	4	16.975
41 CAPITAL RESERVES FROM INFLATION ACCOUNTING	18.259	0	18.259	14.366	0	14.366	13.971	0	13.971	0	0	0
42 FIXED ASSET REVALUATION FUND	135	0	135	75	0	75	44	6	50	166	0	166
43 SECURITIES REVALUATION FUND	433	5	438	1.130	279	1.409	2.451	252	2.703	2.832	414	3.246
44 PROFIT (LOSS) FOR THE PERIOD	2.455	0	2.455	3.823	0	3.823	4.520	0	4.520	4.062	0	4.062
45 PROFIT (LOSS) FOR PREVIOUS YEARS	-12.626	0	-12.626	-3.629	0	-3.629	-1.869	0	-1.869	-172	0	-172
<b>46 TOTAL OWNERS EQUITY (39+...+45)</b>	<b>16.041</b>	<b>65</b>	<b>16.105</b>	<b>25.716</b>	<b>351</b>	<b>26.067</b>	<b>33.036</b>	<b>262</b>	<b>33.299</b>	<b>38.454</b>	<b>417</b>	<b>38.871</b>
<b>47 TOTAL LIABILITIES (38+46)</b>	<b>61.752</b>	<b>62.671</b>	<b>124.424</b>	<b>98.407</b>	<b>75.405</b>	<b>173.812</b>	<b>135.421</b>	<b>91.463</b>	<b>226.884</b>	<b>188.730</b>	<b>105.468</b>	<b>294.198</b>
<b>48 NON CASH CREDITS AND OBLIGATIONS</b>	<b>6.783</b>	<b>18.362</b>	<b>25.145</b>	<b>10.411</b>	<b>21.353</b>	<b>31.764</b>	<b>13.736</b>	<b>27.463</b>	<b>41.200</b>	<b>17.083</b>	<b>30.973</b>	<b>48.056</b>
<b>49 COMMITMENTS (50+51)</b>	<b>10.186</b>	<b>16.779</b>	<b>26.966</b>	<b>28.166</b>	<b>26.001</b>	<b>54.167</b>	<b>46.699</b>	<b>26.947</b>	<b>73.646</b>	<b>59.202</b>	<b>40.523</b>	<b>99.724</b>
50 a) DERIVATIVE FINANCIAL INSTRUMENTS	1.019	14.376	15.395	1.971	22.555	24.526	5.374	23.650	29.023	11.516	37.444	48.959
51 b) OTHER COMMITMENTS	9.168	2.403	11.571	26.195	3.446	29.641	41.325	3.298	44.623	47.686	3.079	50.765
<b>52 TOTAL OFF BALANCE SHEET LIABILITIES (48 + 49)</b>	<b>16.969</b>	<b>35.142</b>	<b>52.111</b>	<b>38.577</b>	<b>47.354</b>	<b>85.931</b>	<b>60.436</b>	<b>54.411</b>	<b>114.846</b>	<b>76.284</b>	<b>71.495</b>	<b>147.780</b>

Source: The BRSA Banks Reporting System as of March 29, 2006.

Annex Table 7 - Balance Sheet of the Banking Sector - Excluding SDIF Banks (% Change) (December 2005/December 2004)

ASSETS	Nominal Change TRY			Nominal Change USD Dollar			Real Change TRY		
	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL
1 CASH ASSETS	52,6	0,6	27,0	52,5	0,5	26,9	46,0	-3,8	21,4
2 DUE FROM THE CENTRAL BANK	283,3	39,5	124,3	283,0	39,4	124,1	266,6	33,4	114,5
3 DUE FROM MONEY MARKETS	72,8	-100,0	42,9	72,7	-100,0	42,8	65,3	-100,0	36,7
4 DUE FROM BANKS	35,6	19,4	22,9	35,5	19,3	22,8	29,7	14,2	17,6
5 SECURITIES - TRADING PORTFOLIO (NET)	-21,7	10,2	-5,7	-21,8	10,1	-5,8	-25,1	5,4	-9,8
6 SECURITIES AVAILABLE FOR SALE (NET)	82,7	6,2	48,2	82,6	6,2	48,1	74,8	1,6	41,8
7 REQUIRED RESERVES	15,1	8,0	10,5	15,0	7,9	10,4	10,1	3,3	5,7
8 RECEIVABLES FROM SECURITIES LENDING MARKET	-	-	-	-	-	-	-	-	-
9 RESERVE REPO RECEIVABLES	3.099,5	-	3.118,4	3.097,3	-	3.116,2	2.960,4	-	2.978,5
10 LOANS	66,7	22,0	50,9	66,6	21,9	50,8	59,4	16,7	44,4
11 PAST DUE LOANS (NET) (12-13)	5,3	-54,7	1,1	5,2	-54,7	1,1	0,7	-56,7	-3,3
12 a) PAST DUE LOANS	19,6	-6,6	18,7	19,5	-6,7	18,6	14,4	-10,7	13,6
13 b) LOAN LOSS RESERVES (-)	21,4	9,1	21,1	21,4	9,0	21,0	16,2	4,4	15,8
14 INTEREST & INCOME ACCRUALS	12,0	-19,9	5,5	11,9	-20,0	5,4	7,1	-23,4	0,9
15 LEASE FINANCING RECEIVABLES (NET)	1.546,2	24,7	26,5	1.545,1	24,6	26,4	1.474,7	19,3	21,0
16 SUBSIDIARIES, ASSOCIATED AND JOINT CONTROLLED COMPANIES (NET)	-7,0	-2,5	-6,3	-7,1	-2,6	-6,4	-11,0	-6,8	-10,4
17 SECURITIES - HELD TO MATURITY (NET)	-10,7	4,4	-8,2	-10,8	4,4	-8,3	-14,6	-0,1	-12,2
18 FIXED ASSETS TO BE SOLD (NET)	-14,0	-	-14,0	-14,0	-	-14,0	-17,7	-	-17,7
19 FIXED ASSETS (NET)	-11,6	-28,3	-11,7	-11,7	-28,3	-11,7	-15,5	-31,4	-15,5
20 OTHER ASSETS	46,0	144,3	52,4	45,9	144,1	52,3	39,7	133,7	45,8
21 TOTAL ASSETS (1+...+20)-(12+13)	39,1	13,5	29,8	39,0	13,4	29,7	33,0	8,5	24,1
LIABILITIES									
22 DEPOSITS	46,2	3,8	27,3	46,1	3,7	27,2	39,9	-0,8	21,7
23 DUE TO CENTRAL BANK	869,3	-87,2	-60,2	868,7	-87,2	-60,3	827,2	-87,8	-62,0
24 DUE TO MONEY MARKETS	-54,3	-100,0	-81,6	-54,3	-100,0	-81,6	-56,3	-100,0	-82,4
25 BORROWINGS FROM SECURITIES LENDING MARKET	-	-	-	-	-	-	-	-	-
26 DUE TO BANKS	110,0	53,6	61,3	109,9	53,5	61,2	100,9	46,9	54,3
27 FUNDS OBTAINED FROM REPO TRANSACTIONS	71,5	39,0	64,3	71,4	38,9	64,2	64,0	33,0	57,2
28 FUNDS	14,4	-22,0	14,3	14,3	-22,0	14,2	9,4	-25,4	9,3
29 SECURITIES ISSUED (NET) (30+31)	0,0	-100,0	-100,0	-0,1	-100,0	-100,0	-4,3	-100,0	-100,0
30 a) BONDS & BILLS	0,0	-100,0	-100,0	-0,1	-100,0	-100,0	-4,3	-100,0	-100,0
31 b) ASSET BACKED SECURITIES AND OTHER SEC. ISSUED	-	-	-	-	-	-	-	-	-
32 LEASE FINANCING OBLIGATIONS (NET)	-44,8	29,2	16,2	-44,9	29,1	16,1	-47,2	23,6	11,2
33 TAXES, DUTIES, CHARGES & PREMIUMS PAYABLE	7,9	19,6	8,0	7,9	19,5	7,9	3,2	14,4	3,3
34 SUBORDINATED DEBT	-99,4	9,8	-16,7	-99,4	9,7	-16,8	-99,4	5,0	-20,4
35 INTEREST AND EXPENSE ACCRUALS	43,9	38,5	42,4	43,8	38,4	42,3	37,6	32,5	36,2
36 RESERVES	70,6	59,7	70,0	70,4	59,6	69,9	63,1	52,8	62,6
37 OTHER LIABILITIES	8,9	7,3	8,4	8,8	7,2	8,4	4,1	2,6	3,7
38 TOTAL (22+...+37)-(30+31)	46,9	15,3	32,0	46,8	15,2	31,9	40,5	10,3	26,2
39 PAID UP CAPITAL	36,3	-	36,3	36,2	-	36,2	30,3	-	30,3
40 LEGAL & PROVISIONAL RESERVES	430,2	-13,0	429,6	429,9	-13,0	429,3	407,2	-16,7	406,6
41 CAPITAL RESERVES FROM INFLATION ACCOUNTING	-100,0	-	-100,0	-100,0	-	-100,0	-100,0	-	-100,0
42 FIXED ASSET REVALUATION FUND	279,5	-100,0	232,3	279,2	-100,0	232,0	263,0	-100,0	217,8
43 SECURITIES REVALUATION FUND	15,7	64,2	20,2	15,6	64,1	20,1	10,6	57,1	15,0
44 PROFIT (LOSS) FOR THE PERIOD	-10,1	-	-10,1	-10,2	-	-10,2	-14,0	-	-14,0
45 PROFIT (LOSS) FOR PREVIOUS YEARS	-90,8	-	-90,8	-90,8	-	-90,8	-91,2	-	-91,2
46 TOTAL OWNERS EQUITY (39+...+45)	16,5	59,1	16,8	16,4	59,0	16,7	11,4	52,2	11,7
47 TOTAL LIABILITIES (38+46)	39,5	15,4	29,8	39,4	15,3	29,7	33,4	10,4	24,1
48 NON CASH CREDITS AND OBLIGATIONS	24,4	12,9	16,7	24,4	12,8	16,6	19,0	7,9	11,6
49 COMMITMENTS (50+51)	26,9	50,5	35,5	26,8	50,4	35,4	21,3	43,9	29,6
50 a) DERIVATIVE FINANCIAL INSTRUMENTS	114,4	58,4	68,8	114,3	58,3	68,7	105,1	51,5	61,5
51 b) OTHER COMMITMENTS	15,5	-6,6	13,8	15,4	-6,6	13,8	10,4	-10,6	8,9
52 TOTAL OFF BALANCE SHEET LIABILITIES (48 + 49)	26,3	31,5	28,8	26,2	31,4	28,7	20,8	25,8	23,2

Source: The BRSA Banks Reporting System as of March 29, 2006.

Annex Table 8 - Balance Sheet of State Banks (TRY thousand)

ASSETS	December 2002			December 2003			December 2004			December 2005		
	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL
1 CASH ASSETS	369.980	153.596	523.576	483.156	150.488	633.644	432.739	182.927	615.666	756.772	158.692	915.464
2 DUE FROM THE CENTRAL BANK	363.264	250.136	613.400	679.290	236.609	915.899	1.216.337	273.233	1.489.570	3.356.640	295.545	3.652.185
3 DUE FROM MONEY MARKETS	1.150.000	105.950	1.255.950	3.975.000	80.794	4.055.794	2.900.000	71.020	2.971.020	2.600.000	0	2.600.000
4 DUE FROM BANKS	3.185	3.992.699	3.995.884	303.831	5.060.749	5.364.580	687.294	5.805.286	6.492.580	1.832.257	3.941.368	5.773.625
5 SECURITIES - TRADING PORTFOLIO (NET)	1.411.168	4.374.922	5.786.090	7.560.186	4.751.424	12.311.610	3.235.230	3.375.812	6.611.042	2.135.642	1.452.481	3.588.123
6 SECURITIES AVAILABLE FOR SALE (NET)	45.910	325.084	370.994	1.089.698	1.399.975	2.489.673	8.476.366	5.008.607	13.484.973	18.289.788	7.530.493	25.820.281
7 REQUIRED RESERVES	1.070.001	1.793.075	2.863.076	1.308.015	1.731.292	3.039.307	1.872.738	2.021.649	3.894.387	766.031	2.017.102	2.783.133
8 RECEIVABLES FROM SECURITIES LENDING MARKET	0	0	0	0	0	0	0	0	0	0	0	0
9 RESERVE REPO RECEIVABLES	0	0	0	0	0	0	0	0	0	3.675.000	0	3.675.000
10 LOANS	5.856.029	1.760.245	7.616.274	10.232.197	1.868.244	12.100.441	17.828.283	3.097.531	20.925.814	26.875.219	4.550.042	31.425.261
11 PAST DUE LOANS (NET) (12-13)	1.187.562	175	1.187.737	101.963	12	101.975	95.226	9.147	104.373	74.482	0	74.482
12 a) PAST DUE LOANS	4.537.301	7.963	4.545.264	4.293.835	6.070	4.299.905	2.331.377	64.608	2.395.985	2.507.435	7.596	2.515.031
13 b) LOAN LOSS RESERVES (-)	3.349.739	7.788	3.357.527	4.191.872	6.058	4.197.930	2.236.151	55.461	2.291.612	2.432.953	7.596	2.440.549
14 INTEREST & INCOME ACCRUALS	6.004.494	278.043	6.282.537	4.236.675	253.070	4.489.745	3.445.320	338.527	3.783.847	3.132.765	365.639	3.498.404
15 LEASE FINANCING RECEIVABLES (NET)	0	0	0	0	0	0	0	0	0	0	0	0
16 SUBSIDIARIES, ASSOCIATED AND JOINT CONTROLLED COMPANIES (NET)	539.721	369.513	909.234	565.548	372.659	938.207	528.063	394.161	922.224	650.846	370.661	1.021.507
17 SECURITIES - HELD TO MATURITY (NET)	24.483.164	8.604.999	33.088.163	27.348.788	5.565.675	32.914.463	37.098.698	4.625.560	41.724.258	32.187.573	3.083.621	35.271.194
18 FIXED ASSETS TO BE SOLD (NET)	462.163	0	462.163	515.780	0	515.780	657.264	0	657.264	570.171	0	570.171
19 FIXED ASSETS (NET)	1.461.532	2.786	1.464.318	1.614.557	5.282	1.619.839	1.897.729	5.219	1.902.948	1.887.974	4.297	1.892.271
20 OTHER ASSETS	1.115.607	296.490	1.412.097	1.568.779	74.647	1.643.426	1.258.625	64.183	1.322.808	1.779.177	145.645	1.924.822
21 TOTAL ASSETS (1+...+20)-(12+13)	45.523.780	22.307.713	67.831.493	61.583.463	21.550.920	83.134.383	81.629.912	25.272.862	106.902.774	100.570.337	23.915.586	124.485.923
LIABILITIES												
22 DEPOSITS	30.880.776	17.607.783	48.488.559	42.344.346	17.517.744	59.862.090	59.242.455	21.844.035	81.086.490	73.137.552	21.280.058	94.417.610
23 DUE TO CENTRAL BANK	1.846	7.806	9.652	1.348	7.266	8.614	1.824	4.790	6.614	121	7.615	7.736
24 DUE TO MONEY MARKETS	0	2.518.587	2.518.587	0	1.756.728	1.756.728	0	1.141.054	1.141.054	0	0	0
25 BORROWINGS FROM SECURITIES LENDING MARKET	0	0	0	0	0	0	0	0	0	0	0	0
26 DUE TO BANKS	119.124	2.110.524	2.229.648	117.556	2.220.289	2.337.845	848.840	3.298.757	4.147.597	1.148.070	4.207.651	5.355.721
27 FUNDS OBTAINED FROM REPO TRANSACTIONS	996.146	26.265	1.022.411	756.305	261.834	1.018.139	703.080	525.785	1.228.865	562.701	87.688	650.389
28 FUNDS	3.466.020	9.631	3.475.651	4.393.426	9.352	4.402.778	4.621.183	7.742	4.628.925	5.282.380	6.031	5.288.411
29 SECURITIES ISSUED (NET) (30+31)	18	255.488	255.506	0	0	0	0	0	0	0	0	0
30 a) BONDS & BILLS	0	255.488	255.488	0	0	0	0	0	0	0	0	0
31 b) ASSET BACKED SECURITIES AND OTHER SEC. ISSUED	18	0	18	0	0	0	0	0	0	0	0	0
32 LEASE FINANCING OBLIGATIONS (NET)	1	10.023	10.024	0	6.572	6.572	1.627	17.100	18.727	134	35.662	35.796
33 TAXES, DUTIES, CHARGES & PREMIUMS PAYABLE	189.386	1.760	191.146	192.801	328	193.129	195.720	314	196.034	194.979	226	195.205
34 SUBORDINATED DEBT	213.344	0	213.344	213.344	0	213.344	213.344	0	213.344	0	0	0
35 INTEREST AND EXPENSE ACCRUALS	654.660	98.820	753.480	672.014	80.400	752.414	637.344	117.321	754.665	739.559	122.276	861.835
36 RESERVES	981.327	103.942	1.085.269	1.645.434	34.442	1.679.876	1.809.499	28.918	1.838.417	2.884.743	23.844	2.908.587
37 OTHER LIABILITIES	436.090	394.711	830.801	914.958	413.941	1.328.899	1.188.972	385.165	1.574.137	1.086.170	424.539	1.510.709
38 TOTAL (22+...+37)-(30+31)	37.938.738	23.145.340	61.084.078	51.251.532	22.308.896	73.560.428	69.463.888	27.370.981	96.834.869	85.036.409	26.195.590	111.231.999
39 PAID UP CAPITAL	3.594.408	97.237	3.691.645	3.592.879	99.876	3.692.755	3.792.123	0	3.792.123	4.650.978	0	4.650.978
40 LEGAL & PROVISIONAL RESERVES	270.874	0	270.874	-1.301	0	-1.301	637.338	0	637.338	5.008.446	0	5.008.446
41 CAPITAL RESERVES FROM INFLATION ACCOUNTING	10.794.233	0	10.794.233	3.985.188	0	3.985.188	2.498.338	0	2.498.338	0	0	0
42 FIXED ASSET REVALUATION FUND	0	0	0	49.685	0	49.685	19.289	8.371	27.660	14.137	0	14.137
43 SECURITIES REVALUATION FUND	9.952	0	9.952	36.561	20.706	57.267	166.405	31.736	198.141	590.181	59.589	649.770
44 PROFIT (LOSS) FOR THE PERIOD	1.056.113	0	1.056.113	1.790.361	0	1.790.361	2.682.316	0	2.682.316	2.869.057	0	2.869.057
45 PROFIT (LOSS) FOR PREVIOUS YEARS	-9.075.402	0	-9.075.402	0	0	0	231.989	0	231.989	61.536	0	61.536
46 TOTAL OWNERS EQUITY (39+...+45)	6.650.178	97.237	6.747.415	9.453.373	120.582	9.573.955	10.027.798	40.107	10.067.905	13.194.335	59.589	13.253.924
47 TOTAL LIABILITIES (38+46)	44.588.916	23.242.577	67.831.493	60.704.905	22.429.478	83.134.383	79.491.686	27.411.088	106.902.774	98.230.744	26.255.179	124.485.923
48 NON CASH CREDITS AND OBLIGATIONS	1.519.764	4.712.856	6.232.620	1.787.186	3.981.977	5.769.163	2.315.793	5.193.366	7.509.159	2.848.212	5.721.963	8.570.175
49 COMMITMENTS (50+51)	1.976.582	1.762.111	3.738.693	3.929.756	2.195.987	6.125.743	6.617.684	1.772.017	8.389.701	6.924.290	1.900.175	8.824.465
50 a) DERIVATIVE FINANCIAL INSTRUMENTS	0	363.175	363.175	88.439	873.066	961.505	0	209.997	209.997	0	269.345	269.345
51 b) OTHER COMMITMENTS	1.976.582	1.398.936	3.375.518	3.841.317	1.322.921	5.164.238	6.617.684	1.562.020	8.179.704	6.924.290	1.630.830	8.555.120
52 TOTAL OFF BALANCE SHEET LIABILITIES (48 + 49)	3.496.346	6.474.967	9.971.313	5.716.942	6.177.964	11.894.906	8.933.477	6.965.383	15.898.860	9.772.502	7.622.138	17.394.640

Source: The BRSA Banks Reporting System as of March 29, 2006.

Annex Table 9 - Balance Sheet of State Banks (USD million)

ASSETS	December 2002			December 2003			December 2004			December 2005		
	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL
1 CASH ASSETS	226	94	320	346	108	454	322	136	459	563	118	682
2 DUE FROM THE CENTRAL BANK	222	153	375	487	170	656	906	204	1.110	2.499	220	2.719
3 DUE FROM MONEY MARKETS	704	65	768	2.848	58	2.906	2.161	53	2.214	1.936	0	1.936
4 DUE FROM BANKS	2	2.443	2.445	218	3.626	3.843	512	4.326	4.838	1.364	2.935	4.299
5 SECURITIES - TRADING PORTFOLIO (NET)	863	2.677	3.540	5.416	3.404	8.820	2.411	2.515	4.926	1.590	1.082	2.672
6 SECURITIES AVAILABLE FOR SALE (NET)	28	199	227	781	1.003	1.784	6.316	3.732	10.048	13.619	5.607	19.226
7 REQUIRED RESERVES	655	1.097	1.752	937	1.240	2.177	1.395	1.506	2.902	570	1.502	2.072
8 RECEIVABLES FROM SECURITIES LENDING MARKET	0	0	0	0	0	0	0	0	0	0	0	0
9 RESERVE REPO RECEIVABLES	0	0	0	0	0	0	0	0	0	2.736	0	2.736
10 LOANS	3.583	1.077	4.660	7.331	1.338	8.669	13.284	2.308	15.592	20.011	3.388	23.399
11 PAST DUE LOANS (NET) (12-13)	727	0	727	73	0	73	71	7	78	55	0	55
12 a) PAST DUE LOANS	2.776	5	2.781	3.076	4	3.081	1.737	48	1.785	1.867	6	1.873
13 b) LOAN LOSS RESERVES (-)	2.049	5	2.054	3.003	4	3.007	1.666	41	1.707	1.812	6	1.817
14 INTEREST & INCOME ACCRUALS	3.674	170	3.844	3.035	181	3.217	2.567	252	2.819	2.333	272	2.605
15 LEASE FINANCING RECEIVABLES (NET)	0	0	0	0	0	0	0	0	0	0	0	0
16 SUBSIDIARIES, ASSOCIATED AND JOINT CONTROLLED COMPANIES (NET)	330	226	556	405	267	672	393	294	687	485	276	761
17 SECURITIES - HELD TO MATURITY (NET)	14.979	5.265	20.244	19.593	3.987	23.580	27.642	3.447	31.089	23.967	2.296	26.263
18 FIXED ASSETS TO BE SOLD (NET)	283	0	283	370	0	370	490	0	490	425	0	425
19 FIXED ASSETS (NET)	894	2	896	1.157	4	1.160	1.414	4	1.418	1.406	3	1.409
20 OTHER ASSETS	683	181	864	1.124	53	1.177	938	48	986	1.325	108	1.433
<b>21 TOTAL ASSETS (1+...+20)-(12+13)</b>	<b>27.852</b>	<b>13.648</b>	<b>41.500</b>	<b>44.119</b>	<b>15.439</b>	<b>59.559</b>	<b>60.823</b>	<b>18.831</b>	<b>79.653</b>	<b>74.885</b>	<b>17.808</b>	<b>92.692</b>
<b>LIABILITIES</b>												
22 DEPOSITS	18.893	10.773	29.666	30.336	12.550	42.886	44.142	16.276	60.418	54.458	15.845	70.304
23 DUE TO CENTRAL BANK	1	5	6	1	5	6	1	4	5	0	6	6
24 DUE TO MONEY MARKETS	0	1.541	1.541	0	1.259	1.259	0	850	850	0	0	0
25 BORROWINGS FROM SECURITIES LENDING MARKET	0	0	0	0	0	0	0	0	0	0	0	0
26 DUE TO BANKS	73	1.291	1.364	84	1.591	1.675	632	2.458	3.090	855	3.133	3.988
27 FUNDS OBTAINED FROM REPO TRANSACTIONS	609	16	626	542	188	729	524	392	916	419	65	484
28 FUNDS	2.121	6	2.126	3.148	7	3.154	3.443	6	3.449	3.933	4	3.938
29 SECURITIES ISSUED (NET) (30+31)	0	156	156	0	0	0	0	0	0	0	0	0
30 a) BONDS & BILLS	0	156	156	0	0	0	0	0	0	0	0	0
31 b) ASSET BACKED SECURITIES AND OTHER SEC. ISSUED	0	0	0	0	0	0	0	0	0	0	0	0
32 LEASE FINANCING OBLIGATIONS (NET)	0	6	6	0	5	5	1	13	14	0	27	27
33 TAXES, DUTIES, CHARGES & PREMIUMS PAYABLE	116	1	117	138	0	138	146	0	146	145	0	145
34 SUBORDINATED DEBT	131	0	131	153	0	153	159	0	159	0	0	0
35 INTEREST AND EXPENSE ACCRUALS	401	60	461	481	58	539	475	87	562	551	91	642
36 RESERVES	600	64	664	1.179	25	1.203	1.348	22	1.370	2.148	18	2.166
37 OTHER LIABILITIES	267	241	508	655	297	952	886	287	1.173	809	316	1.125
<b>38 TOTAL (22+...+37)-(30+31)</b>	<b>23.211</b>	<b>14.160</b>	<b>37.372</b>	<b>36.717</b>	<b>15.982</b>	<b>52.700</b>	<b>51.758</b>	<b>20.394</b>	<b>72.152</b>	<b>63.318</b>	<b>19.505</b>	<b>82.824</b>
39 PAID UP CAPITAL	2.199	59	2.259	2.574	72	2.646	2.826	0	2.826	3.463	0	3.463
40 LEGAL & PROVISIONAL RESERVES	166	0	166	-1	0	-1	475	0	475	3.729	0	3.729
41 CAPITAL RESERVES FROM INFLATION ACCOUNTING	6.604	0	6.604	2.855	0	2.855	1.862	0	1.862	0	0	0
42 FIXED ASSET REVALUATION FUND	0	0	0	36	0	36	14	6	21	11	0	11
43 SECURITIES REVALUATION FUND	6	0	6	26	15	41	124	24	148	439	44	484
44 PROFIT (LOSS) FOR THE PERIOD	646	0	646	1.283	0	1.283	1.999	0	1.999	2.136	0	2.136
45 PROFIT (LOSS) FOR PREVIOUS YEARS	-5.552	0	-5.552	0	0	0	173	0	173	46	0	46
<b>46 TOTAL OWNERS EQUITY (39+...+45)</b>	<b>4.069</b>	<b>59</b>	<b>4.128</b>	<b>6.773</b>	<b>86</b>	<b>6.859</b>	<b>7.472</b>	<b>30</b>	<b>7.502</b>	<b>9.825</b>	<b>44</b>	<b>9.869</b>
<b>47 TOTAL LIABILITIES (38+46)</b>	<b>27.280</b>	<b>14.220</b>	<b>41.500</b>	<b>43.490</b>	<b>16.069</b>	<b>59.559</b>	<b>59.229</b>	<b>20.424</b>	<b>79.653</b>	<b>73.143</b>	<b>19.550</b>	<b>92.692</b>
<b>48 NON CASH CREDITS AND OBLIGATIONS</b>	<b>930</b>	<b>2.883</b>	<b>3.813</b>	<b>1.280</b>	<b>2.853</b>	<b>4.133</b>	<b>1.725</b>	<b>3.870</b>	<b>5.595</b>	<b>2.121</b>	<b>4.261</b>	<b>6.381</b>
<b>49 COMMITMENTS (50+51)</b>	<b>1.209</b>	<b>1.078</b>	<b>2.287</b>	<b>2.815</b>	<b>1.573</b>	<b>4.389</b>	<b>4.931</b>	<b>1.320</b>	<b>6.251</b>	<b>5.156</b>	<b>1.415</b>	<b>6.571</b>
50 a) DERIVATIVE FINANCIAL INSTRUMENTS	0	222	222	63	625	689	0	156	156	0	201	201
51 b) OTHER COMMITMENTS	1.209	856	2.065	2.752	948	3.700	4.931	1.164	6.095	5.156	1.214	6.370
<b>52 TOTAL OFF BALANCE SHEET LIABILITIES (48 + 49)</b>	<b>2.139</b>	<b>3.961</b>	<b>6.101</b>	<b>4.096</b>	<b>4.426</b>	<b>8.522</b>	<b>6.656</b>	<b>5.190</b>	<b>11.846</b>	<b>7.277</b>	<b>5.675</b>	<b>12.952</b>

Source: The BRSA Banks Reporting System as of March 29, 2006.

Annex Table 10 - Balance Sheet of State Banks (% Change) (December 2005/December 2004)

ASSETS	Nominal Change TRY			Nominal Change USD Dollar			Real Change TRY		
	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL
1 CASH ASSETS	74,9	-13,2	48,7	74,8	-13,3	48,6	67,3	-17,0	42,2
2 DUE FROM THE CENTRAL BANK	176,0	8,2	145,2	175,8	8,1	145,0	164,0	3,5	134,5
3 DUE FROM MONEY MARKETS	-10,3	-100,0	-12,5	-10,4	-100,0	-12,5	-14,2	-100,0	-16,3
4 DUE FROM BANKS	166,6	-32,1	-11,1	166,4	-32,2	-11,1	155,0	-35,1	-14,9
5 SECURITIES - TRADING PORTFOLIO (NET)	-34,0	-57,0	-45,7	-34,0	-57,0	-45,8	-36,9	-58,8	-48,1
6 SECURITIES AVAILABLE FOR SALE (NET)	115,8	50,4	91,5	115,6	50,3	91,3	106,4	43,8	83,2
7 REQUIRED RESERVES	-59,1	-0,2	-28,5	-59,1	-0,3	-28,6	-60,9	-4,6	-31,6
8 RECEIVABLES FROM SECURITIES LENDING MARKET	-	-	-	-	-	-	-	-	-
9 RESERVE REPO RECEIVABLES	-	-	-	-	-	-	-	-	-
10 LOANS	50,7	46,9	50,2	50,6	46,8	50,1	44,2	40,5	43,6
11 PAST DUE LOANS (NET) (12-13)	-21,8	-100,0	-28,6	-21,8	-100,0	-28,7	-25,2	-100,0	-31,7
12 a) PAST DUE LOANS	7,6	-88,2	5,0	7,5	-88,3	4,9	2,9	-88,8	0,4
13 b) LOAN LOSS RESERVES (-)	8,8	-86,3	6,5	8,7	-86,3	6,4	4,1	-86,9	1,9
14 INTEREST & INCOME ACCRUALS	-9,1	8,0	-7,5	-9,1	7,9	-7,6	-13,0	3,3	-11,6
15 LEASE FINANCING RECEIVABLES (NET)	-	-	-	-	-	-	-	-	-
16 SUBSIDIARIES, ASSOCIATED AND JOINT CONTROLLED COMPANIES (NET)	23,3	-6,0	10,8	23,2	-6,0	10,7	17,9	-10,1	6,0
17 SECURITIES - HELD TO MATURITY (NET)	-13,2	-33,3	-15,5	-13,3	-33,4	-15,5	-17,0	-36,2	-19,1
18 FIXED ASSETS TO BE SOLD (NET)	-13,3	-	-13,3	-13,3	-	-13,3	-17,0	-	-17,0
19 FIXED ASSETS (NET)	-0,5	-17,7	-0,6	-0,6	-17,7	-0,6	-4,8	-21,2	-4,9
20 OTHER ASSETS	41,4	126,9	45,5	41,3	126,8	45,4	35,2	117,1	39,2
21 TOTAL ASSETS (1+...+20)-(12+13)	23,2	-5,4	16,4	23,1	-5,4	16,4	17,8	-9,5	11,4
LIABILITIES									
22 DEPOSITS	23,5	-2,6	16,4	23,4	-2,6	16,4	18,1	-6,8	11,4
23 DUE TO CENTRAL BANK	-93,4	59,0	17,0	-93,4	58,9	16,9	-93,7	52,1	11,9
24 DUE TO MONEY MARKETS	-	-100,0	-100,0	-	-100,0	-100,0	-	-100,0	-100,0
25 BORROWINGS FROM SECURITIES LENDING MARKET	-	-	-	-	-	-	-	-	-
26 DUE TO BANKS	35,3	27,6	29,1	35,2	27,5	29,0	29,4	22,0	23,5
27 FUNDS OBTAINED FROM REPO TRANSACTIONS	-20,0	-83,3	-47,1	-20,0	-83,3	-47,1	-23,4	-84,0	-49,4
28 FUNDS	14,3	-22,1	14,2	14,2	-22,2	14,2	9,3	-25,5	9,3
29 SECURITIES ISSUED (NET) (30+31)	-	-	-	-	-	-	-	-	-
30 a) BONDS & BILLS	-	-	-	-	-	-	-	-	-
31 b) ASSET BACKED SECURITIES AND OTHER SEC. ISSUED	-	-	-	-	-	-	-	-	-
32 LEASE FINANCING OBLIGATIONS (NET)	-91,8	108,5	91,1	-91,8	108,4	91,0	-92,1	99,5	82,8
33 TAXES, DUTIES, CHARGES & PREMIUMS PAYABLE	-0,4	-28,0	-0,4	-0,4	-28,1	-0,5	-4,7	-31,2	-4,8
34 SUBORDINATED DEBT	-100,0	-	-100,0	-100,0	-	-100,0	-100,0	-	-100,0
35 INTEREST AND EXPENSE ACCRUALS	16,0	4,2	14,2	16,0	4,2	14,1	11,0	-0,3	9,2
36 RESERVES	59,4	-17,5	58,2	59,3	-17,6	58,1	52,5	-21,1	51,3
37 OTHER LIABILITIES	-8,6	10,2	-4,0	-8,7	10,1	-4,1	-12,6	5,4	-8,2
38 TOTAL (22+...+37)-(30+31)	22,4	-4,3	14,9	22,3	-4,4	14,8	17,1	-8,5	9,9
39 PAID UP CAPITAL	22,6	-	22,6	22,6	-	22,6	17,3	-	17,3
40 LEGAL & PROVISIONAL RESERVES	685,8	-	685,8	685,3	-	685,3	651,7	-	651,7
41 CAPITAL RESERVES FROM INFLATION ACCOUNTING	-100,0	-	-100,0	-100,0	-	-100,0	-100,0	-	-100,0
42 FIXED ASSET REVALUATION FUND	-26,7	-100,0	-48,9	-26,8	-100,0	-48,9	-29,9	-100,0	-51,1
43 SECURITIES REVALUATION FUND	254,7	87,8	227,9	254,4	87,6	227,7	239,2	79,6	213,7
44 PROFIT (LOSS) FOR THE PERIOD	7,0	-	7,0	6,9	-	6,9	2,3	-	2,3
45 PROFIT (LOSS) FOR PREVIOUS YEARS	-73,5	-	-73,5	-73,5	-	-73,5	-74,6	-	-74,6
46 TOTAL OWNERS EQUITY (39+...+45)	31,6	48,6	31,6	31,5	48,5	31,6	25,9	42,1	25,9
47 TOTAL LIABILITIES (38+46)	23,6	-4,2	16,4	23,5	-4,3	16,4	18,2	-8,4	11,4
48 NON CASH CREDITS AND OBLIGATIONS	23,0	10,2	14,1	22,9	10,1	14,1	17,6	5,4	9,2
49 COMMITMENTS (50+51)	4,6	7,2	5,2	4,6	7,2	5,1	0,1	2,6	0,6
50 a) DERIVATIVE FINACIAL INSTRUMENTS	-	28,3	28,3	-	28,2	28,2	-	22,7	22,7
51 b) OTHER COMMITMENTS	4,6	4,4	4,6	4,6	4,3	4,5	0,1	-0,1	0,0
52 TOTAL OFF BALANCE SHEET LIABILITIES (48 + 49)	9,4	9,4	9,4	9,3	9,4	9,3	4,6	4,7	4,7

Source: The BRSA Banks Reporting System as of March 29, 2006.

**Annex Table 11 - Balance Sheet of Private Banks (TRY thousand)**

ASSETS	December 2002			December 2003			December 2004			December 2005		
	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL
1 CASH ASSETS	405.978	833.435	1.239.413	488.742	805.180	1.293.922	672.414	898.094	1.570.508	943.768	889.931	1.833.699
2 DUE FROM THE CENTRAL BANK	840.307	1.122.662	1.962.969	620.236	1.357.648	1.977.884	631.406	3.216.038	3.847.444	3.771.153	4.488.694	8.259.847
3 DUE FROM MONEY MARKETS	3.753.750	1.480.061	5.233.811	2.265.400	898.725	3.164.125	338.150	591.072	929.222	3.147.750	0	3.147.750
4 DUE FROM BANKS	963.058	6.871.808	7.834.866	835.730	5.533.486	6.369.216	1.312.008	8.171.462	9.483.470	1.352.581	12.072.043	13.424.624
5 SECURITIES - TRADING PORTFOLIO (NET)	6.016.308	6.733.941	12.750.249	6.956.601	8.373.542	15.330.143	4.112.551	5.362.186	9.474.737	2.101.205	7.659.187	9.760.392
6 SECURITIES AVAILABLE FOR SALE (NET)	4.712.085	9.169.740	13.881.825	11.262.158	12.388.935	23.651.093	19.242.631	17.992.849	37.235.480	32.484.397	17.028.171	49.512.568
7 REQUIRED RESERVES	1.093.444	5.059.972	6.153.416	1.503.023	5.092.928	6.595.951	2.671.734	6.058.906	8.730.640	4.253.551	6.413.120	10.666.671
8 RECEIVABLES FROM SECURITIES LENDING MARKET	0	0	0	0	0	0	0	0	0	0	0	0
9 RESERVE REPO RECEIVABLES	15.755	0	15.755	115.120	41.376	156.496	124.800	0	124.800	576.500	0	576.500
10 LOANS	11.098.229	22.873.329	33.971.558	21.741.018	24.022.075	45.763.093	40.467.981	27.964.332	68.432.313	69.147.569	33.169.569	102.317.138
11 PAST DUE LOANS (NET) (12-13)	1.343.130	225.429	1.568.559	582.644	56.342	638.986	536.942	41.395	578.337	577.725	21.618	599.343
12 a) PAST DUE LOANS	3.034.589	300.078	3.334.667	3.019.506	180.799	3.200.305	3.396.539	111.146	3.507.685	4.155.656	166.063	4.321.719
13 b) LOAN LOSS RESERVES (-)	1.691.459	74.649	1.766.108	2.436.862	124.457	2.561.319	2.859.597	69.751	2.929.348	3.577.931	144.445	3.722.376
14 INTEREST & INCOME ACCRUALS	5.200.591	1.102.642	6.303.233	5.816.309	1.601.148	7.417.457	4.339.057	1.513.919	5.852.976	5.443.065	1.099.320	6.542.385
15 LEASE FINANCING RECEIVABLES (NET)	0	0	0	0	0	0	0	0	0	0	0	0
16 SUBSIDIARIES, ASSOCIATED AND JOINT CONTROLLED COMPANIES (NET)	5.649.855	1.213.068	6.862.923	6.681.725	1.276.480	7.958.205	9.197.431	1.325.876	10.523.307	8.224.362	1.217.661	9.442.023
17 SECURITIES - HELD TO MATURITY (NET)	10.129.462	3.057.425	13.186.887	9.451.348	3.052.641	12.503.989	6.002.527	3.732.273	9.734.800	6.195.293	5.545.109	11.740.402
18 FIXED ASSETS TO BE SOLD (NET)	1.426.411	0	1.426.411	1.539.517	0	1.539.517	1.394.850	0	1.394.850	1.182.078	0	1.182.078
19 FIXED ASSETS (NET)	5.472.787	27.911	5.500.698	5.993.467	12.583	6.006.050	6.062.496	12.158	6.074.654	4.995.475	7.762	5.003.237
20 OTHER ASSETS	1.415.640	163.028	1.578.668	1.583.900	320.066	1.903.966	1.793.148	143.253	1.936.401	2.624.264	410.228	3.034.492
<b>21 TOTAL ASSETS (1+...+20)-(12+13)</b>	<b>59.536.790</b>	<b>59.934.451</b>	<b>119.471.241</b>	<b>77.436.938</b>	<b>64.833.155</b>	<b>142.270.093</b>	<b>98.900.126</b>	<b>77.023.813</b>	<b>175.923.939</b>	<b>147.020.736</b>	<b>90.022.413</b>	<b>237.043.149</b>
<b>LIABILITIES</b>												
22 DEPOSITS	25.129.330	55.500.106	80.629.436	34.864.356	53.315.162	88.179.518	45.064.018	60.131.095	105.195.113	76.725.713	61.943.071	138.668.784
23 DUE TO CENTRAL BANK	2.692	263	2.955	8.273	315	8.588	405	306	711	21.485	825	22.310
24 DUE TO MONEY MARKETS	296.432	31.975	328.407	333.861	0	333.861	621.790	0	621.790	225.014	0	225.014
25 BORROWINGS FROM SECURITIES LENDING MARKET	0	0	0	0	0	0	0	0	0	0	0	0
26 DUE TO BANKS	1.562.433	12.140.606	13.703.039	2.027.643	16.130.278	18.157.921	2.165.693	21.754.524	23.920.217	6.024.242	34.219.099	40.243.341
27 FUNDS OBTAINED FROM REPO TRANSACTIONS	2.963.387	1.110.977	4.074.364	4.931.403	3.171.931	8.103.334	7.173.926	1.780.456	8.954.382	12.752.655	2.939.262	15.691.917
28 FUNDS	2.277	0	2.277	22.357	0	22.357	45.367	0	45.367	52.498	0	52.498
29 SECURITIES ISSUED (NET) (30+31)	0	0	0	0	0	0	0	0	0	0	0	0
30 a) BONDS & BILLS	0	0	0	0	0	0	0	0	0	0	0	0
31 b) ASSET BACKED SECURITIES AND OTHER SEC. ISSUED	0	0	0	0	0	0	0	0	0	0	0	0
32 LEASE FINANCING OBLIGATIONS (NET)	25.310	54.864	80.174	14.794	81.007	95.801	25.598	109.940	135.538	13.052	128.998	142.050
33 TAXES, DUTIES, CHARGES & PREMIUMS PAYABLE	277.847	219	278.066	325.299	661	325.960	357.291	255	357.546	387.076	463	387.539
34 SUBORDINATED DEBT	1.325	29.014	30.339	1.325	25.461	26.786	1.325	286.533	287.858	1.325	353.261	354.586
35 INTEREST AND EXPENSE ACCRUALS	858.822	473.650	1.332.472	951.173	423.566	1.374.739	918.464	430.312	1.348.776	1.494.902	623.743	2.118.645
36 RESERVES	1.216.009	141.916	1.357.925	1.367.160	178.762	1.545.922	2.222.529	160.296	2.382.825	4.042.795	304.154	4.346.949
37 OTHER LIABILITIES	1.109.096	1.348.945	2.458.041	1.760.476	1.377.134	3.137.610	3.583.209	1.691.260	5.274.469	3.959.403	1.434.094	5.393.497
<b>38 TOTAL (22+...+37)-(30+31)</b>	<b>33.444.960</b>	<b>70.832.535</b>	<b>104.277.495</b>	<b>46.608.120</b>	<b>74.704.277</b>	<b>121.312.397</b>	<b>62.179.615</b>	<b>86.344.977</b>	<b>148.524.592</b>	<b>105.700.160</b>	<b>101.946.970</b>	<b>207.647.130</b>
39 PAID UP CAPITAL	5.378.074	0	5.378.074	6.469.530	0	6.469.530	7.784.424	0	7.784.424	11.247.751	0	11.247.751
40 LEGAL & PROVISIONAL RESERVES	443.148	437	443.585	1.108.631	0	1.108.631	2.941.933	5.712	2.947.645	13.247.270	4.972	13.252.242
41 CAPITAL RESERVES FROM INFLATION ACCOUNTING	10.044.236	0	10.044.236	11.523.667	0	11.523.667	11.034.326	0	11.034.326	0	0	0
42 FIXED ASSET REVALUATION FUND	220.783	0	220.783	55.082	0	55.082	39.615	0	39.615	200.595	0	200.595
43 SECURITIES REVALUATION FUND	664.277	1.917	666.194	1.433.517	347.533	1.781.050	2.975.231	294.585	3.269.816	3.027.691	491.146	3.518.837
44 PROFIT (LOSS) FOR THE PERIOD	2.409.575	0	2.409.575	2.916.991	0	2.916.991	2.825.400	0	2.825.400	1.390.514	0	1.390.514
45 PROFIT (LOSS) FOR PREVIOUS YEARS	-3.968.701	0	-3.968.701	-2.897.255	0	-2.897.255	-501.879	0	-501.879	-213.920	0	-213.920
<b>46 TOTAL OWNERS EQUITY (39+...+45)</b>	<b>15.191.392</b>	<b>2.354</b>	<b>15.193.746</b>	<b>20.610.163</b>	<b>347.533</b>	<b>20.957.696</b>	<b>27.099.050</b>	<b>300.297</b>	<b>27.399.347</b>	<b>28.899.901</b>	<b>496.118</b>	<b>29.396.019</b>
<b>47 TOTAL LIABILITIES (38+46)</b>	<b>48.636.352</b>	<b>70.834.889</b>	<b>119.471.241</b>	<b>67.218.283</b>	<b>75.051.810</b>	<b>142.270.093</b>	<b>89.278.665</b>	<b>86.645.274</b>	<b>175.923.939</b>	<b>134.600.061</b>	<b>102.443.088</b>	<b>237.043.149</b>
<b>48 NON CASH CREDITS AND OBLIGATIONS</b>	<b>8.608.170</b>	<b>23.023.667</b>	<b>31.631.837</b>	<b>11.988.574</b>	<b>23.697.739</b>	<b>35.686.313</b>	<b>14.971.439</b>	<b>29.029.909</b>	<b>44.001.348</b>	<b>18.396.498</b>	<b>30.108.263</b>	<b>48.504.761</b>
<b>49 COMMITMENTS (50+51)</b>	<b>12.081.257</b>	<b>17.660.870</b>	<b>29.742.127</b>	<b>30.672.630</b>	<b>26.004.947</b>	<b>56.677.577</b>	<b>48.642.737</b>	<b>23.917.749</b>	<b>72.560.486</b>	<b>57.150.303</b>	<b>36.769.736</b>	<b>93.920.039</b>
50 a) DERIVATIVE FINANCIAL INSTRUMENTS	539.957	15.361.694	15.901.651	1.215.170	22.649.631	23.864.801	3.925.587	21.360.769	25.286.356	8.825.226	34.871.596	43.696.822
51 b) OTHER COMMITMENTS	11.541.300	2.299.176	13.840.476	29.457.460	3.355.316	32.812.776	44.717.150	2.556.980	47.274.130	48.325.077	1.898.140	50.223.217
<b>52 TOTAL OFF BALANCE SHEET LIABILITIES (48 + 49)</b>	<b>20.689.427</b>	<b>40.684.537</b>	<b>61.373.964</b>	<b>42.661.204</b>	<b>49.702.686</b>	<b>92.363.890</b>	<b>63.614.176</b>	<b>52.947.658</b>	<b>116.561.834</b>	<b>75.546.801</b>	<b>66.877.999</b>	<b>142.424.800</b>

*Source: The BRSA Banks Reporting System as of March 29, 2006.*

Annex Table 12 - Balance Sheet of Private Banks (USD million)

AKTİF HESAPLAR	December 2002			December 2003			December 2004			December 2005		
	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL
1 ASSETS	248	510	758	350	577	927	501	669	1.170	703	663	1.365
2 DUE FROM THE CENTRAL BANK	514	687	1.201	444	973	1.417	470	2.396	2.867	2.808	3.342	6.150
3 DUE FROM MONEY MARKETS	2.297	906	3.202	1.623	644	2.267	252	440	692	2.344	0	2.344
4 DUE FROM BANKS	589	4.204	4.793	599	3.964	4.563	978	6.089	7.066	1.007	8.989	9.996
5 SECURITIES - TRADING PORTFOLIO (NET)	3.681	4.120	7.801	4.984	5.999	10.983	3.064	3.995	7.060	1.565	5.703	7.268
6 SECURITIES AVAILABLE FOR SALE (NET)	2.883	5.610	8.493	8.068	8.876	16.944	14.338	13.406	27.744	24.188	12.679	36.867
7 REQUIRED RESERVES	669	3.096	3.765	1.077	3.649	4.725	1.991	4.514	6.505	3.167	4.775	7.942
8 RECEIVABLES FROM SECURITIES LENDING MARKET	0	0	0	0	0	0	0	0	0	0	0	0
9 RESERVE REPO RECEIVABLES	10	0	10	82	30	112	93	0	93	429	0	429
10 LOANS	6.790	13.994	20.784	15.576	17.210	32.785	30.153	20.836	50.989	51.487	24.698	76.186
11 PAST DUE LOANS (NET) (12-13)	822	138	960	417	40	458	400	31	431	430	16	446
12 a) PAST DUE LOANS	1.857	184	2.040	2.163	130	2.293	2.531	83	2.614	3.094	124	3.218
13 b) LOAN LOSS RESERVES (-)	1.035	46	1.081	1.746	89	1.835	2.131	52	2.183	2.664	108	2.772
14 INTEREST & INCOME ACCRUALS	3.182	675	3.856	4.167	1.147	5.314	3.233	1.128	4.361	4.053	819	4.871
15 LEASE FINANCING RECEIVABLES (NET)	0	0	0	0	0	0	0	0	0	0	0	0
16 SUBSIDIARIES, ASSOCIATED AND JOINT CONTROLLED COMPANIES (NET)	3.457	742	4.199	4.787	914	5.701	6.853	988	7.841	6.124	907	7.031
17 SECURITIES - HELD TO MATURITY (NET)	6.197	1.871	8.068	6.771	2.187	8.958	4.472	2.781	7.253	4.613	4.129	8.742
18 FIXED ASSETS TO BE SOLD (NET)	873	0	873	1.103	0	1.103	1.039	0	1.039	880	0	880
19 FIXED ASSETS (NET)	3.348	17	3.365	4.294	9	4.303	4.517	9	4.526	3.720	6	3.725
20 OTHER ASSETS	866	100	966	1.135	229	1.364	1.336	107	1.443	1.954	305	2.259
<b>21 TOTAL ASSETS (1+...+20)-(12+13)</b>	<b>36.425</b>	<b>36.668</b>	<b>73.093</b>	<b>55.477</b>	<b>46.448</b>	<b>101.925</b>	<b>73.691</b>	<b>57.391</b>	<b>131.081</b>	<b>109.472</b>	<b>67.031</b>	<b>176.503</b>
<b>LIABILITIES</b>												
22 DEPOSITS	15.374	33.955	49.330	24.977	38.196	63.173	33.577	44.804	78.381	57.130	46.123	103.253
23 DUE TO CENTRAL BANK	2	0	2	6	0	6	0	0	1	16	1	17
24 DUE TO MONEY MARKETS	181	20	201	239	0	239	463	0	463	168	0	168
25 BORROWINGS FROM SECURITIES LENDING MARKET	0	0	0	0	0	0	0	0	0	0	0	0
26 DUE TO BANKS	956	7.428	8.384	1.453	11.556	13.009	1.614	16.209	17.823	4.486	25.480	29.965
27 FUNDS OBTAINED FROM REPO TRANSACTIONS	1.813	680	2.493	3.533	2.272	5.805	5.345	1.327	6.672	9.496	2.189	11.684
28 FUNDS	1	0	1	16	0	16	34	0	34	39	0	39
29 SECURITIES ISSUED (NET) (30+31)	0	0	0	0	0	0	0	0	0	0	0	0
30 a) BONDS & BILLS	0	0	0	0	0	0	0	0	0	0	0	0
31 b) ASSET BACKED SECURITIES AND OTHER SEC. ISSUED	0	0	0	0	0	0	0	0	0	0	0	0
32 LEASE FINANCING OBLIGATIONS (NET)	15	34	49	11	58	69	19	82	101	10	96	106
33 TAXES, DUTIES, CHARGES & PREMIUMS PAYABLE	170	0	170	233	0	234	266	0	266	288	0	289
34 SUBORDINATED DEBT	1	18	19	1	18	19	1	213	214	1	263	264
35 INTEREST AND EXPENSE ACCRUALS	525	290	815	681	303	985	684	321	1.005	1.113	464	1.578
36 RESERVES	744	87	831	979	128	1.108	1.656	119	1.775	3.010	226	3.237
37 OTHER LIABILITIES	679	825	1.504	1.261	987	2.248	2.670	1.260	3.930	2.948	1.068	4.016
<b>38 TOTAL (22+...+37)-(30+31)</b>	<b>20.462</b>	<b>43.336</b>	<b>63.798</b>	<b>33.391</b>	<b>53.519</b>	<b>86.910</b>	<b>46.330</b>	<b>64.336</b>	<b>110.666</b>	<b>78.705</b>	<b>75.910</b>	<b>154.614</b>
39 PAID UP CAPITAL	3.290	0	3.290	4.635	0	4.635	5.800	0	5.800	8.375	0	8.375
40 LEGAL & PROVISIONAL RESERVES	271	0	271	794	0	794	2.192	4	2.196	9.864	4	9.868
41 CAPITAL RESERVES FROM INFLATION ACCOUNTING	6.145	0	6.145	8.256	0	8.256	8.222	0	8.222	0	0	0
42 FIXED ASSET REVALUATION FUND	135	0	135	39	0	39	30	0	30	149	0	149
43 SECURITIES REVALUATION FUND	406	1	408	1.027	249	1.276	2.217	219	2.436	2.254	366	2.620
44 PROFIT (LOSS) FOR THE PERIOD	1.474	0	1.474	2.090	0	2.090	2.105	0	2.105	1.035	0	1.035
45 PROFIT (LOSS) FOR PREVIOUS YEARS	-2.428	0	-2.428	-2.076	0	-2.076	-374	0	-374	-159	0	-159
<b>46 TOTAL OWNERS EQUITY (39+...+45)</b>	<b>9.294</b>	<b>1</b>	<b>9.296</b>	<b>14.765</b>	<b>249</b>	<b>15.014</b>	<b>20.192</b>	<b>224</b>	<b>20.415</b>	<b>21.519</b>	<b>369</b>	<b>21.888</b>
<b>47 TOTAL LIABILITIES (38+46)</b>	<b>29.756</b>	<b>43.337</b>	<b>73.093</b>	<b>48.156</b>	<b>53.768</b>	<b>101.925</b>	<b>66.522</b>	<b>64.559</b>	<b>131.081</b>	<b>100.223</b>	<b>76.279</b>	<b>176.503</b>
<b>48 NON CASH CREDITS AND OBLIGATIONS</b>	<b>5.267</b>	<b>14.086</b>	<b>19.353</b>	<b>8.589</b>	<b>16.977</b>	<b>25.566</b>	<b>11.155</b>	<b>21.630</b>	<b>32.785</b>	<b>13.698</b>	<b>22.419</b>	<b>36.117</b>
<b>49 COMMITMENTS (50+51)</b>	<b>7.391</b>	<b>10.805</b>	<b>18.196</b>	<b>21.974</b>	<b>18.630</b>	<b>40.605</b>	<b>36.244</b>	<b>17.821</b>	<b>54.065</b>	<b>42.554</b>	<b>27.379</b>	<b>69.933</b>
50 a) DERIVATIVE FINANCIAL INSTRUMENTS	330	9.398	9.729	871	16.227	17.097	2.925	15.916	18.841	6.571	25.965	32.537
51 b) OTHER COMMITMENTS	7.061	1.407	8.468	21.104	2.404	23.508	33.319	1.905	35.224	35.983	1.413	37.396
<b>52 TOTAL OFF BALANCE SHEET LIABILITIES (48 + 49)</b>	<b>12.658</b>	<b>24.891</b>	<b>37.549</b>	<b>30.563</b>	<b>35.608</b>	<b>66.171</b>	<b>47.399</b>	<b>39.451</b>	<b>86.850</b>	<b>56.252</b>	<b>49.797</b>	<b>106.050</b>

Source: The BRSA Banks Reporting System as of March 29, 2006.



Annex Table 13 - Balance Sheet of Private Banks (% Change) (December 2005/December 2004)

ASSETS	Nominal Change TRY			Nominal Change USD Dollar			Real Change TRY		
	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL
1 CASH ASSETS	40,4	-0,9	16,8	40,3	-1,0	16,7	34,3	-5,2	11,7
2 DUE FROM THE CENTRAL BANK	497,3	39,6	114,7	496,9	39,5	114,5	471,3	33,5	105,4
3 DUE FROM MONEY MARKETS	830,9	-100,0	238,8	830,3	-100,0	238,5	790,4	-100,0	224,0
4 DUE FROM BANKS	3,1	47,7	41,6	3,0	47,6	41,5	-1,4	41,3	35,4
5 SECURITIES - TRADING PORTFOLIO (NET)	-48,9	42,8	3,0	-48,9	42,7	2,9	-51,1	36,6	-1,5
6 SECURITIES AVAILABLE FOR SALE (NET)	68,8	-5,4	33,0	68,7	-5,4	32,9	61,5	-9,5	27,2
7 REQUIRED RESERVES	59,2	5,8	22,2	59,1	5,8	22,1	52,3	1,2	16,9
8 RECEIVABLES FROM SECURITIES LENDING MARKET	-	-	-	-	-	-	-	-	-
9 RESERVE REPO RECEIVABLES	361,9	-	361,9	361,6	-	361,6	341,9	-	341,9
10 LOANS	70,9	18,6	49,5	70,8	18,5	49,4	63,4	13,5	43,0
11 PAST DUE LOANS (NET) (12-13)	7,6	-47,8	3,6	7,5	-47,8	3,6	2,9	-50,0	-0,9
12 a) PAST DUE LOANS	22,3	49,4	23,2	22,3	49,3	23,1	17,0	42,9	17,9
13 b) LOAN LOSS RESERVES (-)	25,1	107,1	27,1	25,0	106,9	27,0	19,7	98,1	21,5
14 INTEREST & INCOME ACCRUALS	25,4	-27,4	11,8	25,4	-27,4	11,7	20,0	-30,5	6,9
15 LEASE FINANCING RECEIVABLES (NET)	-	-	-	-	-	-	-	-	-
16 SUBSIDIARIES, ASSOCIATED AND JOINT CONTROLLED COMPANIES (NET)	-10,6	-8,2	-10,3	-10,6	-8,2	-10,3	-14,5	-12,2	-14,2
17 SECURITIES - HELD TO MATURITY (NET)	3,2	48,6	20,6	3,1	48,5	20,5	-1,3	42,1	15,4
18 FIXED ASSETS TO BE SOLD (NET)	-15,3	-	-15,3	-15,3	-	-15,3	-18,9	-	-18,9
19 FIXED ASSETS (NET)	-17,6	-36,2	-17,6	-17,7	-36,2	-17,7	-21,2	-38,9	-21,2
20 OTHER ASSETS	46,3	186,4	56,7	46,3	186,2	56,6	40,0	173,9	49,9
21 TOTAL ASSETS (1+...+20)-(12+13)	48,7	16,9	34,7	48,6	16,8	34,7	42,2	11,8	28,9
LIABILITIES									
22 DEPOSITS	70,3	3,0	31,8	70,1	2,9	31,7	62,9	-1,5	26,1
23 DUE TO CENTRAL BANK	5.204,9	169,6	3.037,8	5.201,4	169,4	3.035,7	4.974,3	157,9	2.901,4
24 DUE TO MONEY MARKETS	-63,8	-	-63,8	-63,8	-	-63,8	-65,4	-	-65,4
25 BORROWINGS FROM SECURITIES LENDING MARKET	-	-	-	-	-	-	-	-	-
26 DUE TO BANKS	178,2	57,3	68,2	178,0	57,2	68,1	166,1	50,5	60,9
27 FUNDS OBTAINED FROM REPO TRANSACTIONS	77,8	65,1	75,2	77,6	65,0	75,1	70,0	57,9	67,6
28 FUNDS	15,7	-	15,7	15,6	-	15,6	10,7	-	10,7
29 SECURITIES ISSUED (NET) (30+31)	-	-	-	-	-	-	-	-	-
30 a) BONDS & BILLS	-	-	-	-	-	-	-	-	-
31 b) ASSET BACKED SECURITIES AND OTHER SEC. ISSUED	-	-	-	-	-	-	-	-	-
32 LEASE FINANCING OBLIGATIONS (NET)	-49,0	17,3	4,8	-49,0	17,3	4,7	-51,2	12,2	0,2
33 TAXES, DUTIES, CHARGES & PREMIUMS PAYABLE	8,3	81,6	8,4	8,3	81,4	8,3	3,6	73,7	3,7
34 SUBORDINATED DEBT	0,0	23,3	23,2	-0,1	23,2	23,1	-4,3	17,9	17,8
35 INTEREST AND EXPENSE ACCRUALS	62,8	45,0	57,1	62,7	44,9	57,0	55,7	38,6	50,3
36 RESERVES	81,9	89,7	82,4	81,8	89,6	82,3	74,0	81,5	74,5
37 OTHER LIABILITIES	10,5	-15,2	2,3	10,4	-15,3	2,2	5,7	-18,9	-2,2
38 TOTAL (22+...+37)-(30+31)	70,0	18,1	39,8	69,9	18,0	39,7	62,6	12,9	33,7
39 PAID UP CAPITAL	44,5	-	44,5	44,4	-	44,4	38,2	-	38,2
40 LEGAL & PROVISIONAL RESERVES	350,3	-13,0	349,6	350,0	-13,0	349,3	330,7	-16,7	330,0
41 CAPITAL RESERVES FROM INFLATION ACCOUNTING	-100,0	-	-100,0	-100,0	-	-100,0	-100,0	-	-100,0
42 FIXED ASSET REVALUATION FUND	406,4	-	406,4	406,0	-	406,0	384,3	-	384,3
43 SECURITIES REVALUATION FUND	1,8	66,7	7,6	1,7	66,6	7,5	-2,7	59,5	2,9
44 PROFIT (LOSS) FOR THE PERIOD	-50,8	-	-50,8	-50,8	-	-50,8	-52,9	-	-52,9
45 PROFIT (LOSS) FOR PREVIOUS YEARS	-57,4	-	-57,4	-57,4	-	-57,4	-59,2	-	-59,2
46 TOTAL OWNERS EQUITY (39+...+45)	6,6	65,2	7,3	6,6	65,1	7,2	2,0	58,0	2,6
47 TOTAL LIABILITIES (38+46)	50,8	18,2	34,7	50,7	18,2	34,7	44,2	13,1	28,9
48 NON CASH CREDITS AND OBLIGATIONS	22,9	3,7	10,2	22,8	3,6	10,2	17,5	-0,8	5,4
49 COMMITMENTS (50+51)	17,5	53,7	29,4	17,4	53,6	29,4	12,4	47,1	23,8
50 a) DERIVATIVE FINANCIAL INSTRUMENTS	124,8	63,3	72,8	124,7	63,1	72,7	115,0	56,2	65,3
51 b) OTHER COMMITMENTS	8,1	-25,8	6,2	8,0	-25,8	6,2	3,4	-29,0	1,6
52 TOTAL OFF BALANCE SHEET LIABILITIES (48 + 49)	18,8	26,3	22,2	18,7	26,2	22,1	13,6	20,8	16,9

Source: The BRSA Banks Reporting System as of March 29, 2006.

**Annex Table 14 - Balance Sheet of SDIF Banks (TRY thousand)**

ASSETS	December 2002			December 2003			December 2004			December 2005		
	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL
1 CASH ASSETS	23.086	34.843	57.929	19.513	24.846	44.359	24	211	235	22	62	84
2 DUE FROM THE CENTRAL BANK	4.080	129	4.209	7.331	58	7.389	73	21	94	40	0	40
3 DUE FROM MONEY MARKETS	52.500	0	52.500	4.550	0	4.550	100	0	100	300	0	300
4 DUE FROM BANKS	145.029	473.758	618.787	220.310	235.329	455.639	46.812	149.497	196.309	167.745	53.883	221.628
5 SECURITIES - TRADING PORTFOLIO (NET)	1.894.809	9.023	1.903.832	1.527.683	2.197	1.529.880	1.512.626	56	1.512.682	764.357	62	764.419
6 SECURITIES AVAILABLE FOR SALE (NET)	2.508.926	0	2.508.926	3.045.763	203.468	3.249.231	0	18	18	0	15	15
7 REQUIRED RESERVES	0	0	0	0	0	0	0	0	0	0	0	0
8 RECEIVABLES FROM SECURITIES LENDING MARKET	0	0	0	0	0	0	0	0	0	0	0	0
9 RESERVE REPO RECEIVABLES	0	0	0	0	0	0	0	0	0	0	0	0
10 LOANS	493.819	501.387	995.206	432.794	274.521	707.315	4.309	6.768	11.077	1.986	3.796	5.782
11 PAST DUE LOANS (NET) (12-13)	823.124	70.139	893.263	198.951	4.198	203.149	14.357	1.119	15.476	11.451	640	12.091
12 a) PAST DUE LOANS	2.013.608	245.960	2.259.568	806.393	18.690	825.083	112.458	9.028	121.486	89.987	5.637	95.624
13 b) LOAN LOSS RESERVES (-)	1.190.484	175.821	1.366.305	607.442	14.492	621.934	98.101	7.909	106.010	78.536	4.997	83.533
14 INTEREST & INCOME ACCRUALS	494.076	8.826	502.902	314.996	3.662	318.658	54.256	389	54.645	81.991	425	82.416
15 LEASE FINANCING RECEIVABLES (NET)	0	0	0	0	0	0	0	0	0	0	0	0
16 SUBSIDIARIES, ASSOCIATED AND JOINT CONTROLLED COMPANIES (NET)	670.522	6.089	676.611	3.699	483	4.182	5.421	215	5.636	0	0	0
17 SECURITIES - HELD TO MATURITY (NET)	236.284	6.143	242.427	184.619	0	184.619	0	0	0	0	0	0
18 FIXED ASSETS TO BE SOLD (NET)	50.777	0	50.777	10.641	0	10.641	512	0	512	551	0	551
19 FIXED ASSETS (NET)	290.473	62	290.535	264.372	423	264.795	101.572	0	101.572	65.706	0	65.706
20 OTHER ASSETS	256.640	255.587	512.227	74.561	15.883	90.444	26.458	13.583	40.041	695.037	10.409	705.446
<b>21 TOTAL ASSETS (1+...+20)-(12+13)</b>	<b>7.944.145</b>	<b>1.365.986</b>	<b>9.310.131</b>	<b>6.309.783</b>	<b>765.068</b>	<b>7.074.851</b>	<b>1.766.520</b>	<b>171.877</b>	<b>1.938.397</b>	<b>1.789.186</b>	<b>69.292</b>	<b>1.858.478</b>
<b>LIABILITIES</b>												
22 DEPOSITS	2.401.236	3.368.333	5.769.569	2.044.356	2.088.294	4.132.650	22.023	47.357	69.380	17.410	37.239	54.649
23 DUE TO CENTRAL BANK	0	131.061	131.061	0	0	0	0	0	0	0	0	0
24 DUE TO MONEY MARKETS	10.000	0	10.000	21.900	0	21.900	0	0	0	0	0	0
25 BORROWINGS FROM SECURITIES LENDING MARKET	0	0	0	0	0	0	0	0	0	0	0	0
26 DUE TO BANKS	188.126	1.085.533	1.273.659	319.325	517.884	837.209	4	101.098	101.102	4	980	984
27 FUNDS OBTAINED FROM REPO TRANSACTIONS	1.024.076	0	1.024.076	2.024.989	0	2.024.989	1.971	0	1.971	2.406	0	2.406
28 FUNDS	65.415	0	65.415	113.056	0	113.056	0	0	0	0	0	0
29 SECURITIES ISSUED (NET) (30+31)	0	0	0	0	0	0	0	0	0	0	0	0
30 a) BONDS & BILLS	0	0	0	0	0	0	0	0	0	0	0	0
31 b) ASSET BACKED SECURITIES AND OTHER SEC. ISSUED	0	0	0	0	0	0	0	0	0	0	0	0
32 LEASE FINANCING OBLIGATIONS (NET)	0	0	0	0	218	218	0	0	0	0	0	0
33 TAXES, DUTIES, CHARGES & PREMIUMS PAYABLE	30.717	0	30.717	30.212	0	30.212	893	0	893	659	0	659
34 SUBORDINATED DEBT	900.989	0	900.989	250.404	0	250.404	234.639	0	234.639	20.000	0	20.000
35 INTEREST AND EXPENSE ACCRUALS	107.205	27.183	134.388	42.134	16.584	58.718	86	191	277	137	99	236
36 RESERVES	275.747	149.929	425.676	222.039	86.852	308.891	115.809	66.139	181.948	117.274	61.558	178.832
37 OTHER LIABILITIES	108.217	62.256	170.473	83.497	60.135	143.632	16.316	59.309	75.625	14.050	54.652	68.702
<b>38 TOTAL (22+...+37)-(30+31)</b>	<b>5.111.728</b>	<b>4.824.295</b>	<b>9.936.023</b>	<b>5.151.912</b>	<b>2.769.967</b>	<b>7.921.879</b>	<b>391.741</b>	<b>274.094</b>	<b>665.835</b>	<b>171.940</b>	<b>154.528</b>	<b>326.468</b>
39 PAID UP CAPITAL	1.006.403	0	1.006.403	1.083.957	0	1.083.957	440.522		440.522	440.522		440.522
40 LEGAL & PROVISIONAL RESERVES	15.651.760	0	15.651.760	19.904.351	0	19.904.351	19.287.541		19.287.541	19.542.797		19.542.797
41 CAPITAL RESERVES FROM INFLATION ACCOUNTING	3.699.315		3.699.315	2.157.324		2.157.324	255.255		255.255	0		0
42 FIXED ASSET REVALUATION FUND	0	0	0	2.758	0	2.758	2.751		2.751	2.751		2.751
43 SECURITIES REVALUATION FUND	314.628	0	314.628	0	0	0	0		0	0		0
44 PROFIT (LOSS) FOR THE PERIOD	-1.130.119	0	-1.130.119	272.032	0	272.032	386.340		386.340	259.445		259.445
45 PROFIT (LOSS) FOR PREVIOUS YEARS	-20.167.879	0	-20.167.879	-24.267.450	0	-24.267.450	-19.099.847		-19.099.847	-18.713.505		-18.713.505
<b>46 TOTAL OWNERS EQUITY (39+...+45)</b>	<b>-625.892</b>	<b>0</b>	<b>-625.892</b>	<b>-847.028</b>	<b>0</b>	<b>-847.028</b>	<b>1.272.562</b>	<b>0</b>	<b>1.272.562</b>	<b>1.532.010</b>	<b>0</b>	<b>1.532.010</b>
<b>47 TOTAL LIABILITIES (38+46)</b>	<b>4.485.836</b>	<b>4.824.295</b>	<b>9.310.131</b>	<b>4.304.884</b>	<b>2.769.967</b>	<b>7.074.851</b>	<b>1.664.303</b>	<b>274.094</b>	<b>1.938.397</b>	<b>1.703.950</b>	<b>154.528</b>	<b>1.858.478</b>
<b>48 NON CASH CREDITS AND OBLIGATIONS</b>	<b>1.292.857</b>	<b>2.443.880</b>	<b>3.736.737</b>	<b>908.037</b>	<b>1.407.735</b>	<b>2.315.772</b>	<b>173.462</b>	<b>243.861</b>	<b>417.323</b>	<b>126.607</b>	<b>190.579</b>	<b>317.186</b>
<b>49 COMMITMENTS (50+51)</b>	<b>14</b>	<b>235.986</b>	<b>236.000</b>	<b>619.083</b>	<b>3.971</b>	<b>623.054</b>	<b>4</b>	<b>18.783</b>	<b>18.787</b>	<b>4</b>	<b>76.292</b>	<b>76.296</b>
50 a) DERIVATIVE FINANCIAL INSTRUMENTS	0	232.916	232.916	0	680	680	0	18.783	18.783	0	76.292	76.292
51 b) OTHER COMMITMENTS	14	3.070	3.084	619.083	3.291	622.374	4	0	4	4	0	4
<b>52 TOTAL OFF BALANCE SHEET LIABILITIES (48 + 49)</b>	<b>1.292.871</b>	<b>2.679.866</b>	<b>3.972.737</b>	<b>1.527.120</b>	<b>1.411.706</b>	<b>2.938.826</b>	<b>173.466</b>	<b>262.644</b>	<b>436.110</b>	<b>126.611</b>	<b>266.871</b>	<b>393.482</b>

Source: The BRSA Banks Reporting System as of March 29, 2006.

**Annex Table 15 - Balance Sheet of the SDIF Banks (USD million)**

ASSETS	December 2002			December 2003			December 2004			December 2005		
	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL
1 CASH ASSETS	14	21	35	14	18	32	0	0	0	0	0	0
2 DUE FROM THE CENTRAL BANK	2	0	3	5	0	5	0	0	0	0	0	0
3 DUE FROM MONEY MARKETS	32	0	32	3	0	3	0	0	0	0	0	0
4 DUE FROM BANKS	89	290	379	158	169	326	35	111	146	125	40	165
5 SECURITIES - TRADING PORTFOLIO (NET)	1.159	6	1.165	1.094	2	1.096	1.127	0	1.127	569	0	569
6 SECURITIES AVAILABLE FOR SALE (NET)	1.535	0	1.535	2.182	146	2.328	0	0	0	0	0	0
7 REQUIRED RESERVES	0	0	0	0	0	0	0	0	0	0	0	0
8 RECEIVABLES FROM SECURITIES LENDING MARKET	0	0	0	0	0	0	0	0	0	0	0	0
9 RESERVE REPO RECEIVABLES	0	0	0	0	0	0	0	0	0	0	0	0
10 LOANS	302	307	609	310	197	507	3	5	8	1	3	4
11 PAST DUE LOANS (NET) (12-13)	504	43	547	143	3	146	11	1	12	9	0	9
12 a) PAST DUE LOANS	1.232	150	1.382	578	13	591	84	7	91	67	4	71
13 b) LOAN LOSS RESERVES (-)	728	108	836	435	10	446	73	6	79	58	4	62
14 INTEREST & INCOME ACCRUALS	302	5	308	226	3	228	40	0	41	61	0	61
15 LEASE FINANCING RECEIVABLES (NET)	0	0	0	0	0	0	0	0	0	0	0	0
16 SUBSIDIARIES, ASSOCIATED AND JOINT CONTROLLED COMPANIES (NET)	410	4	414	3	0	3	4	0	4	0	0	0
17 SECURITIES - HELD TO MATURITY (NET)	145	4	148	132	0	132	0	0	0	0	0	0
18 FIXED ASSETS TO BE SOLD (NET)	31	0	31	8	0	8	0	0	0	0	0	0
19 FIXED ASSETS (NET)	178	0	178	189	0	190	76	0	76	49	0	49
20 OTHER ASSETS	157	156	313	53	11	65	20	10	30	518	8	525
<b>21 TOTAL ASSETS (1+...+20)-(12+13)</b>	<b>4.860</b>	<b>836</b>	<b>5.696</b>	<b>4.520</b>	<b>548</b>	<b>5.069</b>	<b>1.316</b>	<b>128</b>	<b>1.444</b>	<b>1.332</b>	<b>52</b>	<b>1.384</b>
<b>LIABILITIES</b>												
22 DEPOSITS	1.469	2.061	3.530	1.465	1.496	2.961	16	35	52	13	28	41
23 DUE TO CENTRAL BANK	0	80	80	0	0	0	0	0	0	0	0	0
24 DUE TO MONEY MARKETS	6	0	6	16	0	16	0	0	0	0	0	0
25 BORROWINGS FROM SECURITIES LENDING MARKET	0	0	0	0	0	0	0	0	0	0	0	0
26 DUE TO BANKS	115	664	779	229	371	600	0	75	75	0	1	1
27 FUNDS OBTAINED FROM REPO TRANSACTIONS	627	0	627	1.451	0	1.451	1	0	1	2	0	2
28 FUNDS	40	0	40	81	0	81	0	0	0	0	0	0
29 SECURITIES ISSUED (NET) (30+31)	0	0	0	0	0	0	0	0	0	0	0	0
30 a) BONDS & BILLS	0	0	0	0	0	0	0	0	0	0	0	0
31 b) ASSET BACKED SECURITIES AND OTHER SEC. ISSUED	0	0	0	0	0	0	0	0	0	0	0	0
32 LEASE FINANCING OBLIGATIONS (NET)	0	0	0	0	0	0	0	0	0	0	0	0
33 TAXES, DUTIES, CHARGES & PREMIUMS PAYABLE	19	0	19	22	0	22	1	0	1	0	0	0
34 SUBORDINATED DEBT	551	0	551	179	0	179	175	0	175	15	0	15
35 INTEREST AND EXPENSE ACCRUALS	66	17	82	30	12	42	0	0	0	0	0	0
36 RESERVES	169	92	260	159	62	221	86	49	136	87	46	133
37 OTHER LIABILITIES	66	38	104	60	43	103	12	44	56	10	41	51
<b>38 TOTAL (22+...+37)-(30+31)</b>	<b>3.127</b>	<b>2.952</b>	<b>6.079</b>	<b>3.691</b>	<b>1.984</b>	<b>5.675</b>	<b>292</b>	<b>204</b>	<b>496</b>	<b>128</b>	<b>115</b>	<b>243</b>
39 PAID UP CAPITAL	616	0	616	777	0	777	328	0	328	328	0	328
40 LEGAL & PROVISIONAL RESERVES	9.576	0	9.576	14.260	0	14.260	14.371	0	14.371	14.552	0	14.552
41 CAPITAL RESERVES FROM INFLATION ACCOUNTING	2.263	0	2.263	1.546	0	1.546	190	0	190	0	0	0
42 FIXED ASSET REVALUATION FUND	0	0	0	2	0	2	2	0	2	2	0	2
43 SECURITIES REVALUATION FUND	192	0	192	0	0	0	0	0	0	0	0	0
44 PROFIT (LOSS) FOR THE PERIOD	-691	0	-691	195	0	195	288	0	288	193	0	193
45 PROFIT (LOSS) FOR PREVIOUS YEARS	-12.339	0	-12.339	-17.386	0	-17.386	-14.231	0	-14.231	-13.934	0	-13.934
<b>46 TOTAL OWNERS EQUITY (39+...+45)</b>	<b>-383</b>	<b>0</b>	<b>-383</b>	<b>-607</b>	<b>0</b>	<b>-607</b>	<b>948</b>	<b>0</b>	<b>948</b>	<b>1.141</b>	<b>0</b>	<b>1.141</b>
<b>47 TOTAL LIABILITIES (38+46)</b>	<b>2.744</b>	<b>2.952</b>	<b>5.696</b>	<b>3.084</b>	<b>1.984</b>	<b>5.069</b>	<b>1.240</b>	<b>204</b>	<b>1.444</b>	<b>1.269</b>	<b>115</b>	<b>1.384</b>
<b>48 NON CASH CREDITS AND OBLIGATIONS</b>	<b>791</b>	<b>1.495</b>	<b>2.286</b>	<b>651</b>	<b>1.009</b>	<b>1.659</b>	<b>129</b>	<b>182</b>	<b>311</b>	<b>94</b>	<b>142</b>	<b>236</b>
<b>49 COMMITMENTS (50+51)</b>	<b>0</b>	<b>144</b>	<b>144</b>	<b>444</b>	<b>3</b>	<b>446</b>	<b>0</b>	<b>14</b>	<b>14</b>	<b>0</b>	<b>57</b>	<b>57</b>
50 a) DERIVATIVE FINANCIAL INSTRUMENTS	0	142	142	0	0	0	0	14	14	0	57	57
51 b) OTHER COMMITMENTS	0	2	2	444	2	446	0	0	0	0	0	0
<b>52 TOTAL OFF BALANCE SHEET LIABILITIES (48 + 49)</b>	<b>791</b>	<b>1.640</b>	<b>2.431</b>	<b>1.094</b>	<b>1.011</b>	<b>2.105</b>	<b>129</b>	<b>196</b>	<b>325</b>	<b>94</b>	<b>199</b>	<b>293</b>

Source: The BRSA Banks Reporting System as of March 29, 2006.

Annex Table 16 - Balance Sheet of SDIF Banks (% Change) (December 2005/December 2004)

ASSETS	Nominal Change TRY			Nominal Change USD Dollar			Real Change TRY		
	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL
1 CASH ASSETS	-8,3	-70,6	-64,3	-8,4	-70,6	-64,3	-12,3	-71,9	-65,8
2 DUE FROM THE CENTRAL BANK	-45,2	-100,0	-57,4	-45,2	-100,0	-57,5	-47,6	-100,0	-59,3
3 DUE FROM MONEY MARKETS	200,0	-	200,0	199,8	-	199,8	187,0	-	187,0
4 DUE FROM BANKS	258,3	-64,0	12,9	258,1	-64,0	12,8	242,8	-65,5	8,0
5 SECURITIES - TRADING PORTFOLIO (NET)	-49,5	10,7	-49,5	-49,5	10,6	-49,5	-51,7	5,9	-51,7
6 SECURITIES AVAILABLE FOR SALE (NET)	-	-16,7	-16,7	-	-16,7	-16,7	-	-20,3	-20,3
7 REQUIRED RESERVES	-	-	-	-	-	-	-	-	-
8 RECEIVABLES FROM SECURITIES LENDING MARKET	-	-	-	-	-	-	-	-	-
9 RESERVE REPO RECEIVABLES	-	-	-	-	-	-	-	-	-
10 LOANS	-53,9	-43,9	-47,8	-53,9	-44,0	-47,8	-55,9	-46,4	-50,1
11 PAST DUE LOANS (NET) (12-13)	-20,2	-42,8	-21,9	-20,3	-42,8	-21,9	-23,7	-45,3	-25,3
12 a) PAST DUE LOANS	-20,0	-37,6	-21,3	-20,0	-37,6	-21,3	-23,5	-40,3	-24,7
13 b) LOAN LOSS RESERVES (-)	-19,9	-36,8	-21,2	-20,0	-36,9	-21,3	-23,4	-39,6	-24,6
14 INTEREST & INCOME ACCRUALS	51,1	9,3	50,8	51,0	9,2	50,7	44,5	4,5	44,3
15 LEASE FINANCING RECEIVABLES (NET)	-	-	-	-	-	-	-	-	-
16 SUBSIDIARIES, ASSOCIATED AND JOINT CONTROLLED COMPANIES (NET)	-100,0	-100,0	-100,0	-100,0	-100,0	-100,0	-100,0	-100,0	-100,0
17 SECURITIES - HELD TO MATURITY (NET)	-	-	-	-	-	-	-	-	-
18 FIXED ASSETS TO BE SOLD (NET)	7,6	-	7,6	7,5	-	7,5	2,9	-	2,9
19 FIXED ASSETS (NET)	-35,3	-	-35,3	-35,4	-	-35,4	-38,1	-	-38,1
20 OTHER ASSETS	2.526,9	-23,4	1.661,8	2.525,2	-23,4	1.660,6	2.412,7	-26,7	1.585,2
<b>21 TOTAL ASSETS (1+...+20)-(12+13)</b>	<b>1,3</b>	<b>-59,7</b>	<b>-4,1</b>	<b>1,2</b>	<b>-59,7</b>	<b>-4,2</b>	<b>-3,1</b>	<b>-61,4</b>	<b>-8,3</b>
LIABILITIES									
22 DEPOSITS	-20,9	-21,4	-21,2	-21,0	-21,4	-21,3	-24,4	-24,8	-24,7
23 DUE TO CENTRAL BANK	-	-	-	-	-	-	-	-	-
24 DUE TO MONEY MARKETS	-	-	-	-	-	-	-	-	-
25 BORROWINGS FROM SECURITIES LENDING MARKET	-	-	-	-	-	-	-	-	-
26 DUE TO BANKS	0,0	-99,0	-99,0	-0,1	-99,0	-99,0	-4,3	-99,1	-99,1
27 FUNDS OBTAINED FROM REPO TRANSACTIONS	22,1	-	22,1	22,0	-	22,0	16,8	-	16,8
28 FUNDS	-	-	-	-	-	-	-	-	-
29 SECURITIES ISSUED (NET) (30+31)	-	-	-	-	-	-	-	-	-
30 a) BONDS & BILLS	-	-	-	-	-	-	-	-	-
31 b) ASSET BACKED SECURITIES AND OTHER SEC. ISSUED	-	-	-	-	-	-	-	-	-
32 LEASE FINANCING OBLIGATIONS (NET)	-	-	-	-	-	-	-	-	-
33 TAXES, DUTIES, CHARGES & PREMIUMS PAYABLE	-26,2	-	-26,2	-26,3	-	-26,3	-29,4	-	-29,4
34 SUBORDINATED DEBT	-91,5	-	-91,5	-91,5	-	-91,5	-91,8	-	-91,8
35 INTEREST AND EXPENSE ACCRUALS	59,3	-48,2	-14,8	59,2	-48,2	-14,9	52,4	-50,4	-18,5
36 RESERVES	1,3	-6,9	-1,7	1,2	-7,0	-1,8	-3,1	-11,0	-6,0
37 OTHER LIABILITIES	-13,9	-7,9	-9,2	-13,9	-7,9	-9,2	-17,6	-11,9	-13,1
<b>38 TOTAL (22+...+37)-(30+31)</b>	<b>-56,1</b>	<b>-43,6</b>	<b>-51,0</b>	<b>-56,1</b>	<b>-43,7</b>	<b>-51,0</b>	<b>-58,0</b>	<b>-46,1</b>	<b>-53,1</b>
39 PAID UP CAPITAL	0,0	-	0,0	-0,1	-	-0,1	-4,3	-	-4,3
40 LEGAL & PROVISIONAL RESERVES	1,3	-	1,3	1,3	-	1,3	-3,1	-	-3,1
41 CAPITAL RESERVES FROM INFLATION ACCOUNTING	-100,0	-	-100,0	-100,0	-	-100,0	-100,0	-	-100,0
42 FIXED ASSET REVALUATION FUND	0,0	-	0,0	-0,1	-	-0,1	-4,3	-	-4,3
43 SECURITIES REVALUATION FUND	-	-	-	-	-	-	-	-	-
44 PROFIT (LOSS) FOR THE PERIOD	-32,8	-	-32,8	-32,9	-	-32,9	-35,8	-	-35,8
45 PROFIT (LOSS) FOR PREVIOUS YEARS	-2,0	-	-2,0	-2,1	-	-2,1	-6,3	-	-6,3
<b>46 TOTAL OWNERS EQUITY (39+...+45)</b>	<b>20,4</b>	<b>-</b>	<b>20,4</b>	<b>20,3</b>	<b>-</b>	<b>20,3</b>	<b>15,2</b>	<b>-</b>	<b>15,2</b>
<b>47 TOTAL LIABILITIES (38+46)</b>	<b>2,4</b>	<b>-43,6</b>	<b>-4,1</b>	<b>2,3</b>	<b>-43,7</b>	<b>-4,2</b>	<b>-2,1</b>	<b>-46,1</b>	<b>-8,3</b>
<b>48 NON CASH CREDITS AND OBLIGATIONS</b>	<b>-27,0</b>	<b>-21,8</b>	<b>-24,0</b>	<b>-27,1</b>	<b>-21,9</b>	<b>-24,0</b>	<b>-30,2</b>	<b>-25,2</b>	<b>-27,3</b>
<b>49 COMMITMENTS (50+51)</b>	<b>0,0</b>	<b>306,2</b>	<b>306,1</b>	<b>-0,1</b>	<b>305,9</b>	<b>305,8</b>	<b>-4,3</b>	<b>288,5</b>	<b>288,5</b>
50 a) DERIVATIVE FINANCIAL INSTRUMENTS	-	306,2	306,2	-	305,9	305,9	-	288,5	288,5
51 b) OTHER COMMITMENTS	0,0	-	0,0	-0,1	-	-0,1	-4,3	-	-4,3
<b>52 TOTAL OFF BALANCE SHEET LIABILITIES (48 + 49)</b>	<b>-27,0</b>	<b>1,6</b>	<b>-9,8</b>	<b>-27,1</b>	<b>1,5</b>	<b>-9,8</b>	<b>-30,2</b>	<b>-2,8</b>	<b>-13,7</b>

Source: The BRSA Banks Reporting System as of March 29, 2006.

**Annex Table 17 - Balance Sheet of Foreign Banks (TRY thousand)**

ASSETS	December 2002			December 2003			December 2004			December 2005		
	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL
1 CASH ASSETS	11.939	44.632	56.571	14.054	43.847	57.901	50.514	42.306	92.820	63.825	80.872	144.697
2 DUE FROM THE CENTRAL BANK	30.841	20.639	51.480	31.633	18.512	50.145	17.925	18.070	35.995	32.529	108.515	141.044
3 DUE FROM MONEY MARKETS	691.650	81.914	773.564	495.050	72.490	567.540	21.600	57.508	79.108	300	0	300
4 DUE FROM BANKS	67.060	919.959	987.019	210.122	577.289	787.411	600.638	873.458	1.474.096	869.861	2.254.050	3.123.911
5 SECURITIES - TRADING PORTFOLIO (NET)	220.472	85.408	305.880	524.346	175.503	699.849	1.236.815	61.887	1.298.702	2.103.241	611.493	2.714.734
6 SECURITIES AVAILABLE FOR SALE (NET)	174.602	276.136	450.738	218.576	357.986	576.562	586.194	370.113	956.307	976.183	287.842	1.264.025
7 REQUIRED RESERVES	24.987	292.546	317.533	43.534	261.971	305.505	121.172	388.041	509.213	353.932	669.805	1.023.737
8 RECEIVABLES FROM SECURITIES LENDING MARKET	0	0	0	0	0	0	0	0	0	0	0	0
9 RESERVE REPO RECEIVABLES	58	0	58	0	0	0	0	0	0	0	25.161	25.161
10 LOANS	955.431	1.205.873	2.161.304	1.422.640	1.288.095	2.710.735	3.063.986	1.601.249	4.665.235	7.295.938	2.931.151	10.227.089
11 PAST DUE LOANS (NET) (12-13)	23.121	1.824	24.945	26.448	0	26.448	37.647	604	38.251	66.622	1.547	68.169
12 a) PAST DUE LOANS	84.591	26.973	111.564	118.254	4.911	123.165	141.370	10.648	152.018	395.881	11.269	407.150
13 b) LOAN LOSS RESERVES (-)	61.470	25.149	86.619	91.806	4.911	96.717	103.723	10.044	113.767	329.259	9.722	338.981
14 INTEREST & INCOME ACCRUALS	119.531	49.492	169.023	121.678	68.826	190.504	177.024	144.675	321.699	382.293	133.587	515.880
15 LEASE FINANCING RECEIVABLES (NET)	0	0	0	0	0	0	0	0	0	0	0	0
16 SUBSIDIARIES, ASSOCIATED AND JOINT CONTROLLED COMPANIES (NET)	44.892	0	44.892	70.451	0	70.451	103.824	0	103.824	172.943	87.745	260.688
17 SECURITIES - HELD TO MATURITY (NET)	315.863	475.929	791.792	160.783	170.757	331.540	88.282	182.402	270.684	125.158	294.939	420.097
18 FIXED ASSETS TO BE SOLD (NET)	1.137	0	1.137	2.118	0	2.118	3.233	0	3.233	6.939	0	6.939
19 FIXED ASSETS (NET)	223.856	2.649	226.505	203.261	1.561	204.822	208.750	1.458	210.208	321.037	1.439	322.476
20 OTHER ASSETS	260.056	7.167	267.223	353.679	8.362	362.041	271.202	16.387	287.589	443.947	9.628	453.575
<b>21 TOTAL ASSETS (1+...+20)-(12+13)</b>	<b>3.165.496</b>	<b>3.464.168</b>	<b>6.629.664</b>	<b>3.898.373</b>	<b>3.045.199</b>	<b>6.943.572</b>	<b>6.588.806</b>	<b>3.758.158</b>	<b>10.346.964</b>	<b>13.214.748</b>	<b>7.497.774</b>	<b>20.712.522</b>
<b>LIABILITIES</b>												
22 DEPOSITS	503.996	2.581.812	3.085.808	591.494	2.545.886	3.137.380	1.376.701	3.337.739	4.714.440	4.689.666	5.290.214	9.979.880
23 DUE TO CENTRAL BANK	0	0	0	0	0	0	0	0	0	0	0	0
24 DUE TO MONEY MARKETS	0	0	0	60.957	0	60.957	137.809	0	137.809	99.250	0	99.250
25 BORROWINGS FROM SECURITIES LENDING MARKET	0	0	0	0	0	0	0	0	0	0	0	0
26 DUE TO BANKS	532.498	943.722	1.476.220	641.529	720.011	1.361.540	1.481.312	873.146	2.354.458	2.351.375	2.671.939	5.023.314
27 FUNDS OBTAINED FROM REPO TRANSACTIONS	2.288	0	2.288	19.686	0	19.686	235.577	0	235.577	476.445	132.833	609.278
28 FUNDS	0	0	0	0	0	0	0	0	0	0	0	0
29 SECURITIES ISSUED (NET) (30+31)	0	0	0	0	0	0	0	0	0	0	0	0
30 a) BONDS & BILLS	0	0	0	0	0	0	0	0	0	0	0	0
31 b) ASSET BACKED SECURITIES AND OTHER SEC. ISSUED	0	0	0	0	0	0	0	0	0	0	0	0
32 LEASE FINANCING OBLIGATIONS (NET)	3	7.656	7.659	176	3.665	3.841	25	863	888	1.844	281	2.125
33 TAXES, DUTIES, CHARGES & PREMIUMS PAYABLE	19.823	0	19.823	22.170	0	22.170	30.619	7	30.626	46.511	0	46.511
34 SUBORDINATED DEBT	0	45.591	45.591	0	43.296	43.296	0	43.572	43.572	0	40.056	40.056
35 INTEREST AND EXPENSE ACCRUALS	61.263	22.384	83.647	105.607	39.947	145.554	169.516	43.414	212.930	265.208	98.294	363.502
36 RESERVES	188.574	74.216	262.790	233.467	63.014	296.481	207.445	47.987	255.432	439.314	53.917	493.231
37 OTHER LIABILITIES	207.212	50.928	258.140	150.355	36.655	187.010	219.784	58.492	278.276	405.917	349.446	755.363
<b>38 TOTAL (22+...+37)-(30+31)</b>	<b>1.515.657</b>	<b>3.726.309</b>	<b>5.241.966</b>	<b>1.825.441</b>	<b>3.452.474</b>	<b>5.277.915</b>	<b>3.858.788</b>	<b>4.405.220</b>	<b>8.264.008</b>	<b>8.775.530</b>	<b>8.636.980</b>	<b>17.412.510</b>
39 PAID UP CAPITAL	500.480	0	500.480	512.542	0	512.542	566.701	0	566.701	928.482	0	928.482
40 LEGAL & PROVISIONAL RESERVES	182.625	0	182.625	295.356	0	295.356	387.867	0	387.867	1.749.962	0	1.749.962
41 CAPITAL RESERVES FROM INFLATION ACCOUNTING	1.225.033	0	1.225.033	761.422	0	761.422	828.970	0	828.970	0	0	0
42 FIXED ASSET REVALUATION FUND	0	0	0	0	0	0	0	0	0	0	0	0
43 SECURITIES REVALUATION FUND	3.215	2.260	5.475	7.139	21.668	28.807	10.822	10.099	20.921	6.863	1.532	8.395
44 PROFIT (LOSS) FOR THE PERIOD	83.272	0	83.272	186.246	0	186.246	242.802	0	242.802	512.831	0	512.831
45 PROFIT (LOSS) FOR PREVIOUS YEARS	-609.187	0	-609.187	-118.716	0	-118.716	35.695	0	35.695	100.342	0	100.342
<b>46 TOTAL OWNERS EQUITY (39+...+45)</b>	<b>1.385.438</b>	<b>2.260</b>	<b>1.387.698</b>	<b>1.643.989</b>	<b>21.668</b>	<b>1.665.657</b>	<b>2.072.857</b>	<b>10.099</b>	<b>2.082.956</b>	<b>3.298.480</b>	<b>1.532</b>	<b>3.300.012</b>
<b>47 TOTAL LIABILITIES (38+46)</b>	<b>2.901.095</b>	<b>3.728.569</b>	<b>6.629.664</b>	<b>3.469.430</b>	<b>3.474.142</b>	<b>6.943.572</b>	<b>5.931.645</b>	<b>4.415.319</b>	<b>10.346.964</b>	<b>12.074.010</b>	<b>8.638.512</b>	<b>20.712.522</b>
<b>48 NON CASH CREDITS AND OBLIGATIONS</b>	<b>85.641</b>	<b>1.608.360</b>	<b>1.694.001</b>	<b>99.590</b>	<b>1.333.998</b>	<b>1.433.588</b>	<b>103.742</b>	<b>1.911.056</b>	<b>2.014.798</b>	<b>995.723</b>	<b>4.740.214</b>	<b>5.735.937</b>
<b>49 COMMITMENTS (50+51)</b>	<b>2.327.726</b>	<b>6.366.788</b>	<b>8.694.514</b>	<b>4.226.128</b>	<b>6.717.611</b>	<b>10.943.739</b>	<b>6.837.157</b>	<b>8.959.529</b>	<b>15.796.686</b>	<b>13.345.189</b>	<b>11.953.086</b>	<b>25.298.275</b>
50 a) DERIVATIVE FINANCIAL INSTRUMENTS	871.160	6.340.502	7.211.662	961.036	6.692.791	7.653.827	2.775.010	8.889.123	11.664.133	4.975.698	11.777.287	16.752.985
51 b) OTHER COMMITMENTS	1.456.566	26.286	1.482.852	3.265.092	24.820	3.289.912	4.062.147	70.406	4.132.553	8.369.491	175.799	8.545.290
<b>52 TOTAL OFF BALANCE SHEET LIABILITIES (48 + 49)</b>	<b>2.413.367</b>	<b>7.975.148</b>	<b>10.388.515</b>	<b>4.325.718</b>	<b>8.051.609</b>	<b>12.377.327</b>	<b>6.940.899</b>	<b>10.870.585</b>	<b>17.811.484</b>	<b>14.340.912</b>	<b>16.693.300</b>	<b>31.034.212</b>

Source: The BRSAs Banks Reporting System as of March 29, 2006.

**Annex Table 18 - Balance Sheet of Foreign Banks (USD million)**

ASSETS	December 2002			December 2003			December 2004			December 2005		
	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL
1 CASH ASSETS	7	27	35	10	31	41	38	32	69	48	60	108
2 DUE FROM THE CENTRAL BANK	19	13	31	23	13	36	13	13	27	24	81	105
3 DUE FROM MONEY MARKETS	423	50	473	355	52	407	16	43	59	0	0	0
4 DUE FROM BANKS	41	563	604	151	414	564	448	651	1.098	648	1.678	2.326
5 SECURITIES - TRADING PORTFOLIO (NET)	135	52	187	376	126	501	922	46	968	1.566	455	2.021
6 SECURITIES AVAILABLE FOR SALE (NET)	107	169	276	157	256	413	437	276	713	727	214	941
7 REQUIRED RESERVES	15	179	194	31	188	219	90	289	379	264	499	762
8 RECEIVABLES FROM SECURITIES LENDING MARKET	0	0	0	0	0	0	0	0	0	0	0	0
9 RESERVE REPO RECEIVABLES	0	0	0	0	0	0	0	0	0	0	19	19
10 LOANS	585	738	1.322	1.019	923	1.942	2.283	1.193	3.476	5.433	2.183	7.615
11 PAST DUE LOANS (NET) (12-13)	14	1	15	19	0	19	28	0	29	50	1	51
12 a) PAST DUE LOANS	52	17	68	85	4	88	105	8	113	295	8	303
13 b) LOAN LOSS RESERVES (-)	38	15	53	66	4	69	77	7	85	245	7	252
14 INTEREST & INCOME ACCRUALS	73	30	103	87	49	136	132	108	240	285	99	384
15 LEASE FINANCING RECEIVABLES (NET)	0	0	0	0	0	0	0	0	0	0	0	0
16 SUBSIDIARIES, ASSOCIATED AND JOINT CONTROLLED COMPANIES (NET)	27	0	27	50	0	50	77	0	77	129	65	194
17 SECURITIES - HELD TO MATURITY (NET)	193	291	484	115	122	238	66	136	202	93	220	313
18 FIXED ASSETS TO BE SOLD (NET)	1	0	1	2	0	2	2	0	2	5	0	5
19 FIXED ASSETS (NET)	137	2	139	146	1	147	156	1	157	239	1	240
20 OTHER ASSETS	159	4	163	253	6	259	202	12	214	331	7	338
<b>21 TOTAL ASSETS (1+...+20)-(12+13)</b>	<b>1.937</b>	<b>2.119</b>	<b>4.056</b>	<b>2.793</b>	<b>2.182</b>	<b>4.974</b>	<b>4.909</b>	<b>2.800</b>	<b>7.710</b>	<b>9.840</b>	<b>5.583</b>	<b>15.423</b>
<b>LIABILITIES</b>												
22 DEPOSITS	308	1.580	1.888	424	1.824	2.248	1.026	2.487	3.513	3.492	3.939	7.431
23 DUE TO CENTRAL BANK	0	0	0	0	0	0	0	0	0	0	0	0
24 DUE TO MONEY MARKETS	0	0	0	44	0	44	103	0	103	74	0	74
25 BORROWINGS FROM SECURITIES LENDING MARKET	0	0	0	0	0	0	0	0	0	0	0	0
26 DUE TO BANKS	326	577	903	460	516	975	1.104	651	1.754	1.751	1.990	3.740
27 FUNDS OBTAINED FROM REPO TRANSACTIONS	1	0	1	14	0	14	176	0	176	355	99	454
28 FUNDS	0	0	0	0	0	0	0	0	0	0	0	0
29 SECURITIES ISSUED (NET) (30+31)	0	0	0	0	0	0	0	0	0	0	0	0
30 a) BONDS & BILLS	0	0	0	0	0	0	0	0	0	0	0	0
31 b) ASSET BACKED SECURITIES AND OTHER SEC. ISSUED	0	0	0	0	0	0	0	0	0	0	0	0
32 LEASE FINANCING OBLIGATIONS (NET)	0	5	5	0	3	3	0	1	1	1	0	2
33 TAXES, DUTIES, CHARGES & PREMIUMS PAYABLE	12	0	12	16	0	16	23	0	23	35	0	35
34 SUBORDINATED DEBT	0	28	28	0	31	31	0	32	32	0	30	30
35 INTEREST AND EXPENSE ACCRUALS	37	14	51	76	29	104	126	32	159	197	73	271
36 RESERVES	115	45	161	167	45	212	155	36	190	327	40	367
37 OTHER LIABILITIES	127	31	158	108	26	134	164	44	207	302	260	562
<b>38 TOTAL (22+...+37)-(30+31)</b>	<b>927</b>	<b>2.280</b>	<b>3.207</b>	<b>1.308</b>	<b>2.473</b>	<b>3.781</b>	<b>2.875</b>	<b>3.282</b>	<b>6.158</b>	<b>6.534</b>	<b>6.431</b>	<b>12.965</b>
39 PAID UP CAPITAL	306	0	306	367	0	367	422	0	422	691	0	691
40 LEGAL & PROVISIONAL RESERVES	112	0	112	212	0	212	289	0	289	1.303	0	1.303
41 CAPITAL RESERVES FROM INFLATION ACCOUNTING	749	0	749	545	0	545	618	0	618	0	0	0
42 FIXED ASSET REVALUATION FUND	0	0	0	0	0	0	0	0	0	0	0	0
43 SECURITIES REVALUATION FUND	2	1	3	5	16	21	8	8	16	5	1	6
44 PROFIT (LOSS) FOR THE PERIOD	51	0	51	133	0	133	181	0	181	382	0	382
45 PROFIT (LOSS) FOR PREVIOUS YEARS	-373	0	-373	-85	0	-85	27	0	27	75	0	75
<b>46 TOTAL OWNERS EQUITY (39+...+45)</b>	<b>848</b>	<b>1</b>	<b>849</b>	<b>1.178</b>	<b>16</b>	<b>1.193</b>	<b>1.544</b>	<b>8</b>	<b>1.552</b>	<b>2.456</b>	<b>1</b>	<b>2.457</b>
<b>47 TOTAL LIABILITIES (38+46)</b>	<b>1.775</b>	<b>2.281</b>	<b>4.056</b>	<b>2.486</b>	<b>2.489</b>	<b>4.974</b>	<b>4.420</b>	<b>3.290</b>	<b>7.710</b>	<b>8.990</b>	<b>6.432</b>	<b>15.423</b>
<b>48 NON CASH CREDITS AND OBLIGATIONS</b>	<b>52</b>	<b>984</b>	<b>1.036</b>	<b>71</b>	<b>956</b>	<b>1.027</b>	<b>77</b>	<b>1.424</b>	<b>1.501</b>	<b>741</b>	<b>3.530</b>	<b>4.271</b>
<b>49 COMMITMENTS (50+51)</b>	<b>1.424</b>	<b>3.895</b>	<b>5.319</b>	<b>3.028</b>	<b>4.813</b>	<b>7.840</b>	<b>5.094</b>	<b>6.676</b>	<b>11.770</b>	<b>9.937</b>	<b>8.900</b>	<b>18.837</b>
50 a) DERIVATIVE FINANCIAL INSTRUMENTS	533	3.879	4.412	689	4.795	5.483	2.068	6.623	8.691	3.705	8.769	12.474
51 b) OTHER COMMITMENTS	891	16	907	2.339	18	2.357	3.027	52	3.079	6.232	131	6.363
<b>52 TOTAL OFF BALANCE SHEET LIABILITIES (48 + 49)</b>	<b>1.477</b>	<b>4.879</b>	<b>6.356</b>	<b>3.099</b>	<b>5.768</b>	<b>8.867</b>	<b>5.172</b>	<b>8.100</b>	<b>13.271</b>	<b>10.678</b>	<b>12.430</b>	<b>23.108</b>

Source: The BRSA Banks Reporting System as of March 29, 2006.

Annex Table 19 - Balance Sheet of Foreign Banks (% Change) (December 2005/December 2004)

ASSETS	Nominal Change TRY			Nominal Change USD Dollar			Real Change TRY		
	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL
1 CASH ASSETS	26,4	91,2	55,9	26,3	91,0	55,8	20,9	82,8	49,1
2 DUE FROM THE CENTRAL BANK	81,5	500,5	291,8	81,4	500,1	291,6	73,6	474,4	274,8
3 DUE FROM MONEY MARKETS	-98,6	-100,0	-99,6	-98,6	-100,0	-99,6	-98,7	-100,0	-99,6
4 DUE FROM BANKS	44,8	158,1	111,9	44,7	157,9	111,8	38,5	146,8	102,7
5 SECURITIES - TRADING PORTFOLIO (NET)	70,1	888,1	109,0	69,9	887,4	108,9	62,7	845,1	99,9
6 SECURITIES AVAILABLE FOR SALE (NET)	66,5	-22,2	32,2	66,4	-22,3	32,1	59,3	-25,6	26,4
7 REQUIRED RESERVES	192,1	72,6	101,0	191,9	72,5	100,9	179,4	65,1	92,3
8 RECEIVABLES FROM SECURITIES LENDING MARKET	-	-	-	-	-	-	-	-	-
9 RESERVE REPO RECEIVABLES	-	-	-	-	-	-	-	-	-
10 LOANS	138,1	83,1	119,2	138,0	82,9	119,1	127,8	75,1	109,7
11 PAST DUE LOANS (NET) (12-13)	77,0	156,1	78,2	76,8	156,0	78,1	69,3	145,0	70,5
12 a) PAST DUE LOANS	180,0	5,8	167,8	179,8	5,8	167,7	167,9	1,2	156,2
13 b) LOAN LOSS RESERVES (-)	217,4	-3,2	198,0	217,2	-3,3	197,8	203,6	-7,4	185,0
14 INTEREST & INCOME ACCRUALS	116,0	-10,6	59,0	115,8	-10,7	58,9	106,6	-14,5	52,1
15 LEASE FINANCING RECEIVABLES (NET)	-	-	-	-	-	-	-	-	-
16 SUBSIDIARIES, ASSOCIATED AND JOINT CONTROLLED COMPANIES (NET)	66,6	-	151,1	66,5	-	150,9	59,3	-	140,2
17 SECURITIES - HELD TO MATURITY (NET)	41,8	61,7	55,2	41,7	61,6	55,1	35,6	54,7	48,5
18 FIXED ASSETS TO BE SOLD (NET)	114,6	-	114,6	114,5	-	114,5	105,3	-	105,3
19 FIXED ASSETS (NET)	53,8	-1,3	53,4	53,7	-1,4	53,3	47,1	-5,6	46,7
20 OTHER ASSETS	63,7	-41,2	57,7	63,6	-41,3	57,6	56,6	-43,8	50,9
21 TOTAL ASSETS (1+...+20)-(12+13)	100,6	99,4	100,1	100,4	99,3	100,0	91,8	90,7	91,4
LIABILITIES									
22 DEPOSITS	240,6	58,5	111,7	240,4	58,4	111,5	225,8	51,6	102,5
23 DUE TO CENTRAL BANK	-	-	-	-	-	-	-	-	-
24 DUE TO MONEY MARKETS	-28,0	-	-28,0	-28,0	-	-28,0	-31,1	-	-31,1
25 BORROWINGS FROM SECURITIES LENDING MARKET	-	-	-	-	-	-	-	-	-
26 DUE TO BANKS	58,7	206,0	113,4	58,6	205,8	113,2	51,8	192,7	104,1
27 FUNDS OBTAINED FROM REPO TRANSACTIONS	102,2	-	158,6	102,1	-	158,5	93,5	-	147,4
28 FUNDS	-	-	-	-	-	-	-	-	-
29 SECURITIES ISSUED (NET) (30+31)	-	-	-	-	-	-	-	-	-
30 a) BONDS & BILLS	-	-	-	-	-	-	-	-	-
31 b) ASSET BACKED SECURITIES AND OTHER SEC. ISSUED	-	-	-	-	-	-	-	-	-
32 LEASE FINANCING OBLIGATIONS (NET)	7.276,0	-67,4	139,3	7.271,1	-67,5	139,1	6.955,3	-68,9	128,9
33 TAXES, DUTIES, CHARGES & PREMIUMS PAYABLE	51,9	-100,0	51,9	51,8	-100,0	51,8	45,3	-100,0	45,3
34 SUBORDINATED DEBT	-	-8,1	-8,1	-	-8,1	-8,1	-	-12,1	-12,1
35 INTEREST AND EXPENSE ACCRUALS	56,5	126,4	70,7	56,3	126,3	70,6	49,6	116,6	63,3
36 RESERVES	111,2	12,4	92,6	111,0	12,3	92,5	102,0	7,5	84,2
37 OTHER LIABILITIES	84,7	497,4	171,4	84,6	497,0	171,3	76,7	471,5	159,6
38 TOTAL (22+...+37)-(30+31)	127,4	96,1	110,7	127,2	95,9	110,5	117,5	87,5	101,5
39 PAID UP CAPITAL	63,8	-	63,8	63,7	-	63,7	56,7	-	56,7
40 LEGAL & PROVISIONAL RESERVES	351,2	-	351,2	350,9	-	350,9	331,6	-	331,6
41 CAPITAL RESERVES FROM INFLATION ACCOUNTING	-100,0	-	-100,0	-100,0	-	-100,0	-100,0	-	-100,0
42 FIXED ASSET REVALUATION FUND	-	-	-	-	-	-	-	-	-
43 SECURITIES REVALUATION FUND	-36,6	-84,8	-59,9	-36,6	-84,8	-59,9	-39,3	-85,5	-61,6
44 PROFIT (LOSS) FOR THE PERIOD	110,0	-	110,0	109,8	-	109,8	100,8	-	100,8
45 PROFIT (LOSS) FOR PREVIOUS YEARS	181,1	-	181,1	180,9	-	180,9	168,9	-	168,9
46 TOTAL OWNERS EQUITY (39+...+45)	59,0	-84,8	58,3	58,9	-84,8	58,2	52,1	-85,5	51,4
47 TOTAL LIABILITIES (38+46)	103,5	95,6	100,1	103,3	95,5	100,0	94,6	87,1	91,4
48 NON CASH CREDITS AND OBLIGATIONS	859,8	148,0	184,7	859,2	147,9	184,5	818,1	137,3	172,3
49 COMMITMENTS (50+51)	95,2	33,4	60,1	95,1	33,3	60,0	86,7	27,6	53,2
50 a) DERIVATIVE FINANCIAL INSTRUMENTS	79,3	32,5	43,6	79,2	32,4	43,5	71,5	26,7	37,4
51 b) OTHER COMMITMENTS	106,0	149,7	106,8	105,9	149,5	106,6	97,1	138,8	97,8
52 TOTAL OFF BALANCE SHEET LIABILITIES (48 + 49)	106,6	53,6	74,2	106,5	53,5	74,1	97,6	46,9	66,7

Source: The BRSA Banks Reporting System as of March 29, 2006.

**Annex Table 20 - Balance Sheet of Development and Investment Banks (TRY thousand)**

ASSETS	December 2002			December 2003			December 2004			December 2005		
	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL
1 CASH ASSETS	310	1.183	1.493	330	605	935	458	570	1.028	421	647	1.068
2 DUE FROM THE CENTRAL BANK	4.595	5.603	10.198	5.006	1.364	6.370	4.801	738	5.539	9.132	961	10.093
3 DUE FROM MONEY MARKETS	1.194.650	0	1.194.650	1.022.000	0	1.022.000	184.750	0	184.750	202.950	0	202.950
4 DUE FROM BANKS	492.012	1.684.499	2.176.511	788.387	1.375.333	2.163.720	1.905.673	1.491.421	3.397.094	2.053.705	1.244.097	3.297.802
5 SECURITIES - TRADING PORTFOLIO (NET)	73.454	14.864	88.318	127.663	25.999	153.662	154.543	34.968	189.511	498.696	12.071	510.767
6 SECURITIES AVAILABLE FOR SALE (NET)	198.844	253.015	451.859	371.676	268.721	640.397	568.893	330.637	899.530	1.002.994	337.042	1.340.036
7 REQUIRED RESERVES	2.292	13.999	16.291	3.111	29.894	33.005	4.019	21.450	25.469	284	66.204	66.488
8 RECEIVABLES FROM SECURITIES LENDING MARKET	0	0	0	0	0	0	0	0	0	0	0	0
9 RESERVE REPO RECEIVABLES	2.194	0	2.194	1.679	0	1.679	8.218	0	8.218	4.347	0	4.347
10 LOANS	1.732.967	2.503.816	4.236.783	2.347.817	2.592.435	4.940.252	2.982.176	2.325.490	5.307.666	3.936.628	2.024.953	5.961.581
11 PAST DUE LOANS (NET) (12-13)	45.873	18.392	64.265	11.451	6.019	17.470	22.919	0	22.919	10.407	0	10.407
12 a) PAST DUE LOANS	134.127	44.490	178.617	141.024	39.176	180.200	157.257	21.268	178.525	147.828	9.017	156.845
13 b) LOAN LOSS RESERVES (-)	88.254	26.098	114.352	129.573	33.157	162.730	134.338	21.268	155.606	137.421	9.017	146.438
14 INTEREST & INCOME ACCRUALS	166.601	64.367	230.968	202.199	68.614	270.813	174.405	79.825	254.230	153.778	68.791	222.569
15 LEASE FINANCING RECEIVABLES (NET)	843	126.951	127.794	330	165.765	166.095	279	238.400	238.679	4.593	297.350	301.943
16 SUBSIDIARIES, ASSOCIATED AND JOINT CONTROLLED COMPANIES (NET)	192.602	16.879	209.481	166.478	15.495	181.973	192.769	14.018	206.787	272.252	13.939	286.191
17 SECURITIES - HELD TO MATURITY (NET)	129.632	167.423	297.055	163.825	113.805	277.630	216.080	71.998	288.078	238.217	70.821	309.038
18 FIXED ASSETS TO BE SOLD (NET)	14.129	0	14.129	9.885	0	9.885	10.326	0	10.326	17.899	0	17.899
19 FIXED ASSETS (NET)	172.078	0	172.078	182.792	0	182.792	188.415	0	188.415	179.738	14	179.752
20 OTHER ASSETS	132.525	11.508	144.033	185.376	10.590	195.966	85.394	13.246	98.640	129.961	13.664	143.625
<b>21 TOTAL ASSETS (1+...+20)-(12+13)</b>	<b>4.555.601</b>	<b>4.882.499</b>	<b>9.438.100</b>	<b>5.590.005</b>	<b>4.674.639</b>	<b>10.264.644</b>	<b>6.704.118</b>	<b>4.622.761</b>	<b>11.326.879</b>	<b>8.716.002</b>	<b>4.150.554</b>	<b>12.866.556</b>
<b>LIABILITIES</b>												
22 DEPOSITS	0	0	0	0	0	0	0	0	0	0	0	0
23 DUE TO CENTRAL BANK	0	196.487	196.487	0	118.081	118.081	0	71.714	71.714	0	1.378	1.378
24 DUE TO MONEY MARKETS	27.147	8.212	35.359	12.994	0	12.994	9.533	0	9.533	27.284	0	27.284
25 BORROWINGS FROM SECURITIES LENDING MARKET	0	0	0	0	0	0	0	0	0	0	0	0
26 DUE TO BANKS	160.480	3.124.054	3.284.534	138.397	3.084.744	3.223.141	103.067	3.138.802	3.241.869	134.847	3.551.388	3.686.235
27 FUNDS OBTAINED FROM REPO TRANSACTIONS	1.397	36.248	37.645	13.024	61.936	74.960	148.896	26.702	175.598	376.484	83.188	459.672
28 FUNDS	90.130	53	90.183	88.070	42	88.112	96.117	41	96.158	111.255	41	111.296
29 SECURITIES ISSUED (NET) (30+31)	2	682.632	682.634	1	488.760	488.761	1	467.965	467.966	1	0	1
30 a) BONDS & BILLS	2	682.632	682.634	1	488.760	488.761	1	467.965	467.966	1	0	1
31 b) ASSET BACKED SECURITIES AND OTHER SEC. ISSUED	0	0	0	0	0	0	0	0	0	0	0	0
32 LEASE FINANCING OBLIGATIONS (NET)	1	0	1	0	64	64	0	330	330	0	720	720
33 TAXES, DUTIES, CHARGES & PREMIUMS PAYABLE	14.748	0	14.748	20.877	0	20.877	15.229	0	15.229	17.841	0	17.841
34 SUBORDINATED DEBT	0	334.322	334.322	0	284.395	284.395	0	339.205	339.205	0	341.309	341.309
35 INTEREST AND EXPENSE ACCRUALS	5.185	66.383	71.568	22.443	48.403	70.846	31.051	57.923	88.974	27.196	54.597	81.793
36 RESERVES	332.609	3.694	336.303	452.029	5.169	457.198	206.960	6.491	213.451	218.373	7.280	225.653
37 OTHER LIABILITIES	1.184.362	174.409	1.358.771	1.030.932	206.170	1.237.102	1.297.631	169.267	1.466.898	1.395.540	264.023	1.659.563
<b>38 TOTAL (22+...+37)-(30+31)</b>	<b>1.816.061</b>	<b>4.626.494</b>	<b>6.442.555</b>	<b>1.778.767</b>	<b>4.297.764</b>	<b>6.076.531</b>	<b>1.908.485</b>	<b>4.278.440</b>	<b>6.186.925</b>	<b>2.308.821</b>	<b>4.303.924</b>	<b>6.612.745</b>
39 PAID UP CAPITAL	1.531.223	0	1.531.223	1.856.678	0	1.856.678	2.240.426	0	2.240.426	2.772.968	0	2.772.968
40 LEGAL & PROVISIONAL RESERVES	170.073	0	170.073	55.590	0	55.590	331.321	0	331.321	2.786.176	0	2.786.176
41 CAPITAL RESERVES FROM INFLATION ACCOUNTING	7.780.402	0	7.780.402	3.782.688	0	3.782.688	4.388.533	0	4.388.533	0	0	0
42 FIXED ASSET REVALUATION FUND	0	0	0	243	0	243	0	0	0	8.804	0	8.804
43 SECURITIES REVALUATION FUND	30.058	3.595	33.653	99.451	198	99.649	136.574	1.734	138.308	179.292	3.146	182.438
44 PROFIT (LOSS) FOR THE PERIOD	464.482	0	464.482	442.647	0	442.647	315.144	0	315.144	682.622	0	682.622
45 PROFIT (LOSS) FOR PREVIOUS YEARS	-6.984.288	0	-6.984.288	-2.049.382	0	-2.049.382	-2.273.778	0	-2.273.778	-179.197	0	-179.197
<b>46 TOTAL OWNERS EQUITY (39+...+45)</b>	<b>2.991.950</b>	<b>3.595</b>	<b>2.995.545</b>	<b>4.187.915</b>	<b>198</b>	<b>4.188.113</b>	<b>5.138.220</b>	<b>1.734</b>	<b>5.139.954</b>	<b>6.250.665</b>	<b>3.146</b>	<b>6.253.811</b>
<b>47 TOTAL LIABILITIES (38+46)</b>	<b>4.808.011</b>	<b>4.630.089</b>	<b>9.438.100</b>	<b>5.966.682</b>	<b>4.297.962</b>	<b>10.264.644</b>	<b>7.046.705</b>	<b>4.280.174</b>	<b>11.326.879</b>	<b>8.559.486</b>	<b>4.307.070</b>	<b>12.866.556</b>
<b>48 NON CASH CREDITS AND OBLIGATIONS</b>	<b>872.683</b>	<b>668.446</b>	<b>1.541.129</b>	<b>656.580</b>	<b>791.543</b>	<b>1.448.123</b>	<b>1.044.708</b>	<b>724.316</b>	<b>1.769.024</b>	<b>701.794</b>	<b>1.025.885</b>	<b>1.727.679</b>
<b>49 COMMITMENTS (50+51)</b>	<b>264.072</b>	<b>1.636.045</b>	<b>1.900.117</b>	<b>486.635</b>	<b>1.374.721</b>	<b>1.861.356</b>	<b>577.507</b>	<b>1.516.437</b>	<b>2.093.944</b>	<b>2.088.054</b>	<b>3.799.126</b>	<b>5.887.180</b>
50 a) DERIVATIVE FINANCIAL INSTRUMENTS	254.082	1.432.779	1.686.861	486.198	1.268.147	1.754.345	511.560	1.280.188	1.791.748	1.664.563	3.368.787	5.033.350
51 b) OTHER COMMITMENTS	9.990	203.266	213.256	437	106.574	107.011	65.947	236.249	302.196	423.491	430.339	853.830
<b>52 TOTAL OFF BALANCE SHEET LIABILITIES (48 + 49)</b>	<b>1.136.755</b>	<b>2.304.491</b>	<b>3.441.246</b>	<b>1.143.215</b>	<b>2.166.264</b>	<b>3.309.479</b>	<b>1.622.215</b>	<b>2.240.753</b>	<b>3.862.968</b>	<b>2.789.848</b>	<b>4.825.011</b>	<b>7.614.859</b>

Source: The BRSAs Banks Reporting System as of March 29, 2006.



**Annex Table 21 - Balance Sheet of Development and Investment Banks (USD million)**

ASSETS	December 2002			December 2003			December 2004			December 2005		
	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL
1 CASH ASSETS	0	1	1	0	0	1	0	0	1	0	0	1
2 DUE FROM THE CENTRAL BANK	3	3	6	4	1	5	4	1	4	7	1	8
3 DUE FROM MONEY MARKETS	731	0	731	732	0	732	138	0	138	151	0	151
4 DUE FROM BANKS	301	1.031	1.332	565	985	1.550	1.420	1.111	2.531	1.529	926	2.456
5 SECURITIES - TRADING PORTFOLIO (NET)	45	9	54	91	19	110	115	26	141	371	9	380
6 SECURITIES AVAILABLE FOR SALE (NET)	122	155	276	266	193	459	424	246	670	747	251	998
7 REQUIRED RESERVES	1	9	10	2	21	24	3	16	19	0	49	50
8 RECEIVABLES FROM SECURITIES LENDING MARKET	0	0	0	0	0	0	0	0	0	0	0	0
9 RESERVE REPO RECEIVABLES	1	0	1	1	0	1	6	0	6	3	0	3
10 LOANS	1.060	1.532	2.592	1.682	1.857	3.539	2.222	1.733	3.955	2.931	1.508	4.439
11 PAST DUE LOANS (NET) (12-13)	28	11	39	8	4	13	17	0	17	8	0	8
12 a) PAST DUE LOANS	82	27	109	101	28	129	117	16	133	110	7	117
13 b) LOAN LOSS RESERVES (-)	54	16	70	93	24	117	100	16	116	102	7	109
14 INTEREST & INCOME ACCRUALS	102	39	141	145	49	194	130	59	189	115	51	166
15 LEASE FINANCING RECEIVABLES (NET)	1	78	78	0	119	119	0	178	178	3	221	225
16 SUBSIDIARIES, ASSOCIATED AND JOINT CONTROLLED COMPANIES (NET)	118	10	128	119	11	130	144	10	154	203	10	213
17 SECURITIES - HELD TO MATURITY (NET)	79	102	182	117	82	199	161	54	215	177	53	230
18 FIXED ASSETS TO BE SOLD (NET)	9	0	9	7	0	7	8	0	8	13	0	13
19 FIXED ASSETS (NET)	105	0	105	131	0	131	140	0	140	134	0	134
20 OTHER ASSETS	81	7	88	133	8	140	64	10	73	97	10	107
<b>21 TOTAL ASSETS (1+...+20)-(12+13)</b>	<b>2.787</b>	<b>2.987</b>	<b>5.774</b>	<b>4.005</b>	<b>3.349</b>	<b>7.354</b>	<b>4.995</b>	<b>3.444</b>	<b>8.440</b>	<b>6.490</b>	<b>3.091</b>	<b>9.580</b>
<b>LIABILITIES</b>												
22 DEPOSITS	0	0	0	0	0	0	0	0	0	0	0	0
23 DUE TO CENTRAL BANK	0	120	120	0	85	85	0	53	53	0	1	1
24 DUE TO MONEY MARKETS	17	5	22	9	0	9	7	0	7	20	0	20
25 BORROWINGS FROM SECURITIES LENDING MARKET	0	0	0	0	0	0	0	0	0	0	0	0
26 DUE TO BANKS	98	1.911	2.010	99	2.210	2.309	77	2.339	2.416	100	2.644	2.745
27 FUNDS OBTAINED FROM REPO TRANSACTIONS	1	22	23	9	44	54	111	20	131	280	62	342
28 FUNDS	55	0	55	63	0	63	72	0	72	83	0	83
29 SECURITIES ISSUED (NET) (30+31)	0	418	418	0	350	350	0	349	349	0	0	0
30 a) BONDS & BILLS	0	418	418	0	350	350	0	349	349	0	0	0
31 b) ASSET BACKED SECURITIES AND OTHER SEC. ISSUED	0	0	0	0	0	0	0	0	0	0	0	0
32 LEASE FINANCING OBLIGATIONS (NET)	0	0	0	0	0	0	0	0	0	0	1	1
33 TAXES, DUTIES, CHARGES & PREMIUMS PAYABLE	9	0	9	15	0	15	11	0	11	13	0	13
34 SUBORDINATED DEBT	0	205	205	0	204	204	0	253	253	0	254	254
35 INTEREST AND EXPENSE ACCRUALS	3	41	44	16	35	51	23	43	66	20	41	61
36 RESERVES	203	2	206	324	4	328	154	5	159	163	5	168
37 OTHER LIABILITIES	725	107	831	739	148	886	967	126	1.093	1.039	197	1.236
<b>38 TOTAL (22+...+37)-(30+31)</b>	<b>1.111</b>	<b>2.831</b>	<b>3.942</b>	<b>1.274</b>	<b>3.079</b>	<b>4.353</b>	<b>1.422</b>	<b>3.188</b>	<b>4.610</b>	<b>1.719</b>	<b>3.205</b>	<b>4.924</b>
39 PAID UP CAPITAL	937	0	937	1.330	0	1.330	1.669	0	1.669	2.065	0	2.065
40 LEGAL & PROVISIONAL RESERVES	104	0	104	40	0	40	247	0	247	2.075	0	2.075
41 CAPITAL RESERVES FROM INFLATION ACCOUNTING	4.760	0	4.760	2.710	0	2.710	3.270	0	3.270	0	0	0
42 FIXED ASSET REVALUATION FUND	0	0	0	0	0	0	0	0	0	7	0	7
43 SECURITIES REVALUATION FUND	18	2	21	71	0	71	102	1	103	134	2	136
44 PROFIT (LOSS) FOR THE PERIOD	284	0	284	317	0	317	235	0	235	508	0	508
45 PROFIT (LOSS) FOR PREVIOUS YEARS	-4.273	0	-4.273	-1.468	0	-1.468	-1.694	0	-1.694	-133	0	-133
<b>46 TOTAL OWNERS EQUITY (39+...+45)</b>	<b>1.830</b>	<b>2</b>	<b>1.833</b>	<b>3.000</b>	<b>0</b>	<b>3.000</b>	<b>3.828</b>	<b>1</b>	<b>3.830</b>	<b>4.654</b>	<b>2</b>	<b>4.657</b>
<b>47 TOTAL LIABILITIES (38+46)</b>	<b>2.942</b>	<b>2.833</b>	<b>5.774</b>	<b>4.275</b>	<b>3.079</b>	<b>7.354</b>	<b>5.251</b>	<b>3.189</b>	<b>8.440</b>	<b>6.373</b>	<b>3.207</b>	<b>9.580</b>
<b>48 NON CASH CREDITS AND OBLIGATIONS</b>	<b>534</b>	<b>409</b>	<b>943</b>	<b>470</b>	<b>567</b>	<b>1.037</b>	<b>778</b>	<b>540</b>	<b>1.318</b>	<b>523</b>	<b>764</b>	<b>1.286</b>
<b>49 COMMITMENTS (50+51)</b>	<b>162</b>	<b>1.001</b>	<b>1.163</b>	<b>349</b>	<b>985</b>	<b>1.334</b>	<b>430</b>	<b>1.130</b>	<b>1.560</b>	<b>1.555</b>	<b>2.829</b>	<b>4.384</b>
50 a) DERIVATIVE FINANCIAL INSTRUMENTS	155	877	1.032	348	909	1.257	381	954	1.335	1.239	2.508	3.748
51 b) OTHER COMMITMENTS	6	124	130	0	76	77	49	176	225	315	320	636
<b>52 TOTAL OFF BALANCE SHEET LIABILITIES (48 + 49)</b>	<b>695</b>	<b>1.410</b>	<b>2.105</b>	<b>819</b>	<b>1.552</b>	<b>2.371</b>	<b>1.209</b>	<b>1.670</b>	<b>2.878</b>	<b>2.077</b>	<b>3.593</b>	<b>5.670</b>

Source: The BRSA Banks Reporting System as of March 29, 2006.

Annex Table 22 - Balance Sheet of Development and Investment Banks (% Change) (December 2005/December 2004)

ASSETS	Nominal Change TRY			Nominal Change USD Dollar			Real Change TRY		
	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL
1 CASH ASSETS	-8,1	13,5	3,9	-8,1	13,4	3,8	-12,1	8,6	-0,6
2 DUE FROM THE CENTRAL BANK	90,2	30,2	82,2	90,1	30,1	82,1	81,9	24,6	74,3
3 DUE FROM MONEY MARKETS	9,9	-	9,9	9,8	-	9,8	5,1	-	5,1
4 DUE FROM BANKS	7,8	-16,6	-2,9	7,7	-16,6	-3,0	3,1	-20,2	-7,1
5 SECURITIES - TRADING PORTFOLIO (NET)	222,7	-65,5	169,5	222,5	-65,5	169,3	208,7	-67,0	157,8
6 SECURITIES AVAILABLE FOR SALE (NET)	76,3	1,9	49,0	76,2	1,9	48,9	68,6	-2,5	42,5
7 REQUIRED RESERVES	-92,9	208,6	161,1	-92,9	208,4	160,9	-93,2	195,2	149,7
8 RECEIVABLES FROM SECURITIES LENDING MARKET	-	-	-	-	-	-	-	-	-
9 RESERVE REPO RECEIVABLES	-47,1	-	-47,1	-47,1	-	-47,1	-49,4	-	-49,4
10 LOANS	32,0	-12,9	12,3	31,9	-13,0	12,2	26,3	-16,7	7,4
11 PAST DUE LOANS (NET) (12-13)	-54,6	-	-54,6	-54,6	-	-54,6	-56,6	-	-56,6
12 a) PAST DUE LOANS	-6,0	-57,6	-12,1	-6,1	-57,6	-12,2	-10,1	-59,4	-16,0
13 b) LOAN LOSS RESERVES (-)	2,3	-57,6	-5,9	2,2	-57,6	-6,0	-2,2	-59,4	-10,0
14 INTEREST & INCOME ACCRUALS	-11,8	-13,8	-12,5	-11,9	-13,9	-12,5	-15,7	-17,6	-16,3
15 LEASE FINANCING RECEIVABLES (NET)	1.546,2	24,7	26,5	1.545,1	24,6	26,4	1.474,7	19,3	21,0
16 SUBSIDIARIES, ASSOCIATED AND JOINT CONTROLLED COMPANIES (NET)	41,2	-0,6	38,4	41,1	-0,6	38,3	35,1	-4,9	32,4
17 SECURITIES - HELD TO MATURITY (NET)	10,2	-1,6	7,3	10,2	-1,7	7,2	5,5	-5,9	2,6
18 FIXED ASSETS TO BE SOLD (NET)	73,3	-	73,3	73,2	-	73,2	65,8	-	65,8
19 FIXED ASSETS (NET)	-4,6	-	-4,6	-4,7	-	-4,7	-8,8	-	-8,7
20 OTHER ASSETS	52,1	3,2	45,6	52,0	3,1	45,5	45,5	-1,3	39,2
21 TOTAL ASSETS (1+...+20)-(12+13)	30,0	-10,2	13,6	29,9	-10,3	13,5	24,4	-14,1	8,7
LIABILITIES									
22 DEPOSITS	-	-	-	-	-	-	-	-	-
23 DUE TO CENTRAL BANK	-	-98,1	-98,1	-	-98,1	-98,1	-	-98,2	-98,2
24 DUE TO MONEY MARKETS	186,2	-	186,2	186,0	-	186,0	173,8	-	173,8
25 BORROWINGS FROM SECURITIES LENDING MARKET	-	-	-	-	-	-	-	-	-
26 DUE TO BANKS	30,8	13,1	13,7	30,7	13,1	13,6	25,1	8,2	8,8
27 FUNDS OBTAINED FROM REPO TRANSACTIONS	152,9	211,5	161,8	152,7	211,3	161,6	141,9	198,0	150,4
28 FUNDS	15,7	0,0	15,7	15,7	-0,1	15,7	10,7	-4,3	10,7
29 SECURITIES ISSUED (NET) (30+31)	0,0	-100,0	-100,0	-0,1	-100,0	-100,0	-4,3	-100,0	-100,0
30 a) BONDS & BILLS	0,0	-100,0	-100,0	-0,1	-100,0	-100,0	-4,3	-100,0	-100,0
31 b) ASSET BACKED SECURITIES AND OTHER SEC. ISSUED	-	-	-	-	-	-	-	-	-
32 LEASE FINANCING OBLIGATIONS (NET)	-	118,2	118,2	-	118,0	118,0	-	108,7	108,7
33 TAXES, DUTIES, CHARGES & PREMIUMS PAYABLE	17,2	-	17,2	17,1	-	17,1	12,1	-	12,1
34 SUBORDINATED DEBT	-	0,6	0,6	-	0,6	0,6	-	-3,8	-3,8
35 INTEREST AND EXPENSE ACCRUALS	-12,4	-5,7	-8,1	-12,5	-5,8	-8,1	-16,2	-9,8	-12,1
36 RESERVES	5,5	12,2	5,7	5,4	12,1	5,6	0,9	7,3	1,1
37 OTHER LIABILITIES	7,5	56,0	13,1	7,5	55,9	13,1	2,9	49,2	8,2
38 TOTAL (22+...+37)-(30+31)	21,0	0,6	6,9	20,9	0,5	6,8	15,7	-3,8	2,2
39 PAID UP CAPITAL	23,8	-	23,8	23,7	-	23,7	18,4	-	18,4
40 LEGAL & PROVISIONAL RESERVES	740,9	-	740,9	740,4	-	740,4	704,4	-	704,4
41 CAPITAL RESERVES FROM INFLATION ACCOUNTING	-100,0	-	-100,0	-100,0	-	-100,0	-100,0	-	-100,0
42 FIXED ASSET REVALUATION FUND	-	-	-	-	-	-	-	-	-
43 SECURITIES REVALUATION FUND	31,3	81,4	31,9	31,2	81,3	31,8	25,6	73,5	26,2
44 PROFIT (LOSS) FOR THE PERIOD	116,6	-	116,6	116,5	-	116,5	107,2	-	107,2
45 PROFIT (LOSS) FOR PREVIOUS YEARS	-92,1	-	-92,1	-92,1	-	-92,1	-92,5	-	-92,5
46 TOTAL OWNERS EQUITY (39+...+45)	21,7	81,4	21,7	21,6	81,3	21,6	16,4	73,5	16,4
47 TOTAL LIABILITIES (38+46)	21,5	0,6	13,6	21,4	0,6	13,5	16,2	-3,7	8,7
48 NON CASH CREDITS AND OBLIGATIONS	-32,8	41,6	-2,3	-32,9	41,5	-2,4	-35,7	35,5	-6,6
49 COMMITMENTS (50+51)	261,6	150,5	181,2	261,3	150,4	181,0	245,8	139,6	168,9
50 a) DERIVATIVE FINANCIAL INSTRUMENTS	225,4	163,1	180,9	225,2	163,0	180,7	211,2	151,7	168,7
51 b) OTHER COMMITMENTS	542,2	82,2	182,5	541,7	82,0	182,4	514,3	74,2	170,3
52 TOTAL OFF BALANCE SHEET LIABILITIES (48 + 49)	72,0	115,3	97,1	71,9	115,2	97,0	64,5	106,0	88,6

Source: The BRSA Banks Reporting System as of March 29, 2006.

**Annex Table 23 - Income Statement of Banking Sector (TRY thousand)**

(TRY thousand)	December 2002			December 2003			December 2004			December 2005		
	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL
1 Interest Income on Loans	8.141.687	2.240.247	10.381.934	8.828.549	1.626.104	10.454.653	13.710.401	1.833.068	15.543.469	17.930.626	2.189.187	20.119.813
2 Interest Income on Past Due Loans	401.788	26.118	427.906	463.735	4.348	468.083	444.272	2.031	446.303	396.219	3.048	399.267
3 Interest Income on Banks	846.534	639.695	1.486.229	596.482	283.386	879.868	551.509	339.528	891.037	676.528	466.235	1.142.763
4 Interest Income on Money Markets	3.360.326	74.580	3.434.906	2.557.246	73.706	2.630.952	1.001.287	14.653	1.015.940	541.225	16.310	557.535
5 Interest Income on Securities - Trading Portfolio	7.269.446	1.311.850	8.581.296	5.005.510	917.779	5.923.289	4.117.333	968.862	5.086.195	1.681.140	549.077	2.230.217
6 Interest Income on Securities - Available for Sale	1.756.362	603.705	2.360.067	1.878.047	856.152	2.734.199	5.307.815	1.073.196	6.381.011	7.623.959	1.589.653	9.213.612
7 Interest Income on Securities - Held to Maturity	15.690.475	906.926	16.597.401	13.778.874	799.918	14.578.792	9.236.854	609.664	9.846.518	6.863.523	535.474	7.398.997
8 Income from Reverse Repo Transactions	8.487	291	8.778	19.064	110	19.174	32.300	497	32.797	48.731	16	48.747
9 Income from Lease Financing Receivables	226	8.516	8.742	54	6.817	6.871	14	10.061	10.075	528	13.673	14.201
10 Other Interest Income	1.012.249	97.030	1.109.279	1.065.639	61.526	1.127.165	1.010.338	73.241	1.083.579	1.054.628	116.014	1.170.642
<b>11 Total Interest Income (from 1 to 10)</b>	<b>38.487.580</b>	<b>5.908.958</b>	<b>44.396.538</b>	<b>34.193.200</b>	<b>4.629.846</b>	<b>38.823.046</b>	<b>35.412.123</b>	<b>4.924.801</b>	<b>40.336.924</b>	<b>36.817.107</b>	<b>5.478.687</b>	<b>42.295.794</b>
12 Interest Paid for Deposits	24.089.799	2.223.231	26.313.030	21.294.387	1.928.502	23.222.889	17.126.599	1.862.040	18.988.639	17.861.183	1.913.559	19.774.742
13 Interest Paid for Balances Due to Banks	1.365.408	982.274	2.347.682	951.704	643.518	1.595.222	784.387	796.498	1.580.885	906.682	1.376.711	2.283.393
14 Interest Paid for Money Markets	171.154	96.756	267.910	194.247	70.766	265.013	112.806	24.643	137.449	121.608	26.494	148.102
15 Interest Paid For Issued Securities	0	164.694	164.694	0	72.198	72.198	0	59.609	59.609	0	7.028	7.028
16 Interest Paid For Repo Transactions	2.326.295	21.927	2.348.222	2.179.634	51.686	2.231.320	1.697.682	110.703	1.808.385	1.419.964	122.661	1.542.625
17 Expenses for Lease Financing Obligations	4.372	8.215	12.587	4.051	6.103	10.154	10.559	12.080	22.639	5.671	19.648	25.319
18 Other Interest Expenses	105.422	36.936	142.358	147.944	20.861	168.805	90.491	20.315	110.806	193.798	19.524	213.322
<b>19 Total Interest Expenses (from 12 to 18)</b>	<b>28.062.450</b>	<b>3.534.033</b>	<b>31.596.483</b>	<b>24.771.967</b>	<b>2.793.634</b>	<b>27.565.601</b>	<b>19.822.524</b>	<b>2.885.888</b>	<b>22.708.412</b>	<b>20.508.906</b>	<b>3.485.625</b>	<b>23.994.531</b>
<b>20 NET OF INTEREST INCOME (INTEREST EXPENSE) (11-19)</b>	<b>10.425.130</b>	<b>2.374.925</b>	<b>12.800.055</b>	<b>9.421.233</b>	<b>1.836.212</b>	<b>11.257.445</b>	<b>15.589.599</b>	<b>2.038.913</b>	<b>17.628.512</b>	<b>16.308.201</b>	<b>1.993.062</b>	<b>18.301.263</b>
21 Provisions for Past Due Loans	3.360.121	276.934	3.637.055	2.521.828	100.209	2.622.037	1.400.230	23.072	1.423.302	2.103.608	116.210	2.219.818
<b>22 NET OF INTEREST INCOME (EXPENSE) AFTER PROVISIONS (20-21)</b>	<b>7.065.009</b>	<b>2.097.991</b>	<b>9.163.000</b>	<b>6.899.405</b>	<b>1.736.003</b>	<b>8.635.408</b>	<b>14.189.369</b>	<b>2.015.841</b>	<b>16.205.210</b>	<b>14.204.593</b>	<b>1.876.852</b>	<b>16.081.445</b>
23 Fees and Commissions Received on Loans	510.334	399.440	909.774	541.764	339.814	881.578	737.331	405.421	1.142.752	896.629	384.546	1.281.175
24 Dividend Income	396.416	129.853	526.269	235.911	107.058	342.969	356.918	195.067	551.985	259.054	126.184	385.238
25 Income from Banking Activities	2.260.150	207.428	2.467.578	2.872.235	220.809	3.093.044	3.941.210	252.663	4.193.873	5.249.894	267.344	5.517.238
26 Income from Fixed Assets Sold	94.075	0	94.075	722.641	1	722.642	201.469	270	201.739	310.514	13.193	323.707
27 Other Non-Interest Income	3.607.216	126.049	3.733.265	2.058.081	90.236	2.148.317	2.007.405	48.142	2.055.547	2.611.701	73.000	2.684.701
<b>28 Total Non-Interest Income (from 23 to 27)</b>	<b>6.868.191</b>	<b>862.770</b>	<b>7.730.961</b>	<b>6.430.632</b>	<b>757.918</b>	<b>7.188.550</b>	<b>7.244.333</b>	<b>901.563</b>	<b>8.145.896</b>	<b>9.327.792</b>	<b>864.267</b>	<b>10.192.059</b>
29 Personnel Expenses	3.552.909	29.975	3.582.884	4.001.564	29.071	4.030.635	4.623.208	31.275	4.654.483	5.254.677	34.432	5.289.109
30 Provisions for Unexpected (General) Loan Losses	225.387	65.065	290.452	189.111	4.948	194.059	320.890	25.792	346.682	511.248	131.321	642.569
31 Provisions for Retirement Benefits Fund	149.927	1	149.928	215.875	0	215.875	154.405	0	154.405	166.875	9	166.884
32 Provisions for Value Decreases in Securities Portfolio	52.858	21.143	74.001	118.137	9.726	127.863	83.019	230.776	313.795	437.646	132.645	570.291
33 Provisions for Value Decreases in Subsidiaries, Associated and Joint Cor	378.879	8.210	387.089	147.213	1.465	148.678	264.889	19.823	284.712	751.895	22.442	774.337
34 Other Provisions	463.392	22.531	485.923	504.080	22.941	527.021	1.344.217	4.146	1.348.363	2.102.400	4.741	2.107.141
35 Fees and Commissions Paid for Transactions	888.788	178.032	1.066.820	984.333	164.464	1.148.797	961.706	272.092	1.233.798	1.006.556	293.388	1.299.944
36 Depreciation Expenses	794.518	3.413	797.931	967.483	4.116	971.599	927.407	4.211	931.618	1.112.074	4.099	1.116.173
37 Taxes, Duties, Charges and Premiums Paid	535.103	2.029	537.132	608.954	1.691	610.645	416.926	3.349	420.275	401.045	3.552	404.597
38 Other Non-Interest Expenses	4.649.153	123.761	4.772.914	4.620.093	87.097	4.707.190	4.738.452	86.100	4.824.552	6.863.045	105.926	6.968.971
<b>39 Total Non-Interest Expenses (from 29 to 38)</b>	<b>11.690.914</b>	<b>454.160</b>	<b>12.145.074</b>	<b>12.356.843</b>	<b>325.519</b>	<b>12.682.362</b>	<b>13.835.119</b>	<b>677.564</b>	<b>14.512.683</b>	<b>18.607.461</b>	<b>732.555</b>	<b>19.340.016</b>
40 Net of Income (Loss) from Capital Market Transactions	2.971.208	297.388	3.268.596	4.660.188	434.886	5.095.074	1.098.288	741.115	1.839.403	1.201.538	174.342	1.375.880
41 Net of Income (Loss) from FX Transactions	0	-2.371.224	-2.371.224	0	1.631.223	1.631.223	0	456.476	456.476	0	741.518	741.518
42 Net of Income (Expense) from Extra Ordinary Transactions	531.431	1.799	533.230	51.813	54	51.867	13.428	0	13.428	1.631	-2	1.629
43 Profit (Loss) from Net Monetary Position	-2.122.317		-2.122.317	-1.853.477		-1.853.477	-3.069.192		-3.069.192	0		0
44 Total Other Non-Interest Income (Expense) (from 40 to 43)	1.380.322	-2.072.037	-691.715	2.858.524	2.066.163	4.924.687	-1.957.476	1.197.591	-759.885	1.203.169	915.858	2.119.027
<b>45 PROFIT (LOSS) BEFORE TAX [(22+28+44)-39]</b>	<b>3.622.608</b>	<b>434.564</b>	<b>4.057.172</b>	<b>3.831.718</b>	<b>4.234.565</b>	<b>8.066.283</b>	<b>5.641.107</b>	<b>3.437.431</b>	<b>9.078.538</b>	<b>6.128.093</b>	<b>2.924.422</b>	<b>9.052.515</b>
46 Provisions for Taxes	1.147.737	4.837	1.152.574	2.453.938	4.072	2.458.010	2.631.426	-4.890	2.626.536	3.335.744	2.303	3.338.047
<b>47 PROFIT (LOSS) FOR THE PERIOD (45 - 46)</b>	<b>2.474.871</b>	<b>429.727</b>	<b>2.904.598</b>	<b>1.377.780</b>	<b>4.230.493</b>	<b>5.608.273</b>	<b>3.009.681</b>	<b>3.442.321</b>	<b>6.452.002</b>	<b>2.792.349</b>	<b>2.922.119</b>	<b>5.714.468</b>

Source: The BRSA Banks Reporting System as of March 29, 2006.

**Annex Table 24 - Income Statement of Banking Sector (USD million)**

(USD million)	December 2002			December 2003			December 2004			December 2005		
	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL
1 Interest Income on Loans	4.981	1.371	6.352	6.325	1.165	7.490	10.216	1.366	11.581	13.351	1.630	14.981
2 Interest Income on Past Due Loans	246	16	262	332	3	335	331	2	333	295	2	297
3 Interest Income on Banks	518	391	909	427	203	630	411	253	664	504	347	851
4 Interest Income on Money Markets	2.056	46	2.102	1.832	53	1.885	746	11	757	403	12	415
5 Interest Income on Securities - Trading Portfolio	4.448	803	5.250	3.586	658	4.244	3.068	722	3.790	1.252	409	1.661
6 Interest Income on Securities - Available for Sale	1.075	369	1.444	1.345	613	1.959	3.955	800	4.754	5.677	1.184	6.860
7 Interest Income on Securities - Held to Maturity	9.600	555	10.154	9.871	573	10.444	6.882	454	7.337	5.111	399	5.509
8 Income from Reverse Repo Transactions	5	0	5	14	0	14	24	0	24	36	0	36
9 Income from Lease Financing Receivables	0	5	5	0	5	5	0	7	8	0	10	11
10 Other Interest Income	619	59	679	763	44	808	753	55	807	785	86	872
<b>11 Total Interest Income (from 1 to 10)</b>	<b>23.547</b>	<b>3.615</b>	<b>27.162</b>	<b>24.497</b>	<b>3.317</b>	<b>27.813</b>	<b>26.386</b>	<b>3.669</b>	<b>30.055</b>	<b>27.414</b>	<b>4.079</b>	<b>31.494</b>
12 Interest Paid for Deposits	14.738	1.360	16.099	15.256	1.382	16.637	12.761	1.387	14.148	13.299	1.425	14.724
13 Interest Paid for Balances Due to Banks	835	601	1.436	682	461	1.143	584	593	1.178	675	1.025	1.700
14 Interest Paid for Money Markets	105	59	164	139	51	190	84	18	102	91	20	110
15 Interest Paid For Issued Securities	0	101	101	0	52	52	0	44	44	0	5	5
16 Interest Paid For Repo Transactions	1.423	13	1.437	1.562	37	1.599	1.265	82	1.347	1.057	91	1.149
17 Expenses for Lease Financing Obligations	3	5	8	3	4	7	8	9	17	4	15	19
18 Other Interest Expenses	64	23	87	106	15	121	67	15	83	144	15	159
<b>19 Total Interest Expenses (from 12 to 18)</b>	<b>17.169</b>	<b>2.162</b>	<b>19.331</b>	<b>17.747</b>	<b>2.001</b>	<b>19.748</b>	<b>14.770</b>	<b>2.150</b>	<b>16.920</b>	<b>15.271</b>	<b>2.595</b>	<b>17.866</b>
<b>20 NET OF INTEREST INCOME (INTEREST EXPENSE) (11-19)</b>	<b>6.378</b>	<b>1.453</b>	<b>7.831</b>	<b>6.750</b>	<b>1.315</b>	<b>8.065</b>	<b>11.616</b>	<b>1.519</b>	<b>13.135</b>	<b>12.143</b>	<b>1.484</b>	<b>13.627</b>
21 Provisions for Past Due Loans	2.056	169	2.225	1.807	72	1.878	1.043	17	1.061	1.566	87	1.653
<b>22 NET OF INTEREST INCOME (EXPENSE) AFTER PROVISIONS (20-21)</b>	<b>4.322</b>	<b>1.284</b>	<b>5.606</b>	<b>4.943</b>	<b>1.244</b>	<b>6.187</b>	<b>10.573</b>	<b>1.502</b>	<b>12.075</b>	<b>10.577</b>	<b>1.398</b>	<b>11.974</b>
23 Fees and Commissions Received on Loans	312	244	557	388	243	632	549	302	851	668	286	954
24 Dividend Income	243	79	322	169	77	246	266	145	411	193	94	287
25 Income from Banking Activities	1.383	127	1.510	2.058	158	2.216	2.937	188	3.125	3.909	199	4.108
26 Income from Fixed Assets Sold	58	0	58	518	0	518	150	0	150	231	10	241
27 Other Non-Interest Income	2.207	77	2.284	1.474	65	1.539	1.496	36	1.532	1.945	54	1.999
<b>28 Total Non-Interest Income (from 23 to 27)</b>	<b>4.202</b>	<b>528</b>	<b>4.730</b>	<b>4.607</b>	<b>543</b>	<b>5.150</b>	<b>5.398</b>	<b>672</b>	<b>6.070</b>	<b>6.945</b>	<b>644</b>	<b>7.589</b>
29 Personnel Expenses	2.174	18	2.192	2.867	21	2.888	3.445	23	3.468	3.913	26	3.938
30 Provisions for Unexpected (General) Loan Losses	138	40	178	135	4	139	239	19	258	381	98	478
31 Provisions for Retirement Benefits Fund	92	0	92	155	0	155	115	0	115	124	0	124
32 Provisions for Value Decreases in Securities Portfolio	32	13	45	85	7	92	62	172	234	326	99	425
33 Provisions for Value Decreases in Subsidiaries, Associated and Joint Cor	232	5	237	105	1	107	197	15	212	560	17	577
34 Other Provisions	284	14	297	361	16	378	1.002	3	1.005	1.565	4	1.569
35 Fees and Commissions Paid for Transactions	544	109	653	705	118	823	717	203	919	749	218	968
36 Depreciation Expenses	486	2	488	693	3	696	691	3	694	828	3	831
37 Taxes, Duties, Charges and Premiums Paid	327	1	329	436	1	437	311	2	313	299	3	301
38 Other Non-Interest Expenses	2.844	76	2.920	3.310	62	3.372	3.531	64	3.595	5.110	79	5.189
<b>39 Total Non-Interest Expenses (from 29 to 38)</b>	<b>7.153</b>	<b>278</b>	<b>7.430</b>	<b>8.853</b>	<b>233</b>	<b>9.086</b>	<b>10.309</b>	<b>505</b>	<b>10.813</b>	<b>13.855</b>	<b>545</b>	<b>14.401</b>
40 Net of Income (Loss) from Capital Market Transactions	1.818	182	2.000	3.339	312	3.650	818	552	1.371	895	130	1.024
41 Net of Income (Loss) from FX Transactions	0	-1.451	-1.451	0	1.169	1.169	0	340	340	0	552	552
42 Net of Income (Expense) from Extra Ordinary Transactions	325	1	326	37	0	37	10	0	10	1	0	1
43 Profit (Loss) from Net Monetary Position	-1.298	0	-1.298	-1.328	0	-1.328	-2.287	0	-2.287	0	0	0
44 Total Other Non-Interest Income (Expense) (from 40 to 43)	844	-1.268	-423	2.048	1.480	3.528	-1.459	892	-566	896	682	1.578
<b>45 PROFIT (LOSS) BEFORE TAX [(22+28+44)-39]</b>	<b>2.216</b>	<b>266</b>	<b>2.482</b>	<b>2.745</b>	<b>3.034</b>	<b>5.779</b>	<b>4.203</b>	<b>2.561</b>	<b>6.764</b>	<b>4.563</b>	<b>2.178</b>	<b>6.741</b>
46 Provisions for Taxes	702	3	705	1.758	3	1.761	1.961	-4	1.957	2.484	2	2.486
<b>47 PROFIT (LOSS) FOR THE PERIOD (45 - 46)</b>	<b>1.514</b>	<b>263</b>	<b>1.777</b>	<b>987</b>	<b>3.031</b>	<b>4.018</b>	<b>2.243</b>	<b>2.565</b>	<b>4.807</b>	<b>2.079</b>	<b>2.176</b>	<b>4.255</b>

Source: The BRSA Banks Reporting System as of March 29, 2006.

**Annex Table 25 - Income Statement of Banking Sector (December 2005/ December 2004) (% Change)**

	Nominal Change TRY			Nominal Change USD Dollar			Real Change TRY		
	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL
1 Interest Income on Loans	30,8	19,4	29,4	30,7	19,3	29,4	25,1	14,2	23,8
2 Interest Income on Past Due Loans	-10,8	50,1	-10,5	-10,9	50,0	-10,6	-14,7	43,5	-14,4
3 Interest Income on Banks	22,7	37,3	28,3	22,6	37,2	28,2	17,3	31,3	22,7
4 Interest Income on Money Markets	-45,9	11,3	-45,1	-46,0	11,2	-45,2	-48,3	6,5	-47,5
5 Interest Income on Securities - Trading Portfolio	-59,2	-43,3	-56,2	-59,2	-43,4	-56,2	-60,9	-45,8	-58,1
6 Interest Income on Securities - Available for Sale	43,6	48,1	44,4	43,5	48,0	44,3	37,4	41,7	38,1
7 Interest Income on Securities - Held to Maturity	-25,7	-12,2	-24,9	-25,7	-12,2	-24,9	-28,9	-16,0	-28,1
8 Income from Reverse Repo Transactions	50,9	-96,8	48,6	50,8	-96,8	48,5	44,3	-96,9	42,2
9 Income from Lease Financing Receivables	3.671,4	35,9	41,0	3.668,9	35,8	40,9	3.507,5	30,0	34,8
10 Other Interest Income	4,4	58,4	8,0	4,3	58,3	8,0	-0,2	51,5	3,3
<b>11 Total Interest Income (from 1 to 10)</b>	<b>4,0</b>	<b>11,2</b>	<b>4,9</b>	<b>3,9</b>	<b>11,2</b>	<b>4,8</b>	<b>-0,6</b>	<b>6,4</b>	<b>0,3</b>
12 Interest Paid for Deposits	4,3	2,8	4,1	4,2	2,7	4,1	-0,2	-1,7	-0,4
13 Interest Paid for Balances Due to Banks	15,6	72,8	44,4	15,5	72,7	44,3	10,6	65,3	38,2
14 Interest Paid for Money Markets	7,8	7,5	7,8	7,7	7,4	7,7	3,1	2,8	3,1
15 Interest Paid For Issued Securities	-	-88,2	-88,2	-	-88,2	-88,2	-	-88,7	-88,7
16 Interest Paid For Repo Transactions	-16,4	10,8	-14,7	-16,4	10,7	-14,8	-20,0	6,0	-18,4
17 Expenses for Lease Financing Obligations	-46,3	62,6	11,8	-46,3	62,5	11,8	-48,6	55,6	7,0
18 Other Interest Expenses	114,2	-3,9	92,5	114,0	-4,0	92,4	104,9	-8,1	84,2
<b>19 Total Interest Expenses (from 12 to 18)</b>	<b>3,5</b>	<b>20,8</b>	<b>5,7</b>	<b>3,4</b>	<b>20,7</b>	<b>5,6</b>	<b>-1,0</b>	<b>15,5</b>	<b>1,1</b>
<b>20 NET OF INTEREST INCOME (INTEREST EXPENSE) (11-19)</b>	<b>4,6</b>	<b>-2,2</b>	<b>3,8</b>	<b>4,5</b>	<b>-2,3</b>	<b>3,7</b>	<b>0,1</b>	<b>-6,5</b>	<b>-0,7</b>
21 Provisions for Past Due Loans	50,2	403,7	56,0	50,1	403,3	55,9	43,7	381,8	49,2
<b>22 NET OF INTEREST INCOME (EXPENSE) AFTER PROVISIONS</b>	<b>0,1</b>	<b>-6,9</b>	<b>-0,8</b>	<b>0,0</b>	<b>-7,0</b>	<b>-0,8</b>	<b>-4,2</b>	<b>-10,9</b>	<b>-5,1</b>
23 Fees and Commissions Received on Loans	21,6	-5,1	12,1	21,5	-5,2	12,0	16,3	-9,3	7,2
24 Dividend Income	-27,4	-35,3	-30,2	-27,5	-35,4	-30,3	-30,6	-38,1	-33,2
25 Income from Banking Activities	33,2	3,6	31,5	33,1	3,6	31,4	27,4	-0,9	25,7
26 Income from Fixed Assets Sold	54,1	4.786,3	60,5	54,0	4.783,0	60,4	47,4	4.573,9	53,5
27 Other Non-Interest Income	30,1	51,6	30,6	30,0	51,5	30,5	24,4	45,0	24,9
<b>28 Total Non-Interest Income (from 23 to 27)</b>	<b>28,8</b>	<b>-4,7</b>	<b>25,1</b>	<b>28,7</b>	<b>-4,8</b>	<b>25,0</b>	<b>23,2</b>	<b>-8,9</b>	<b>19,6</b>
29 Personnel Expenses	13,7	10,1	13,6	13,6	10,0	13,6	8,7	5,3	8,7
30 Provisions for Unexpected (General) Loan Losses	59,3	409,2	85,3	59,2	408,8	85,2	52,4	387,0	77,3
31 Provisions for Retirement Benefits Fund	8,1	-	8,1	8,0	-	8,0	3,4	-	3,4
32 Provisions for Value Decreases in Securities Portfolio	427,2	-42,5	81,7	426,8	-42,6	81,6	404,2	-45,0	73,8
33 Provisions for Value Decreases in Subsidiaries, Associated and Joint Ventures	183,9	13,2	172,0	183,7	13,1	171,8	171,5	8,3	160,1
34 Other Provisions	56,4	14,4	56,3	56,3	14,3	56,2	49,6	9,4	49,5
35 Fees and Commissions Paid for Transactions	4,7	7,8	5,4	4,6	7,8	5,3	0,1	3,1	0,8
36 Depreciation Expenses	19,9	-2,7	19,8	19,8	-2,7	19,7	14,7	-6,9	14,6
37 Taxes, Duties, Charges and Premiums Paid	-3,8	6,1	-3,7	-3,9	6,0	-3,8	-8,0	1,5	-7,9
38 Other Non-Interest Expenses	44,8	23,0	44,4	44,7	22,9	44,4	38,5	17,7	38,2
<b>39 Total Non-Interest Expenses (from 29 to 38)</b>	<b>34,5</b>	<b>8,1</b>	<b>33,3</b>	<b>34,4</b>	<b>8,0</b>	<b>33,2</b>	<b>28,6</b>	<b>3,4</b>	<b>27,5</b>
40 Net of Income (Loss) from Capital Market Transactions	9,4	-76,5	-25,2	9,3	-76,5	-25,2	4,6	-77,5	-28,5
41 Net of Income (Loss) from FX Transactions	-	62,4	62,4	-	62,3	62,3	-	55,4	55,4
42 Net of Income (Expense) from Extra Ordinary Transactions	-87,9	-	-87,9	-87,9	-	-87,9	-88,4	-	-88,4
43 Profit (Loss) from Net Monetary Position	-100,0	-	-100,0	-100,0	-	-100,0	-100,0	-	-100,0
44 Total Other Non-Interest Income (Expense) (from 40 to 43)	-161,5	-23,5	-378,9	-161,4	-23,6	-378,7	-158,8	-26,8	-366,7
<b>45 PROFIT (LOSS) BEFORE TAX [(22+28+44)-39]</b>	<b>8,7</b>	<b>-15,1</b>	<b>-0,3</b>	<b>8,6</b>	<b>-15,1</b>	<b>-0,4</b>	<b>3,9</b>	<b>-18,8</b>	<b>-4,7</b>
46 Provisions for Taxes	26,7	-147,1	27,0	26,6	-147,1	27,0	21,2	-145,0	21,5
<b>47 PROFIT (LOSS) FOR THE PERIOD (45 - 46)</b>	<b>-7,1</b>	<b>-15,3</b>	<b>-11,5</b>	<b>-7,2</b>	<b>-15,3</b>	<b>-11,5</b>	<b>-11,2</b>	<b>-19,0</b>	<b>-15,3</b>

Source: The BRSA Banks Reporting System as of March 29, 2006.

**Annex Table 26 - Income Statement of Banking Sector Excluding SDIF Banks (TRY thousand)**

(TRY thousand)	December 2002			December 2003			December 2004			December 2005		
	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL
1 Interest Income on Loans	7.825.802	2.160.943	9.986.745	8.696.906	1.596.753	10.293.659	13.708.266	1.832.690	15.540.956	17.930.331	2.188.534	20.118.865
2 Interest Income on Past Due Loans	378.894	26.118	405.012	443.132	4.289	447.421	439.952	2.031	441.983	391.855	3.048	394.903
3 Interest Income on Banks	765.447	598.507	1.363.954	560.610	265.366	825.976	479.716	330.426	810.142	601.592	460.408	1.062.000
4 Interest Income on Money Markets	3.278.945	74.579	3.353.524	2.550.302	73.698	2.624.000	1.001.216	14.653	1.015.869	538.553	16.310	554.863
5 Interest Income on Securities - Trading Portfolio	6.640.253	1.308.277	7.948.530	4.425.376	917.025	5.342.401	3.788.110	968.750	4.756.860	1.613.327	549.074	2.162.401
6 Interest Income on Securities - Available for Sale	1.507.407	603.705	2.111.112	1.291.829	852.890	2.144.719	5.307.815	1.073.196	6.381.011	7.623.959	1.589.653	9.213.612
7 Interest Income on Securities - Held to Maturity	15.501.831	878.536	16.380.367	13.729.367	799.899	14.529.266	9.236.854	609.664	9.846.518	6.863.523	535.474	7.398.997
8 Income from Reverse Repo Transactions	8.214	291	8.505	18.867	110	18.977	32.269	497	32.766	48.731	16	48.747
9 Income from Lease Financing Receivables	226	8.516	8.742	54	6.817	6.871	14	10.061	10.075	528	13.673	14.201
10 Other Interest Income	983.028	96.549	1.079.577	1.051.579	61.471	1.113.050	1.007.633	73.113	1.080.746	1.053.005	115.824	1.168.829
<b>11 Total Interest Income (from 1 to 10)</b>	<b>36.890.047</b>	<b>5.756.021</b>	<b>42.646.068</b>	<b>32.768.022</b>	<b>4.578.318</b>	<b>37.346.340</b>	<b>35.001.845</b>	<b>4.915.081</b>	<b>39.916.926</b>	<b>36.665.404</b>	<b>5.472.014</b>	<b>42.137.418</b>
12 Interest Paid for Deposits	22.896.470	2.048.105	24.944.575	20.549.863	1.844.596	22.394.459	17.126.590	1.862.040	18.988.630	17.861.183	1.913.559	19.774.742
13 Interest Paid for Balances Due to Banks	1.269.033	941.575	2.210.608	898.527	624.544	1.523.071	783.185	793.428	1.576.613	906.682	1.375.203	2.281.885
14 Interest Paid for Money Markets	162.606	96.756	259.362	186.499	70.766	257.265	112.599	24.643	137.242	121.608	26.494	148.102
15 Interest Paid For Issued Securities	0	164.694	164.694	0	72.198	72.198	0	59.609	59.609	0	7.028	7.028
16 Interest Paid For Repo Transactions	2.167.317	21.927	2.189.244	1.560.164	51.686	1.611.850	1.605.359	110.703	1.716.062	1.419.747	122.661	1.542.408
17 Expenses for Lease Financing Obligations	4.372	8.215	12.587	4.051	6.103	10.154	10.559	12.080	22.639	5.671	19.648	25.319
18 Other Interest Expenses	100.863	33.403	134.266	57.647	17.424	75.071	64.713	20.315	85.028	192.916	19.483	212.399
<b>19 Total Interest Expenses (from 12 to 18)</b>	<b>26.600.661</b>	<b>3.314.675</b>	<b>29.915.336</b>	<b>23.256.751</b>	<b>2.687.317</b>	<b>25.944.068</b>	<b>19.703.005</b>	<b>2.882.818</b>	<b>22.585.823</b>	<b>20.507.807</b>	<b>3.484.076</b>	<b>23.991.883</b>
<b>20 NET OF INTEREST INCOME (INTEREST EXPENSE) (11-19)</b>	<b>10.289.386</b>	<b>2.441.346</b>	<b>12.730.732</b>	<b>9.511.271</b>	<b>1.891.001</b>	<b>11.402.272</b>	<b>15.298.840</b>	<b>2.032.263</b>	<b>17.331.103</b>	<b>16.157.597</b>	<b>1.987.938</b>	<b>18.145.535</b>
21 Provisions for Past Due Loans	2.343.252	98.952	2.442.204	2.388.019	56.753	2.444.772	1.375.894	20.895	1.396.789	2.091.558	115.882	2.207.440
<b>22 NET OF INTEREST INCOME (EXPENSE) AFTER PROVISIONS (20-21)</b>	<b>7.946.134</b>	<b>2.342.394</b>	<b>10.288.528</b>	<b>7.123.252</b>	<b>1.834.248</b>	<b>8.957.500</b>	<b>13.922.946</b>	<b>2.011.368</b>	<b>15.934.314</b>	<b>14.066.039</b>	<b>1.872.056</b>	<b>15.938.095</b>
23 Fees and Commissions Received on Loans	471.214	380.984	852.198	519.806	327.582	847.388	729.814	401.702	1.131.516	891.490	381.873	1.273.363
24 Dividend Income	386.046	129.853	515.899	235.874	107.058	342.932	356.918	195.067	551.985	259.054	125.353	384.407
25 Income from Banking Activities	2.181.575	203.307	2.384.882	2.821.179	217.877	3.039.056	3.940.825	252.517	4.193.342	5.249.859	267.344	5.517.203
26 Income from Fixed Assets Sold	81.358	0	81.358	204.019	1	204.020	199.936	270	200.206	287.411	13.193	300.604
27 Other Non-Interest Income	3.381.734	125.786	3.507.520	1.780.241	90.131	1.870.372	1.823.729	47.569	1.871.298	2.591.616	72.164	2.663.780
<b>28 Total Non-Interest Income (from 23 to 27)</b>	<b>6.501.927</b>	<b>839.930</b>	<b>7.341.857</b>	<b>5.561.119</b>	<b>742.649</b>	<b>6.303.768</b>	<b>7.051.222</b>	<b>897.125</b>	<b>7.948.347</b>	<b>9.279.430</b>	<b>859.927</b>	<b>10.139.357</b>
29 Personnel Expenses	3.405.195	26.299	3.431.494	3.871.723	25.903	3.897.626	4.609.416	31.275	4.640.691	5.239.869	34.432	5.274.301
30 Provisions for Unexpected (General) Loan Losses	222.455	6.470	228.925	188.853	3.610	192.463	320.811	25.592	346.403	508.155	127.361	635.516
31 Provisions for Retirement Benefits Fund	108.903	1	108.904	204.609	0	204.609	154.230	0	154.230	166.386	9	166.395
32 Provisions for Value Decreases in Securities Portfolio	48.141	21.143	69.284	58.139	9.726	67.865	83.019	230.776	313.795	437.646	132.645	570.291
33 Provisions for Value Decreases in Subsidiaries, Associated and Joint Cor	164.207	8.210	172.417	147.213	1.465	148.678	264.889	19.823	284.712	746.475	22.442	768.917
34 Other Provisions	443.059	22.531	465.590	503.549	22.941	526.490	1.344.218	4.145	1.348.363	2.102.400	4.741	2.107.141
35 Fees and Commissions Paid for Transactions	879.574	171.773	1.051.347	979.711	161.044	1.140.755	960.793	271.948	1.232.741	1.006.353	293.320	1.299.673
36 Depreciation Expenses	766.453	3.346	769.799	946.343	3.954	950.297	924.100	4.211	928.311	1.110.426	4.099	1.114.525
37 Taxes, Duties, Charges and Premiums Paid	507.017	2.029	509.046	595.639	1.682	597.321	415.293	3.349	418.642	397.304	3.552	400.856
38 Other Non-Interest Expenses	4.024.740	116.922	4.141.662	4.470.020	85.414	4.555.434	4.696.894	86.100	4.782.994	6.837.241	105.926	6.943.167
<b>39 Total Non-Interest Expenses (from 29 to 38)</b>	<b>10.569.744</b>	<b>378.724</b>	<b>10.948.468</b>	<b>11.965.799</b>	<b>315.739</b>	<b>12.281.538</b>	<b>13.773.663</b>	<b>677.219</b>	<b>14.450.882</b>	<b>18.552.255</b>	<b>728.527</b>	<b>19.280.782</b>
40 Net of Income (Loss) from Capital Market Transactions	2.655.162	299.112	2.954.274	4.611.483	442.337	5.053.820	1.058.086	741.281	1.799.367	1.089.570	174.342	1.263.912
41 Net of Income (Loss) from FX Transactions	0	-1.636.093	-1.636.093	0	1.545.961	1.545.961	0	460.254	460.254	0	730.859	730.859
42 Net of Income (Expense) from Extra Ordinary Transactions	-17.196	1.799	-15.397	51.813	54	51.867	13.428	0	13.428	1.631	-2	1.629
43 Profit (Loss) from Net Monetary Position	-2.797.410	0	-2.797.410	-1.837.127	0	-1.837.127	-3.012.630	0	-3.012.630	0	0	0
44 Total Other Non-Interest Income (Expense) (from 40 to 43)	-159.444	-1.335.182	-1.494.626	2.826.169	1.988.352	4.814.521	-1.941.116	1.201.535	-739.581	1.091.201	905.199	1.996.400
<b>45 PROFIT (LOSS) BEFORE TAX [(22+28+44)-39]</b>	<b>3.718.873</b>	<b>1.468.418</b>	<b>5.187.291</b>	<b>3.544.741</b>	<b>4.249.510</b>	<b>7.794.251</b>	<b>5.259.389</b>	<b>3.432.809</b>	<b>8.692.198</b>	<b>5.884.415</b>	<b>2.908.655</b>	<b>8.793.070</b>
46 Provisions for Taxes	1.147.737	4.837	1.152.574	2.453.938	4.072	2.458.010	2.631.426	-4.890	2.626.536	3.335.744	2.303	3.338.047
<b>47 PROFIT (LOSS) FOR THE PERIOD (45 - 46)</b>	<b>2.571.136</b>	<b>1.463.581</b>	<b>4.034.717</b>	<b>1.090.803</b>	<b>4.245.438</b>	<b>5.336.241</b>	<b>2.627.963</b>	<b>3.437.699</b>	<b>6.065.662</b>	<b>2.548.671</b>	<b>2.906.352</b>	<b>5.455.023</b>

Source: The BRSA Banks Reporting System as of March 29, 2006.

**Annex Table 27 - Income Statement of Banking Sector Excluding SDIF Banks (USD million)**

(USD million)	December 2002			December 2003			December 2004			December 2005		
	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL
1 Interest Income on Loans	4.788	1.322	6.110	6.231	1.144	7.375	10.214	1.366	11.580	13.351	1.630	14.981
2 Interest Income on Past Due Loans	232	16	248	317	3	321	328	2	329	292	2	294
3 Interest Income on Banks	468	366	834	402	190	592	357	246	604	448	343	791
4 Interest Income on Money Markets	2.006	46	2.052	1.827	53	1.880	746	11	757	401	12	413
5 Interest Income on Securities - Trading Portfolio	4.063	800	4.863	3.170	657	3.827	2.823	722	3.544	1.201	409	1.610
6 Interest Income on Securities - Available for Sale	922	369	1.292	925	611	1.537	3.955	800	4.754	5.677	1.184	6.860
7 Interest Income on Securities - Held to Maturity	9.484	537	10.022	9.836	573	10.409	6.882	454	7.337	5.111	399	5.509
8 Income from Reverse Repo Transactions	5	0	5	14	0	14	24	0	24	36	0	36
9 Income from Lease Financing Receivables	0	5	5	0	5	5	0	7	8	0	10	11
10 Other Interest Income	601	59	660	753	44	797	751	54	805	784	86	870
<b>11 Total Interest Income (from 1 to 10)</b>	<b>22.570</b>	<b>3.522</b>	<b>26.091</b>	<b>23.476</b>	<b>3.280</b>	<b>26.756</b>	<b>26.080</b>	<b>3.662</b>	<b>29.742</b>	<b>27.301</b>	<b>4.074</b>	<b>31.376</b>
12 Interest Paid for Deposits	14.008	1.253	15.261	14.722	1.322	16.044	12.761	1.387	14.148	13.299	1.425	14.724
13 Interest Paid for Balances Due to Banks	776	576	1.352	644	447	1.091	584	591	1.175	675	1.024	1.699
14 Interest Paid for Money Markets	99	59	159	134	51	184	84	18	102	91	20	110
15 Interest Paid For Issued Securities	0	101	101	0	52	52	0	44	44	0	5	5
16 Interest Paid For Repo Transactions	1.326	13	1.339	1.118	37	1.155	1.196	82	1.279	1.057	91	1.148
17 Expenses for Lease Financing Obligations	3	5	8	3	4	7	8	9	17	4	15	19
18 Other Interest Expenses	62	20	82	41	12	54	48	15	63	144	15	158
<b>19 Total Interest Expenses (from 12 to 18)</b>	<b>16.274</b>	<b>2.028</b>	<b>18.302</b>	<b>16.662</b>	<b>1.925</b>	<b>18.587</b>	<b>14.681</b>	<b>2.148</b>	<b>16.829</b>	<b>15.270</b>	<b>2.594</b>	<b>17.864</b>
<b>20 NET OF INTEREST INCOME (INTEREST EXPENSE) (11-19)</b>	<b>6.295</b>	<b>1.494</b>	<b>7.789</b>	<b>6.814</b>	<b>1.355</b>	<b>8.169</b>	<b>11.399</b>	<b>1.514</b>	<b>12.913</b>	<b>12.031</b>	<b>1.480</b>	<b>13.511</b>
21 Provisions for Past Due Loans	1.434	61	1.494	1.711	41	1.751	1.025	16	1.041	1.557	86	1.644
<b>22 NET OF INTEREST INCOME (EXPENSE) AFTER PROVISIONS (20-21)</b>	<b>4.862</b>	<b>1.433</b>	<b>6.295</b>	<b>5.103</b>	<b>1.314</b>	<b>6.417</b>	<b>10.374</b>	<b>1.499</b>	<b>11.873</b>	<b>10.474</b>	<b>1.394</b>	<b>11.868</b>
23 Fees and Commissions Received on Loans	288	233	521	372	235	607	544	299	843	664	284	948
24 Dividend Income	236	79	316	169	77	246	266	145	411	193	93	286
25 Income from Banking Activities	1.335	124	1.459	2.021	156	2.177	2.936	188	3.124	3.909	199	4.108
26 Income from Fixed Assets Sold	50	0	50	146	0	146	149	0	149	214	10	224
27 Other Non-Interest Income	2.069	77	2.146	1.275	65	1.340	1.359	35	1.394	1.930	54	1.983
<b>28 Total Non-Interest Income (from 23 to 27)</b>	<b>3.978</b>	<b>514</b>	<b>4.492</b>	<b>3.984</b>	<b>532</b>	<b>4.516</b>	<b>5.254</b>	<b>668</b>	<b>5.922</b>	<b>6.909</b>	<b>640</b>	<b>7.550</b>
29 Personnel Expenses	2.083	16	2.099	2.774	19	2.792	3.434	23	3.458	3.902	26	3.927
30 Provisions for Unexpected (General) Loan Losses	136	4	140	135	3	138	239	19	258	378	95	473
31 Provisions for Retirement Benefits Fund	67	0	67	147	0	147	115	0	115	124	0	124
32 Provisions for Value Decreases in Securities Portfolio	29	13	42	42	7	49	62	172	234	326	99	425
33 Provisions for Value Decreases in Subsidiaries, Associated and Joint Cor	100	5	105	105	1	107	197	15	212	556	17	573
34 Other Provisions	271	14	285	361	16	377	1.002	3	1.005	1.565	4	1.569
35 Fees and Commissions Paid for Transactions	538	105	643	702	115	817	716	203	919	749	218	968
36 Depreciation Expenses	469	2	471	678	3	681	689	3	692	827	3	830
37 Taxes, Duties, Charges and Premiums Paid	310	1	311	427	1	428	309	2	312	296	3	298
38 Other Non-Interest Expenses	2.462	72	2.534	3.202	61	3.264	3.500	64	3.564	5.091	79	5.170
<b>39 Total Non-Interest Expenses (from 29 to 38)</b>	<b>6.467</b>	<b>232</b>	<b>6.698</b>	<b>8.573</b>	<b>226</b>	<b>8.799</b>	<b>10.263</b>	<b>505</b>	<b>10.767</b>	<b>13.814</b>	<b>542</b>	<b>14.357</b>
40 Net of Income (Loss) from Capital Market Transactions	1.624	183	1.807	3.304	317	3.621	788	552	1.341	811	130	941
41 Net of Income (Loss) from FX Transactions	0	-1.001	-1.001	0	1.108	1.108	0	343	343	0	544	544
42 Net of Income (Expense) from Extra Ordinary Transactions	-11	1	-9	37	0	37	10	0	10	1	0	1
43 Profit (Loss) from Net Monetary Position	-1.711	0	-1.711	-1.316	0	-1.316	-2.245	0	-2.245	0	0	0
44 Total Other Non-Interest Income (Expense) (from 40 to 43)	-98	-817	-914	2.025	1.424	3.449	-1.446	895	-551	813	674	1.487
<b>45 PROFIT (LOSS) BEFORE TAX [(22+28+44)-39]</b>	<b>2.275</b>	<b>898</b>	<b>3.174</b>	<b>2.540</b>	<b>3.044</b>	<b>5.584</b>	<b>3.919</b>	<b>2.558</b>	<b>6.477</b>	<b>4.382</b>	<b>2.166</b>	<b>6.547</b>
46 Provisions for Taxes	702	3	705	1.758	3	1.761	1.961	-4	1.957	2.484	2	2.486
<b>47 PROFIT (LOSS) FOR THE PERIOD (45 - 46)</b>	<b>1.573</b>	<b>895</b>	<b>2.468</b>	<b>781</b>	<b>3.042</b>	<b>3.823</b>	<b>1.958</b>	<b>2.561</b>	<b>4.520</b>	<b>1.898</b>	<b>2.164</b>	<b>4.062</b>

Source: The BRSA Banks Reporting System as of March 29, 2006.

**Annex Table 28 - Income Statement of Banking Sector Excluding SDIF Banks (December 2005/ December 2004) (% Change)**

	Nominal Change TRY			Nominal Change USD Dollar			Real Change TRY		
	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL
1 Interest Income on Loans	30,8	19,4	29,5	30,7	19,3	29,4	25,1	14,2	23,8
2 Interest Income on Past Due Loans	-10,9	50,1	-10,7	-11,0	50,0	-10,7	-14,8	43,5	-14,5
3 Interest Income on Banks	25,4	39,3	31,1	25,3	39,2	31,0	20,0	33,3	25,4
4 Interest Income on Money Markets	-46,2	11,3	-45,4	-46,2	11,2	-45,4	-48,5	6,5	-47,8
5 Interest Income on Securities - Trading Portfolio	-57,4	-43,3	-54,5	-57,4	-43,4	-54,6	-59,3	-45,8	-56,5
6 Interest Income on Securities - Available for Sale	43,6	48,1	44,4	43,5	48,0	44,3	37,4	41,7	38,1
7 Interest Income on Securities - Held to Maturity	-25,7	-12,2	-24,9	-25,7	-12,2	-24,9	-28,9	-16,0	-28,1
8 Income from Reverse Repo Transactions	51,0	-96,8	48,8	50,9	-96,8	48,7	44,4	-96,9	42,3
9 Income from Lease Financing Receivables	3.671,4	35,9	41,0	3.668,9	35,8	40,9	3.507,5	30,0	34,8
10 Other Interest Income	4,5	58,4	8,2	4,4	58,3	8,1	0,0	51,5	3,4
<b>11 Total Interest Income (from 1 to 10)</b>	<b>4,8</b>	<b>11,3</b>	<b>5,6</b>	<b>4,7</b>	<b>11,3</b>	<b>5,5</b>	<b>0,2</b>	<b>6,5</b>	<b>1,0</b>
12 Interest Paid for Deposits	4,3	2,8	4,1	4,2	2,7	4,1	-0,2	-1,7	-0,4
13 Interest Paid for Balances Due to Banks	15,8	73,3	44,7	15,7	73,2	44,6	10,7	65,8	38,4
14 Interest Paid for Money Markets	8,0	7,5	7,9	7,9	7,4	7,8	3,3	2,8	3,2
15 Interest Paid For Issued Securities	-	-88,2	-88,2	-	-88,2	-88,2	-	-88,7	-88,7
16 Interest Paid For Repo Transactions	-11,6	10,8	-10,1	-11,6	10,7	-10,2	-15,4	6,0	-14,0
17 Expenses for Lease Financing Obligations	-46,3	62,6	11,8	-46,3	62,5	11,8	-48,6	55,6	7,0
18 Other Interest Expenses	198,1	-4,1	149,8	197,9	-4,2	149,6	185,2	-8,3	138,9
<b>19 Total Interest Expenses (from 12 to 18)</b>	<b>4,1</b>	<b>20,9</b>	<b>6,2</b>	<b>4,0</b>	<b>20,8</b>	<b>6,2</b>	<b>-0,4</b>	<b>15,6</b>	<b>1,6</b>
<b>20 NET OF INTEREST INCOME (INTEREST EXPENSE) (11-19)</b>	<b>5,6</b>	<b>-2,2</b>	<b>4,7</b>	<b>5,5</b>	<b>-2,2</b>	<b>4,6</b>	<b>1,0</b>	<b>-6,4</b>	<b>0,1</b>
21 Provisions for Past Due Loans	52,0	454,6	58,0	51,9	454,2	57,9	45,4	430,5	51,2
<b>22 NET OF INTEREST INCOME (EXPENSE) AFTER PROVISIONS</b>	<b>1,0</b>	<b>-6,9</b>	<b>0,0</b>	<b>1,0</b>	<b>-7,0</b>	<b>0,0</b>	<b>-3,4</b>	<b>-11,0</b>	<b>-4,3</b>
23 Fees and Commissions Received on Loans	22,2	-4,9	12,5	22,1	-5,0	12,5	16,8	-9,1	7,6
24 Dividend Income	-27,4	-35,7	-30,4	-27,5	-35,8	-30,4	-30,6	-38,5	-33,4
25 Income from Banking Activities	33,2	3,7	31,5	33,2	3,6	31,4	27,5	-0,8	25,8
26 Income from Fixed Assets Sold	43,8	4.786,3	50,1	43,7	4.783,0	50,0	37,5	4.573,9	43,6
27 Other Non-Interest Income	42,1	51,7	42,3	42,0	51,6	42,3	35,9	45,1	36,2
<b>28 Total Non-Interest Income (from 23 to 27)</b>	<b>31,6</b>	<b>-4,8</b>	<b>27,5</b>	<b>31,5</b>	<b>-4,8</b>	<b>27,4</b>	<b>25,9</b>	<b>-8,9</b>	<b>22,0</b>
29 Personnel Expenses	13,7	10,1	13,7	13,6	10,0	13,6	8,7	5,3	8,7
30 Provisions for Unexpected (General) Loan Losses	58,4	397,7	83,5	58,3	397,3	83,3	51,5	376,0	75,5
31 Provisions for Retirement Benefits Fund	7,9	-	7,9	7,8	-	7,8	3,2	-	3,2
32 Provisions for Value Decreases in Securities Portfolio	427,2	-42,5	81,7	426,8	-42,6	81,6	404,2	-45,0	73,8
33 Provisions for Value Decreases in Subsidiaries, Associated and Joint Ventures	181,8	13,2	170,1	181,6	13,1	169,9	169,6	8,3	158,3
34 Other Provisions	56,4	14,4	56,3	56,3	14,3	56,2	49,6	9,4	49,5
35 Fees and Commissions Paid for Transactions	4,7	7,9	5,4	4,7	7,8	5,4	0,2	3,2	0,8
36 Depreciation Expenses	20,2	-2,7	20,1	20,1	-2,7	20,0	14,9	-6,9	14,8
37 Taxes, Duties, Charges and Premiums Paid	-4,3	6,1	-4,2	-4,4	6,0	-4,3	-8,5	1,5	-8,4
38 Other Non-Interest Expenses	45,6	23,0	45,2	45,5	22,9	45,1	39,2	17,7	38,9
<b>39 Total Non-Interest Expenses (from 29 to 38)</b>	<b>34,7</b>	<b>7,6</b>	<b>33,4</b>	<b>34,6</b>	<b>7,5</b>	<b>33,3</b>	<b>28,8</b>	<b>2,9</b>	<b>27,6</b>
40 Net of Income (Loss) from Capital Market Transactions	3,0	-76,5	-29,8	2,9	-76,5	-29,8	-1,5	-77,5	-32,8
41 Net of Income (Loss) from FX Transactions	-	58,8	58,8	-	58,7	58,7	-	51,9	51,9
42 Net of Income (Expense) from Extra Ordinary Transactions	-87,9	-	-87,9	-87,9	-	-87,9	-88,4	-	-88,4
43 Profit (Loss) from Net Monetary Position	-100,0	-	-100,0	-100,0	-	-100,0	-100,0	-	-100,0
44 Total Other Non-Interest Income (Expense) (from 40 to 43)	-156,2	-24,7	-369,9	-156,2	-24,7	-369,8	-153,8	-27,9	-358,2
<b>45 PROFIT (LOSS) BEFORE TAX [(22+28+44)-39]</b>	<b>11,9</b>	<b>-15,4</b>	<b>1,1</b>	<b>11,8</b>	<b>-15,5</b>	<b>1,0</b>	<b>7,0</b>	<b>-19,1</b>	<b>-3,3</b>
46 Provisions for Taxes	26,7	-147,1	27,0	26,6	-147,1	27,0	21,2	-145,0	21,5
<b>47 PROFIT (LOSS) FOR THE PERIOD (45 - 46)</b>	<b>-2,9</b>	<b>-15,6</b>	<b>-10,1</b>	<b>-3,0</b>	<b>-15,7</b>	<b>-10,2</b>	<b>-7,1</b>	<b>-19,3</b>	<b>-14,0</b>

Source: The BRSA Banks Reporting System as of March 29, 2006.



**Annex Table 29 - Income Statement of State Banks (TRY thousand)**

(TRY thousand)	December 2002			December 2003			December 2004			December 2005		
	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL
1 Interest Income on Loans	1.663.706	194.948	1.858.654	1.680.888	128.202	1.809.090	3.209.284	154.265	3.363.549	4.172.842	213.480	4.386.322
2 Interest Income on Past Due Loans	211.837	1.424	213.261	268.938	725	269.663	250.330	40	250.370	199.052	826	199.878
3 Interest Income on Banks	64.453	149.085	213.538	43.974	82.138	126.112	68.376	109.848	178.224	132.982	117.104	250.086
4 Interest Income on Money Markets	398.314	3.527	401.841	1.191.615	5.223	1.196.838	528.595	904	529.499	385.473	209	385.682
5 Interest Income on Securities - Trading Portfolio	4.266.620	360.031	4.626.651	1.244.010	325.890	1.569.900	1.599.487	347.201	1.946.688	494.924	174.243	669.167
6 Interest Income on Securities - Available for Sale	126	14.131	14.257	29.684	42.635	72.319	1.266.200	179.894	1.446.094	2.454.148	357.529	2.811.677
7 Interest Income on Securities - Held to Maturity	12.115.555	449.539	12.565.094	11.747.298	419.223	12.166.521	7.744.325	257.158	8.001.483	5.823.388	238.619	6.062.007
8 Income from Reverse Repo Transactions	4	0	4	8.912	0	8.912	13.464	1	13.465	45.300	1	45.301
9 Income from Lease Financing Receivables	0	0	0	0	0	0	0	0	0	0	0	0
10 Other Interest Income	496.586	12.502	509.088	523.627	15.755	539.382	442.198	17.900	460.098	400.863	21.225	422.088
<b>11 Total Interest Income (from 1 to 10)</b>	<b>19.217.201</b>	<b>1.185.187</b>	<b>20.402.388</b>	<b>16.738.946</b>	<b>1.019.791</b>	<b>17.758.737</b>	<b>15.122.259</b>	<b>1.067.211</b>	<b>16.189.470</b>	<b>14.108.972</b>	<b>1.123.236</b>	<b>15.232.208</b>
12 Interest Paid for Deposits	13.566.280	467.577	14.033.857	11.539.574	422.010	11.961.584	9.121.088	502.438	9.623.526	9.141.970	514.734	9.656.704
13 Interest Paid for Balances Due to Banks	191.992	131.271	323.263	83.063	84.982	168.045	55.167	80.176	135.343	35.128	133.329	168.457
14 Interest Paid for Money Markets	48.905	65.608	114.513	753	47.607	48.360	115	16.063	16.178	137	17.364	17.501
15 Interest Paid For Issued Securities	0	34.739	34.739	0	10.557	10.557	0	0	0	0	0	0
16 Interest Paid For Repo Transactions	976.588	4.805	981.393	355.033	4.202	359.235	189.962	13.667	203.629	90.362	15.280	105.642
17 Expenses for Lease Financing Obligations	0	1.325	1.325	32	1.471	1.503	57	1.984	2.041	189	3.264	3.453
18 Other Interest Expenses	33.027	1.418	34.445	27.836	870	28.706	49.604	674	50.278	177.337	2.130	179.467
<b>19 Total Interest Expenses (from 12 to 18)</b>	<b>14.816.792</b>	<b>706.743</b>	<b>15.523.535</b>	<b>12.006.291</b>	<b>571.699</b>	<b>12.577.990</b>	<b>9.415.993</b>	<b>615.002</b>	<b>10.030.995</b>	<b>9.445.123</b>	<b>686.101</b>	<b>10.131.224</b>
<b>20 NET OF INTEREST INCOME (INTEREST EXPENSE) (11-19)</b>	<b>4.400.409</b>	<b>478.444</b>	<b>4.878.853</b>	<b>4.732.655</b>	<b>448.092</b>	<b>5.180.747</b>	<b>5.706.266</b>	<b>452.209</b>	<b>6.158.475</b>	<b>4.663.849</b>	<b>437.135</b>	<b>5.100.984</b>
21 Provisions for Past Due Loans	1.304.258	4.905	1.309.163	1.311.997	694	1.312.691	313.321	1.384	314.705	409.775	43	409.818
<b>22 NET OF INTEREST INCOME (EXPENSE) AFTER PROVISIONS (20-21)</b>	<b>3.096.151</b>	<b>473.539</b>	<b>3.569.690</b>	<b>3.420.658</b>	<b>447.398</b>	<b>3.868.056</b>	<b>5.392.945</b>	<b>450.825</b>	<b>5.843.770</b>	<b>4.254.074</b>	<b>437.092</b>	<b>4.691.166</b>
23 Fees and Commissions Received on Loans	48.249	30.789	79.038	65.904	27.916	93.820	130.688	37.413	168.101	199.570	40.296	239.866
24 Dividend Income	47.306	1.265	48.571	29.324	1.751	31.075	63.289	1.053	64.342	32.044	17.784	49.828
25 Income from Banking Activities	553.680	34.546	588.226	555.560	30.468	586.028	716.071	36.566	752.637	827.661	35.781	863.442
26 Income from Fixed Assets Sold	11.385	0	11.385	56.662	0	56.662	108.639	0	108.639	128.852	6	128.858
27 Other Non-Interest Income	997.031	86.455	1.083.486	727.757	23.335	751.092	498.550	13.562	512.112	766.273	25.817	792.090
<b>28 Total Non-Interest Income (from 23 to 27)</b>	<b>1.657.651</b>	<b>153.055</b>	<b>1.810.706</b>	<b>1.435.207</b>	<b>83.470</b>	<b>1.518.677</b>	<b>1.517.237</b>	<b>88.594</b>	<b>1.605.831</b>	<b>1.954.400</b>	<b>119.684</b>	<b>2.074.084</b>
29 Personnel Expenses	1.269.759	15.274	1.285.033	1.172.712	13.739	1.186.451	1.263.240	13.690	1.276.930	1.354.191	16.240	1.370.431
30 Provisions for Unexpected (General) Loan Losses	23.847	0	23.847	35.030	0	35.030	93.092	0	93.092	49.417	116	49.533
31 Provisions for Retirement Benefits Fund	86.508	0	86.508	169.386	0	169.386	117.959	0	117.959	136.884	9	136.893
32 Provisions for Value Decreases in Securities Portfolio	13.673	2.789	16.462	417	3.462	3.879	35.422	14.603	50.025	12.526	11.254	23.780
33 Provisions for Value Decreases in Subsidiaries, Associated and Joint Cor	12.748	4.697	17.445	95.474	1.459	96.933	19.160	0	19.160	8.588	821	9.409
34 Other Provisions	31.344	942	32.286	16.314	1.968	18.282	137.556	1.291	138.847	281.712	362	282.074
35 Fees and Commissions Paid for Transactions	89.353	16.431	105.784	126.252	17.391	143.643	109.996	40.958	150.954	134.447	19.821	154.268
36 Depreciation Expenses	100.644	926	101.570	116.081	1.121	117.202	146.264	945	147.209	150.471	990	151.461
37 Taxes, Duties, Charges and Premiums Paid	133.055	1.087	134.142	175.582	764	176.346	130.442	1.475	131.917	124.694	2.125	126.819
38 Other Non-Interest Expenses	1.181.012	11.393	1.192.405	1.067.251	9.816	1.077.067	933.581	9.812	943.393	900.698	20.424	921.122
<b>39 Total Non-Interest Expenses (from 29 to 38)</b>	<b>2.941.943</b>	<b>53.539</b>	<b>2.995.482</b>	<b>2.974.499</b>	<b>49.720</b>	<b>3.024.219</b>	<b>2.986.712</b>	<b>82.774</b>	<b>3.069.486</b>	<b>3.153.628</b>	<b>72.162</b>	<b>3.225.790</b>
40 Net of Income (Loss) from Capital Market Transactions	472.071	31.206	503.277	1.016.560	48.045	1.064.605	176.611	13.697	190.308	298.413	41.652	340.065
41 Net of Income (Loss) from FX Transactions	0	-133.253	-133.253	0	197.941	197.941	0	291.681	291.681	0	281.597	281.597
42 Net of Income (Expense) from Extra Ordinary Transactions	-19.651	1.799	-17.852	0	0	0	0	0	0	27	-2	25
43 Profit (Loss) from Net Monetary Position	-1.086.375		-1.086.375	-736.497		-736.497	-1.158.618		-1.158.618	0		0
44 Total Other Non-Interest Income (Expense) (from 40 to 43)	-633.955	-100.248	-734.203	280.063	245.986	526.049	-982.007	305.378	-676.629	298.440	323.247	621.687
<b>45 PROFIT (LOSS) BEFORE TAX [(22+28+44)-39]</b>	<b>1.177.904</b>	<b>472.807</b>	<b>1.650.711</b>	<b>2.161.429</b>	<b>727.134</b>	<b>2.888.563</b>	<b>2.941.463</b>	<b>762.023</b>	<b>3.703.486</b>	<b>3.353.286</b>	<b>807.861</b>	<b>4.161.147</b>
46 Provisions for Taxes	589.761	4.837	594.598	1.095.711	2.491	1.098.202	1.028.525	-7.355	1.021.170	1.294.809	-2.719	1.292.090
<b>47 PROFIT (LOSS) FOR THE PERIOD (45 - 46)</b>	<b>588.143</b>	<b>467.970</b>	<b>1.056.113</b>	<b>1.065.718</b>	<b>724.643</b>	<b>1.790.361</b>	<b>1.912.938</b>	<b>769.378</b>	<b>2.682.316</b>	<b>2.058.477</b>	<b>810.580</b>	<b>2.869.057</b>

Source: The BRSA Banks Reporting System as of March 29, 2006.

**Annex Table 30 - Income Statement of State Banks (USD million)**

(USD million)	December 2002			December 2003			December 2004			December 2005		
	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL
1 Interest Income on Loans	1.018	119	1.137	1.204	92	1.296	2.391	115	2.506	3.107	159	3.266
2 Interest Income on Past Due Loans	130	1	130	193	1	193	187	0	187	148	1	149
3 Interest Income on Banks	39	91	131	32	59	90	51	82	133	99	87	186
4 Interest Income on Money Markets	244	2	246	854	4	857	394	1	395	287	0	287
5 Interest Income on Securities - Trading Portfolio	2.610	220	2.831	891	233	1.125	1.192	259	1.450	369	130	498
6 Interest Income on Securities - Available for Sale	0	9	9	21	31	52	943	134	1.077	1.827	266	2.094
7 Interest Income on Securities - Held to Maturity	7.412	275	7.687	8.416	300	8.716	5.770	192	5.962	4.336	178	4.514
8 Income from Reverse Repo Transactions	0	0	0	6	0	6	10	0	10	34	0	34
9 Income from Lease Financing Receivables	0	0	0	0	0	0	0	0	0	0	0	0
10 Other Interest Income	304	8	311	375	11	386	329	13	343	298	16	314
<b>11 Total Interest Income (from 1 to 10)</b>	<b>11.757</b>	<b>725</b>	<b>12.482</b>	<b>11.992</b>	<b>731</b>	<b>12.723</b>	<b>11.268</b>	<b>795</b>	<b>12.063</b>	<b>10.506</b>	<b>836</b>	<b>11.342</b>
12 Interest Paid for Deposits	8.300	286	8.586	8.267	302	8.569	6.796	374	7.170	6.807	383	7.190
13 Interest Paid for Balances Due to Banks	117	80	198	60	61	120	41	60	101	26	99	125
14 Interest Paid for Money Markets	30	40	70	1	34	35	0	12	12	0	13	13
15 Interest Paid For Issued Securities	0	21	21	0	8	8	0	0	0	0	0	0
16 Interest Paid For Repo Transactions	597	3	600	254	3	257	142	10	152	67	11	79
17 Expenses for Lease Financing Obligations	0	1	1	0	1	1	0	1	2	0	2	3
18 Other Interest Expenses	20	1	21	20	1	21	37	1	37	132	2	134
<b>19 Total Interest Expenses (from 12 to 18)</b>	<b>9.065</b>	<b>432</b>	<b>9.497</b>	<b>8.602</b>	<b>410</b>	<b>9.011</b>	<b>7.016</b>	<b>458</b>	<b>7.474</b>	<b>7.033</b>	<b>511</b>	<b>7.544</b>
<b>20 NET OF INTEREST INCOME (INTEREST EXPENSE) (11-19)</b>	<b>2.692</b>	<b>293</b>	<b>2.985</b>	<b>3.391</b>	<b>321</b>	<b>3.712</b>	<b>4.252</b>	<b>337</b>	<b>4.589</b>	<b>3.473</b>	<b>325</b>	<b>3.798</b>
21 Provisions for Past Due Loans	798	3	801	940	0	940	233	1	234	305	0	305
<b>22 NET OF INTEREST INCOME (EXPENSE) AFTER PROVISIONS (20-21)</b>	<b>1.894</b>	<b>290</b>	<b>2.184</b>	<b>2.451</b>	<b>321</b>	<b>2.771</b>	<b>4.018</b>	<b>336</b>	<b>4.354</b>	<b>3.168</b>	<b>325</b>	<b>3.493</b>
23 Fees and Commissions Received on Loans	30	19	48	47	20	67	97	28	125	149	30	179
24 Dividend Income	29	1	30	21	1	22	47	1	48	24	13	37
25 Income from Banking Activities	339	21	360	398	22	420	534	27	561	616	27	643
26 Income from Fixed Assets Sold	7	0	7	41	0	41	81	0	81	96	0	96
27 Other Non-Interest Income	610	53	663	521	17	538	371	10	382	571	19	590
<b>28 Total Non-Interest Income (from 23 to 27)</b>	<b>1.014</b>	<b>94</b>	<b>1.108</b>	<b>1.028</b>	<b>60</b>	<b>1.088</b>	<b>1.130</b>	<b>66</b>	<b>1.197</b>	<b>1.455</b>	<b>89</b>	<b>1.544</b>
29 Personnel Expenses	777	9	786	840	10	850	941	10	951	1.008	12	1.020
30 Provisions for Unexpected (General) Loan Losses	15	0	15	25	0	25	69	0	69	37	0	37
31 Provisions for Retirement Benefits Fund	53	0	53	121	0	121	88	0	88	102	0	102
32 Provisions for Value Decreases in Securities Portfolio	8	2	10	0	2	3	26	11	37	9	8	18
33 Provisions for Value Decreases in Subsidiaries, Associated and Joint Companies	8	3	11	68	1	69	14	0	14	6	1	7
34 Other Provisions	19	1	20	12	1	13	102	1	103	210	0	210
35 Fees and Commissions Paid for Transactions	55	10	65	90	12	103	82	31	112	100	15	115
36 Depreciation Expenses	62	1	62	83	1	84	109	1	110	112	1	113
37 Taxes, Duties, Charges and Premiums Paid	81	1	82	126	1	126	97	1	98	93	2	94
38 Other Non-Interest Expenses	723	7	730	765	7	772	696	7	703	671	15	686
<b>39 Total Non-Interest Expenses (from 29 to 38)</b>	<b>1.800</b>	<b>33</b>	<b>1.833</b>	<b>2.131</b>	<b>36</b>	<b>2.167</b>	<b>2.225</b>	<b>62</b>	<b>2.287</b>	<b>2.348</b>	<b>54</b>	<b>2.402</b>
40 Net of Income (Loss) from Capital Market Transactions	289	19	308	728	34	763	132	10	142	222	31	253
41 Net of Income (Loss) from FX Transactions	0	-82	-82	0	142	142	0	217	217	0	210	210
42 Net of Income (Expense) from Extra Ordinary Transactions	-12	1	-11	0	0	0	0	0	0	0	0	0
43 Profit (Loss) from Net Monetary Position	-665	0	-665	-528	0	-528	-863	0	-863	0	0	0
44 Total Other Non-Interest Income (Expense) (from 40 to 43)	-388	-61	-449	201	176	377	-732	228	-504	222	241	463
<b>45 PROFIT (LOSS) BEFORE TAX [(22+28+44)-39]</b>	<b>721</b>	<b>289</b>	<b>1.010</b>	<b>1.548</b>	<b>521</b>	<b>2.069</b>	<b>2.192</b>	<b>568</b>	<b>2.759</b>	<b>2.497</b>	<b>602</b>	<b>3.098</b>
46 Provisions for Taxes	361	3	364	785	2	787	766	-5	761	964	-2	962
<b>47 PROFIT (LOSS) FOR THE PERIOD (45 - 46)</b>	<b>360</b>	<b>286</b>	<b>646</b>	<b>763</b>	<b>519</b>	<b>1.283</b>	<b>1.425</b>	<b>573</b>	<b>1.999</b>	<b>1.533</b>	<b>604</b>	<b>2.136</b>

Source: The BRSA Banks Reporting System as of March 29, 2006.

**Annex Table 31 - Income Statement of State Banks (December 2005/ December 2004) (% Change)**

	Nominal Change TRY			Nominal Change USD Dollar			Real Change TRY		
	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL
1 Interest Income on Loans	30,0	38,4	30,4	29,9	38,3	30,3	24,4	32,4	24,7
2 Interest Income on Past Due Loans	-20,5	1.965,0	-20,2	-20,5	1.963,6	-20,2	-23,9	1.875,2	-23,6
3 Interest Income on Banks	94,5	6,6	40,3	94,4	6,5	40,2	86,0	2,0	34,2
4 Interest Income on Money Markets	-27,1	-76,9	-27,2	-27,1	-76,9	-27,2	-30,2	-77,9	-30,3
5 Interest Income on Securities - Trading Portfolio	-69,1	-49,8	-65,6	-69,1	-49,8	-65,6	-70,4	-52,0	-67,1
6 Interest Income on Securities - Available for Sale	93,8	98,7	94,4	93,7	98,6	94,3	85,4	90,1	86,0
7 Interest Income on Securities - Held to Maturity	-24,8	-7,2	-24,2	-24,9	-7,3	-24,3	-28,1	-11,2	-27,5
8 Income from Reverse Repo Transactions	236,5	0,0	236,4	236,2	-0,1	236,2	221,8	-4,3	221,8
9 Income from Lease Financing Receivables	-	-	-	-	-	-	-	-	-
10 Other Interest Income	-9,3	18,6	-8,3	-9,4	18,5	-8,3	-13,3	13,4	-12,2
<b>11 Total Interest Income (from 1 to 10)</b>	<b>-6,7</b>	<b>5,2</b>	<b>-5,9</b>	<b>-6,8</b>	<b>5,2</b>	<b>-6,0</b>	<b>-10,8</b>	<b>0,7</b>	<b>-10,0</b>
12 Interest Paid for Deposits	0,2	2,4	0,3	0,2	2,4	0,3	-4,1	-2,0	-4,0
13 Interest Paid for Balances Due to Banks	-36,3	66,3	24,5	-36,4	66,2	24,4	-39,1	59,1	19,1
14 Interest Paid for Money Markets	19,1	8,1	8,2	19,1	8,0	8,1	14,0	3,4	3,5
15 Interest Paid For Issued Securities	-	-	-	-	-	-	-	-	-
16 Interest Paid For Repo Transactions	-52,4	11,8	-48,1	-52,5	11,7	-48,2	-54,5	6,9	-50,4
17 Expenses for Lease Financing Obligations	231,6	64,5	69,2	231,4	64,4	69,1	217,2	57,4	61,8
18 Other Interest Expenses	257,5	216,0	256,9	257,3	215,8	256,7	242,0	202,3	241,4
<b>19 Total Interest Expenses (from 12 to 18)</b>	<b>0,3</b>	<b>11,6</b>	<b>1,0</b>	<b>0,2</b>	<b>11,5</b>	<b>0,9</b>	<b>-4,1</b>	<b>6,7</b>	<b>-3,4</b>
<b>20 NET OF INTEREST INCOME (INTEREST EXPENSE) (11-19)</b>	<b>-18,3</b>	<b>-3,3</b>	<b>-17,2</b>	<b>-18,3</b>	<b>-3,4</b>	<b>-17,2</b>	<b>-21,8</b>	<b>-7,5</b>	<b>-20,8</b>
21 Provisions for Past Due Loans	30,8	-96,9	30,2	30,7	-96,9	30,1	25,1	-97,0	24,6
<b>22 NET OF INTEREST INCOME (EXPENSE) AFTER PROVISIONS</b>	<b>-21,1</b>	<b>-3,0</b>	<b>-19,7</b>	<b>-21,2</b>	<b>-3,1</b>	<b>-19,8</b>	<b>-24,5</b>	<b>-7,3</b>	<b>-23,2</b>
23 Fees and Commissions Received on Loans	52,7	7,7	42,7	52,6	7,6	42,6	46,1	3,0	36,5
24 Dividend Income	-49,4	1.588,9	-22,6	-49,4	1.587,8	-22,6	-51,6	1.515,5	-25,9
25 Income from Banking Activities	15,6	-2,1	14,7	15,5	-2,2	14,6	10,6	-6,4	9,7
26 Income from Fixed Assets Sold	18,6	-	18,6	18,5	-	18,5	13,4	-	13,5
27 Other Non-Interest Income	53,7	90,4	54,7	53,6	90,2	54,6	47,0	82,1	47,9
<b>28 Total Non-Interest Income (from 23 to 27)</b>	<b>28,8</b>	<b>35,1</b>	<b>29,2</b>	<b>28,7</b>	<b>35,0</b>	<b>29,1</b>	<b>23,2</b>	<b>29,2</b>	<b>23,5</b>
29 Personnel Expenses	7,2	18,6	7,3	7,1	18,5	7,3	2,5	13,5	2,7
30 Provisions for Unexpected (General) Loan Losses	-46,9	-	-46,8	-47,0	-	-46,8	-49,2	-	-49,1
31 Provisions for Retirement Benefits Fund	16,0	-	16,1	16,0	-	16,0	11,0	-	11,0
32 Provisions for Value Decreases in Securities Portfolio	-64,6	-22,9	-52,5	-64,7	-23,0	-52,5	-66,2	-26,3	-54,5
33 Provisions for Value Decreases in Subsidiaries, Associated and Joint Ventures	-55,2	-	-50,9	-55,2	-	-50,9	-57,1	-	-53,0
34 Other Provisions	104,8	-72,0	103,2	104,7	-72,0	103,0	95,9	-73,2	94,3
35 Fees and Commissions Paid for Transactions	22,2	-51,6	2,2	22,1	-51,6	2,1	16,9	-53,7	-2,2
36 Depreciation Expenses	2,9	4,8	2,9	2,8	4,7	2,8	-1,6	0,2	-1,6
37 Taxes, Duties, Charges and Premiums Paid	-4,4	44,1	-3,9	-4,5	44,0	-3,9	-8,6	37,8	-8,0
38 Other Non-Interest Expenses	-3,5	108,2	-2,4	-3,6	108,0	-2,4	-7,7	99,1	-6,6
<b>39 Total Non-Interest Expenses (from 29 to 38)</b>	<b>5,6</b>	<b>-12,8</b>	<b>5,1</b>	<b>5,5</b>	<b>-12,9</b>	<b>5,0</b>	<b>1,0</b>	<b>-16,6</b>	<b>0,5</b>
40 Net of Income (Loss) from Capital Market Transactions	69,0	204,1	78,7	68,9	203,9	78,6	61,6	190,9	70,9
41 Net of Income (Loss) from FX Transactions	-	-3,5	-3,5	-	-3,5	-3,5	-	-7,7	-7,7
42 Net of Income (Expense) from Extra Ordinary Transactions	-	-	-	-	-	-	-	-	-
43 Profit (Loss) from Net Monetary Position	-100,0	-	-100,0	-100,0	-	-100,0	-100,0	-	-100,0
44 Total Other Non-Interest Income (Expense) (from 40 to 43)	-130,4	5,9	-191,9	-130,4	5,8	-191,8	-129,1	1,2	-187,9
<b>45 PROFIT (LOSS) BEFORE TAX [(22+28+44)-39]</b>	<b>14,0</b>	<b>6,0</b>	<b>12,4</b>	<b>13,9</b>	<b>5,9</b>	<b>12,3</b>	<b>9,0</b>	<b>1,4</b>	<b>7,5</b>
46 Provisions for Taxes	25,9	-63,0	26,5	25,8	-63,1	26,4	20,4	-64,6	21,0
<b>47 PROFIT (LOSS) FOR THE PERIOD (45 - 46)</b>	<b>7,6</b>	<b>5,4</b>	<b>7,0</b>	<b>7,5</b>	<b>5,3</b>	<b>6,9</b>	<b>2,9</b>	<b>0,8</b>	<b>2,3</b>

Source: The BRSA Banks Reporting System as of March 29, 2006.

**Annex Table 32 - Income Statement of Private Banks (TRY thousand)**

(TRY thousand)	December 2002			December 2003			December 2004			December 2005		
	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL
1 Interest Income on Loans	5.340.467	1.805.881	7.146.348	6.077.523	1.320.150	7.397.673	9.473.968	1.511.952	10.985.920	11.934.269	1.731.877	13.666.146
2 Interest Income on Past Due Loans	156.436	23.122	179.558	163.717	691	164.408	165.415	1.073	166.488	162.305	296	162.601
3 Interest Income on Banks	393.827	335.021	728.848	212.053	129.453	341.506	137.145	157.562	294.707	155.532	234.557	390.089
4 Interest Income on Money Markets	2.054.956	63.169	2.118.125	814.856	59.892	874.748	218.747	6.864	225.611	44.004	10.258	54.262
5 Interest Income on Securities - Trading Portfolio	2.260.239	904.796	3.165.035	3.080.747	587.861	3.668.608	2.054.712	613.676	2.668.388	879.346	354.861	1.234.207
6 Interest Income on Securities - Available for Sale	1.414.384	556.950	1.971.334	1.165.114	747.205	1.912.319	3.829.311	829.362	4.658.673	4.844.520	1.139.937	5.984.457
7 Interest Income on Securities - Held to Maturity	3.180.308	398.918	3.579.226	1.844.997	340.958	2.185.955	1.385.457	325.011	1.710.468	948.135	261.620	1.209.755
8 Income from Reverse Repo Transactions	8.004	291	8.295	9.873	110	9.983	18.608	496	19.104	3.401	15	3.416
9 Income from Lease Financing Receivables	0	0	0	0	0	0	0	0	0	0	0	0
10 Other Interest Income	431.388	35.281	466.669	510.002	41.728	551.730	541.810	52.394	594.204	599.138	84.022	683.160
<b>11 Total Interest Income (from 1 to 10)</b>	<b>15.240.009</b>	<b>4.123.429</b>	<b>19.363.438</b>	<b>13.878.882</b>	<b>3.228.048</b>	<b>17.106.930</b>	<b>17.825.173</b>	<b>3.498.390</b>	<b>21.323.563</b>	<b>19.570.650</b>	<b>3.817.443</b>	<b>23.388.093</b>
12 Interest Paid for Deposits	9.115.345	1.529.693	10.645.038	8.842.290	1.396.324	10.238.614	7.808.172	1.329.221	9.137.393	8.059.575	1.302.517	9.362.092
13 Interest Paid for Balances Due to Banks	762.125	637.745	1.399.870	585.878	426.475	1.012.353	470.804	587.900	1.058.704	534.390	1.012.938	1.547.328
14 Interest Paid for Money Markets	95.111	24.892	120.003	170.596	14.676	185.272	91.649	125	91.774	96.407	0	96.407
15 Interest Paid For Issued Securities	0	0	0	0	0	0	0	0	0	0	0	0
16 Interest Paid For Repo Transactions	1.181.696	16.751	1.198.447	1.190.489	46.160	1.236.649	1.359.721	96.783	1.456.504	1.216.427	98.581	1.315.008
17 Expenses for Lease Financing Obligations	4.323	5.833	10.156	4.000	4.094	8.094	10.465	9.875	20.340	4.629	16.304	20.933
18 Other Interest Expenses	15.419	20.823	36.242	18.358	10.820	29.178	8.917	16.572	25.489	10.350	14.117	24.467
<b>19 Total Interest Expenses (from 12 to 18)</b>	<b>11.174.019</b>	<b>2.235.737</b>	<b>13.409.756</b>	<b>10.811.611</b>	<b>1.898.549</b>	<b>12.710.160</b>	<b>9.749.728</b>	<b>2.040.476</b>	<b>11.790.204</b>	<b>9.921.778</b>	<b>2.444.457</b>	<b>12.366.235</b>
<b>20 NET OF INTEREST INCOME (INTEREST EXPENSE) (11-19)</b>	<b>4.065.990</b>	<b>1.887.692</b>	<b>5.953.682</b>	<b>3.067.271</b>	<b>1.329.499</b>	<b>4.396.770</b>	<b>8.075.445</b>	<b>1.457.914</b>	<b>9.533.359</b>	<b>9.648.872</b>	<b>1.372.986</b>	<b>11.021.858</b>
21 Provisions for Past Due Loans	986.308	74.191	1.060.499	1.010.411	10.287	1.020.698	1.013.667	14.494	1.028.161	1.515.478	113.048	1.628.526
<b>22 NET OF INTEREST INCOME (EXPENSE) AFTER PROVISIONS (20-21)</b>	<b>3.079.682</b>	<b>1.813.501</b>	<b>4.893.183</b>	<b>2.056.860</b>	<b>1.319.212</b>	<b>3.376.072</b>	<b>7.061.778</b>	<b>1.443.420</b>	<b>8.505.198</b>	<b>8.133.394</b>	<b>1.259.938</b>	<b>9.393.332</b>
23 Fees and Commissions Received on Loans	407.081	310.404	717.485	435.143	267.433	702.576	575.048	335.095	910.143	635.773	304.664	940.437
24 Dividend Income	316.245	128.588	444.833	182.958	105.307	288.265	249.873	188.762	438.635	206.646	32.263	238.909
25 Income from Banking Activities	1.495.169	118.553	1.613.722	2.075.211	144.827	2.220.038	2.964.135	171.918	3.136.053	3.621.944	162.195	3.784.139
26 Income from Fixed Assets Sold	55.936	0	55.936	142.301	1	142.302	61.172	268	61.440	139.147	12.918	152.065
27 Other Non-Interest Income	1.939.792	27.921	1.967.713	885.856	56.115	941.971	1.025.573	21.335	1.046.908	1.509.391	31.876	1.541.267
<b>28 Total Non-Interest Income (from 23 to 27)</b>	<b>4.214.223</b>	<b>585.466</b>	<b>4.799.689</b>	<b>3.721.469</b>	<b>573.683</b>	<b>4.295.152</b>	<b>4.875.801</b>	<b>717.378</b>	<b>5.593.179</b>	<b>6.112.901</b>	<b>543.916</b>	<b>6.656.817</b>
29 Personnel Expenses	1.761.736	10.040	1.771.776	2.273.170	11.400	2.284.570	2.866.514	16.678	2.883.192	3.186.417	16.430	3.202.847
30 Provisions for Unexpected (General) Loan Losses	187.911	6.453	194.364	138.698	2.124	140.822	207.970	23.346	231.316	399.810	126.488	526.298
31 Provisions for Retirement Benefits Fund	15.100	1	15.101	25.080	0	25.080	28.401	0	28.401	15.669	0	15.669
32 Provisions for Value Decreases in Securities Portfolio	33.792	12.347	46.139	57.244	1.405	58.649	45.237	207.813	253.050	423.267	116.391	539.658
33 Provisions for Value Decreases in Subsidiaries, Associated and Joint Cor	150.096	3.513	153.609	43.297	0	43.297	218.274	18.092	236.366	723.023	21.621	744.644
34 Other Provisions	327.621	8.593	336.214	354.284	12.180	366.464	1.067.130	2.653	1.069.783	1.770.381	1.159	1.771.540
35 Fees and Commissions Paid for Transactions	776.258	141.385	917.643	837.450	130.886	968.336	831.363	207.171	1.038.534	790.993	211.174	1.002.167
36 Depreciation Expenses	590.537	2.286	592.823	729.893	2.751	732.644	682.773	3.226	685.999	808.287	3.056	811.343
37 Taxes, Duties, Charges and Premiums Paid	310.935	860	311.795	370.469	846	371.315	244.203	1.815	246.018	224.278	1.344	225.622
38 Other Non-Interest Expenses	2.542.119	90.337	2.632.456	3.024.514	61.799	3.086.313	3.312.812	53.958	3.366.770	4.835.263	58.562	4.893.825
<b>39 Total Non-Interest Expenses (from 29 to 38)</b>	<b>6.696.105</b>	<b>275.815</b>	<b>6.971.920</b>	<b>7.854.099</b>	<b>223.391</b>	<b>8.077.490</b>	<b>9.504.677</b>	<b>534.752</b>	<b>10.039.429</b>	<b>13.177.388</b>	<b>556.225</b>	<b>13.733.613</b>
40 Net of Income (Loss) from Capital Market Transactions	2.012.624	263.482	2.276.106	3.270.250	399.452	3.669.702	656.462	565.622	1.222.084	391.202	97.059	488.261
41 Net of Income (Loss) from FX Transactions	0	-1.583.418	-1.583.418	0	1.198.752	1.198.752	0	128.270	128.270	0	333.204	333.204
42 Net of Income (Expense) from Extra Ordinary Transactions	-148	0	-148	-67	0	-67	-3.170	0	-3.170	318	0	318
43 Profit (Loss) from Net Monetary Position	-761.692		-761.692	-538.532		-538.532	-1.123.365		-1.123.365	0		0
44 Total Other Non-Interest Income (Expense) (from 40 to 43)	1.250.784	-1.319.936	-69.152	2.731.651	1.598.204	4.329.855	-470.073	693.892	223.819	391.520	430.263	821.783
<b>45 PROFIT (LOSS) BEFORE TAX [(22+28+44)-39]</b>	<b>1.848.584</b>	<b>803.216</b>	<b>2.651.800</b>	<b>655.881</b>	<b>3.267.708</b>	<b>3.923.589</b>	<b>1.962.829</b>	<b>2.319.938</b>	<b>4.282.767</b>	<b>1.460.427</b>	<b>1.677.892</b>	<b>3.138.319</b>
46 Provisions for Taxes	220.951	0	220.951	1.005.019	1.581	1.006.600	1.454.904	2.465	1.457.369	1.742.782	5.022	1.747.804
<b>47 PROFIT (LOSS) FOR THE PERIOD (45 - 46)</b>	<b>1.627.633</b>	<b>803.216</b>	<b>2.430.849</b>	<b>-349.138</b>	<b>3.266.127</b>	<b>2.916.989</b>	<b>507.925</b>	<b>2.317.473</b>	<b>2.825.398</b>	<b>-282.355</b>	<b>1.672.870</b>	<b>1.390.515</b>

Source: The BRSA Banks Reporting System as of March 29, 2006.

**Annex Table 33 - Income Statement of State Banks (USD million)**

(USD million)	December 2002			December 2003			December 2004			December 2005		
	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL
1 Interest Income on Loans	3.267	1.105	4.372	4.354	946	5.300	7.059	1.127	8.186	8.886	1.290	10.176
2 Interest Income on Past Due Loans	96	14	110	117	0	118	123	1	124	121	0	121
3 Interest Income on Banks	241	205	446	152	93	245	102	117	220	116	175	290
4 Interest Income on Money Markets	1.257	39	1.296	584	43	627	163	5	168	33	8	40
5 Interest Income on Securities - Trading Portfolio	1.383	554	1.936	2.207	421	2.628	1.531	457	1.988	655	264	919
6 Interest Income on Securities - Available for Sale	865	341	1.206	835	535	1.370	2.853	618	3.471	3.607	849	4.456
7 Interest Income on Securities - Held to Maturity	1.946	244	2.190	1.322	244	1.566	1.032	242	1.274	706	195	901
8 Income from Reverse Repo Transactions	5	0	5	7	0	7	14	0	14	3	0	3
9 Income from Lease Financing Receivables	0	0	0	0	0	0	0	0	0	0	0	0
10 Other Interest Income	264	22	286	365	30	395	404	39	443	446	63	509
<b>11 Total Interest Income (from 1 to 10)</b>	<b>9.324</b>	<b>2.523</b>	<b>11.847</b>	<b>9.943</b>	<b>2.313</b>	<b>12.256</b>	<b>13.282</b>	<b>2.607</b>	<b>15.888</b>	<b>14.572</b>	<b>2.842</b>	<b>17.415</b>
12 Interest Paid for Deposits	5.577	936	6.513	6.335	1.000	7.335	5.818	990	6.808	6.001	970	6.971
13 Interest Paid for Balances Due to Banks	466	390	856	420	306	725	351	438	789	398	754	1.152
14 Interest Paid for Money Markets	58	15	73	122	11	133	68	0	68	72	0	72
15 Interest Paid For Issued Securities	0	0	0	0	0	0	0	0	0	0	0	0
16 Interest Paid For Repo Transactions	723	10	733	853	33	886	1.013	72	1.085	906	73	979
17 Expenses for Lease Financing Obligations	3	4	6	3	3	6	8	7	15	3	12	16
18 Other Interest Expenses	9	13	22	13	8	21	7	12	19	8	11	18
<b>19 Total Interest Expenses (from 12 to 18)</b>	<b>6.836</b>	<b>1.368</b>	<b>8.204</b>	<b>7.746</b>	<b>1.360</b>	<b>9.106</b>	<b>7.265</b>	<b>1.520</b>	<b>8.785</b>	<b>7.388</b>	<b>1.820</b>	<b>9.208</b>
<b>20 NET OF INTEREST INCOME (INTEREST EXPENSE) (11-19)</b>	<b>2.488</b>	<b>1.155</b>	<b>3.643</b>	<b>2.197</b>	<b>952</b>	<b>3.150</b>	<b>6.017</b>	<b>1.086</b>	<b>7.103</b>	<b>7.185</b>	<b>1.022</b>	<b>8.207</b>
21 Provisions for Past Due Loans	603	45	649	724	7	731	755	11	766	1.128	84	1.213
<b>22 NET OF INTEREST INCOME (EXPENSE) AFTER PROVISIONS (20-21)</b>	<b>1.884</b>	<b>1.110</b>	<b>2.994</b>	<b>1.474</b>	<b>945</b>	<b>2.419</b>	<b>5.262</b>	<b>1.075</b>	<b>6.337</b>	<b>6.056</b>	<b>938</b>	<b>6.994</b>
23 Fees and Commissions Received on Loans	249	190	439	312	192	503	428	250	678	473	227	700
24 Dividend Income	193	79	272	131	75	207	186	141	327	154	24	178
25 Income from Banking Activities	915	73	987	1.487	104	1.590	2.209	128	2.337	2.697	121	2.818
26 Income from Fixed Assets Sold	34	0	34	102	0	102	46	0	46	104	10	113
27 Other Non-Interest Income	1.187	17	1.204	635	40	675	764	16	780	1.124	24	1.148
<b>28 Total Non-Interest Income (from 23 to 27)</b>	<b>2.578</b>	<b>358</b>	<b>2.936</b>	<b>2.666</b>	<b>411</b>	<b>3.077</b>	<b>3.633</b>	<b>535</b>	<b>4.167</b>	<b>4.552</b>	<b>405</b>	<b>4.957</b>
29 Personnel Expenses	1.078	6	1.084	1.629	8	1.637	2.136	12	2.148	2.373	12	2.385
30 Provisions for Unexpected (General) Loan Losses	115	4	119	99	2	101	155	17	172	298	94	392
31 Provisions for Retirement Benefits Fund	9	0	9	18	0	18	21	0	21	12	0	12
32 Provisions for Value Decreases in Securities Portfolio	21	8	28	41	1	42	34	155	189	315	87	402
33 Provisions for Value Decreases in Subsidiaries, Associated and Joint Cor	92	2	94	31	0	31	163	13	176	538	16	554
34 Other Provisions	200	5	206	254	9	263	795	2	797	1.318	1	1.319
35 Fees and Commissions Paid for Transactions	475	87	561	600	94	694	619	154	774	589	157	746
36 Depreciation Expenses	361	1	363	523	2	525	509	2	511	602	2	604
37 Taxes, Duties, Charges and Premiums Paid	190	1	191	265	1	266	182	1	183	167	1	168
38 Other Non-Interest Expenses	1.555	55	1.611	2.167	44	2.211	2.468	40	2.509	3.600	44	3.644
<b>39 Total Non-Interest Expenses (from 29 to 38)</b>	<b>4.097</b>	<b>169</b>	<b>4.265</b>	<b>5.627</b>	<b>160</b>	<b>5.787</b>	<b>7.082</b>	<b>398</b>	<b>7.480</b>	<b>9.812</b>	<b>414</b>	<b>10.226</b>
40 Net of Income (Loss) from Capital Market Transactions	1.231	161	1.393	2.343	286	2.629	489	421	911	291	72	364
41 Net of Income (Loss) from FX Transactions	0	-969	-969	0	859	859	0	96	96	0	248	248
42 Net of Income (Expense) from Extra Ordinary Transactions	0	0	0	0	0	0	-2	0	-2	0	0	0
43 Profit (Loss) from Net Monetary Position	-466	0	-466	-386	0	-386	-837	0	-837	0	0	0
44 Total Other Non-Interest Income (Expense) (from 40 to 43)	765	-808	-42	1.957	1.145	3.102	-350	517	167	292	320	612
<b>45 PROFIT (LOSS) BEFORE TAX [(22+28+44)-39]</b>	<b>1.131</b>	<b>491</b>	<b>1.622</b>	<b>470</b>	<b>2.341</b>	<b>2.811</b>	<b>1.463</b>	<b>1.729</b>	<b>3.191</b>	<b>1.087</b>	<b>1.249</b>	<b>2.337</b>
46 Provisions for Taxes	135	0	135	720	1	721	1.084	2	1.086	1.298	4	1.301
<b>47 PROFIT (LOSS) FOR THE PERIOD (45 - 46)</b>	<b>996</b>	<b>491</b>	<b>1.487</b>	<b>-250</b>	<b>2.340</b>	<b>2.090</b>	<b>378</b>	<b>1.727</b>	<b>2.105</b>	<b>-210</b>	<b>1.246</b>	<b>1.035</b>

Source: The BRSA Banks Reporting System as of March 29, 2006.

**Annex Table 34 - Income Statement of State Banks (December 2005/ December 2004) (% Change)**

	Nominal Change TRY			Nominal Change USD Dollar			Real Change TRY		
	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL
1 Interest Income on Loans	26,0	14,5	24,4	25,9	14,5	24,3	20,5	9,6	19,0
2 Interest Income on Past Due Loans	3,8	-98,7	-9,4	26,3	-98,4	10,2	-6,1	-73,6	-6,6
3 Interest Income on Banks	-60,5	-30,0	-46,5	-51,9	-14,8	-34,9	8,5	42,4	26,6
4 Interest Income on Money Markets	-97,9	-83,8	-97,4	-97,4	-80,2	-96,9	-80,8	42,9	-77,0
5 Interest Income on Securities - Trading Portfolio	-61,1	-60,8	-61,0	-52,7	-52,3	-52,5	-59,1	-44,7	-55,8
6 Interest Income on Securities - Available for Sale	242,5	104,7	203,6	316,9	149,1	269,5	21,0	31,5	22,9
7 Interest Income on Securities - Held to Maturity	-70,2	-34,4	-66,2	-63,7	-20,2	-58,9	-34,5	-23,0	-32,3
8 Income from Reverse Repo Transactions	-57,5	-94,8	-58,8	-48,3	-93,7	-49,9	-82,5	-97,1	-82,9
9 Income from Lease Financing Receivables	-	-	-	-	-	-	-	-	-
10 Other Interest Income	38,9	138,2	46,4	69,0	189,8	78,2	5,8	53,4	10,0
<b>11 Total Interest Income (from 1 to 10)</b>	<b>28,4</b>	<b>-7,4</b>	<b>20,8</b>	<b>56,3</b>	<b>12,7</b>	<b>47,0</b>	<b>5,0</b>	<b>4,4</b>	<b>4,9</b>
12 Interest Paid for Deposits	-11,6	-14,9	-12,1	7,6	3,6	7,0	-1,3	-6,3	-2,0
13 Interest Paid for Balances Due to Banks	-29,9	58,8	10,5	-14,7	93,3	34,5	8,6	64,8	39,8
14 Interest Paid for Money Markets	1,4	-100,0	-19,7	23,4	-100,0	-2,2	0,6	-100,0	0,5
15 Interest Paid For Issued Securities	-	-	-	-	-	-	-	-	-
16 Interest Paid For Repo Transactions	2,9	488,5	9,7	25,3	616,2	33,5	-14,4	-2,6	-13,6
17 Expenses for Lease Financing Obligations	7,1	179,5	106,1	30,3	240,2	150,9	-57,7	57,9	-1,6
18 Other Interest Expenses	-32,9	-32,2	-32,5	-18,3	-17,5	-17,8	11,0	-18,5	-8,2
<b>19 Total Interest Expenses (from 12 to 18)</b>	<b>-11,2</b>	<b>9,3</b>	<b>-7,8</b>	<b>8,1</b>	<b>33,1</b>	<b>12,2</b>	<b>-2,7</b>	<b>14,6</b>	<b>0,3</b>
<b>20 NET OF INTEREST INCOME (INTEREST EXPENSE) (11-19)</b>	<b>137,3</b>	<b>-27,3</b>	<b>85,1</b>	<b>188,8</b>	<b>-11,5</b>	<b>125,3</b>	<b>14,3</b>	<b>-9,9</b>	<b>10,6</b>
21 Provisions for Past Due Loans	53,7	52,4	53,6	87,0	85,4	86,9	43,0	646,1	51,5
<b>22 NET OF INTEREST INCOME (EXPENSE) AFTER PROVISIONS</b>	<b>164,1</b>	<b>-30,5</b>	<b>92,0</b>	<b>221,4</b>	<b>-15,4</b>	<b>133,6</b>	<b>10,2</b>	<b>-16,5</b>	<b>5,6</b>
23 Fees and Commissions Received on Loans	56,2	-1,8	31,1	90,1	19,5	59,5	5,8	-13,0	-1,2
24 Dividend Income	-34,7	-74,9	-46,3	-20,5	-69,5	-34,6	-20,9	-83,7	-47,9
25 Income from Banking Activities	142,2	36,8	134,5	194,8	66,5	185,4	16,9	-9,8	15,4
26 Income from Fixed Assets Sold	148,8	-	171,9	202,8	-	230,9	117,6	4.510,6	136,7
27 Other Non-Interest Income	-22,2	14,2	-21,7	-5,3	38,9	-4,7	40,8	42,9	40,8
<b>28 Total Non-Interest Income (from 23 to 27)</b>	<b>45,1</b>	<b>-7,1</b>	<b>38,7</b>	<b>76,5</b>	<b>13,1</b>	<b>68,8</b>	<b>19,9</b>	<b>-27,5</b>	<b>13,8</b>
29 Personnel Expenses	80,9	63,6	80,8	120,1	99,2	120,0	6,3	-5,8	6,3
30 Provisions for Unexpected (General) Loan Losses	112,8	1.860,1	170,8	158,9	2.285,6	229,6	83,9	418,2	117,6
31 Provisions for Retirement Benefits Fund	3,8	-100,0	3,8	26,3	-100,0	26,3	-47,2	-	-47,2
32 Provisions for Value Decreases in Securities Portfolio	1.152,6	842,7	1.069,6	1.424,4	1.047,3	1.323,5	795,0	-46,4	104,0
33 Provisions for Value Decreases in Subsidiaries, Associated and Joint Ventures	381,7	515,5	384,8	486,3	649,0	490,0	216,8	14,3	201,3
34 Other Provisions	440,4	-86,5	426,9	557,7	-83,6	541,3	58,7	-58,2	58,4
35 Fees and Commissions Paid for Transactions	1,9	49,4	9,2	24,0	81,8	32,9	-9,0	-2,5	-7,7
36 Depreciation Expenses	36,9	33,7	36,9	66,6	62,7	66,6	13,2	-9,4	13,1
37 Taxes, Duties, Charges and Premiums Paid	-27,9	56,3	-27,6	-12,2	90,2	-11,9	-12,2	-29,2	-12,3
38 Other Non-Interest Expenses	90,2	-35,2	85,9	131,5	-21,1	126,3	39,6	3,8	39,0
<b>39 Total Non-Interest Expenses (from 29 to 38)</b>	<b>96,8</b>	<b>101,7</b>	<b>97,0</b>	<b>139,5</b>	<b>145,4</b>	<b>139,7</b>	<b>32,6</b>	<b>-0,5</b>	<b>30,8</b>
40 Net of Income (Loss) from Capital Market Transactions	-80,6	-63,2	-78,5	-76,3	-55,2	-73,9	-43,0	-83,6	-61,8
41 Net of Income (Loss) from FX Transactions	-	-121,0	-121,0	-	-125,6	-125,6	-	148,5	148,5
42 Net of Income (Expense) from Extra Ordinary Transactions	-314,9	-	-314,9	-361,5	-	-361,5	-109,6	-	-109,6
43 Profit (Loss) from Net Monetary Position	-100,0	-	-100,0	-100,0	-	-100,0	-100,0	-	-100,0
44 Total Other Non-Interest Income (Expense) (from 40 to 43)	-68,7	-132,6	-1.288,4	-61,9	-139,7	-1.546,3	-179,7	-40,7	251,2
<b>45 PROFIT (LOSS) BEFORE TAX [(22+28+44)-39]</b>	<b>-21,0</b>	<b>108,9</b>	<b>18,3</b>	<b>-3,8</b>	<b>154,2</b>	<b>44,0</b>	<b>-28,8</b>	<b>-30,8</b>	<b>-29,9</b>
46 Provisions for Taxes	688,8	-	691,0	860,0	-	862,7	14,6	94,9	14,7
<b>47 PROFIT (LOSS) FOR THE PERIOD (45 - 46)</b>	<b>-117,3</b>	<b>108,3</b>	<b>-42,8</b>	<b>-121,1</b>	<b>153,5</b>	<b>-30,4</b>	<b>-153,2</b>	<b>-31,0</b>	<b>-52,9</b>

Source: The BRSA Banks Reporting System as of March 29, 2006.

**Annex Table 35 - Income Statement of SDIF Banks (TRY thousand)**

(TRY thousand)	December 2002			December 2003			December 2004			December 2005		
	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL
1 Interest Income on Loans	315.885	79.304	395.189	131.643	29.351	160.994	2.135	378	2.513	295	653	948
2 Interest Income on Past Due Loans	22.894	0	22.894	20.603	59	20.662	4.320	0	4.320	4.364	0	4.364
3 Interest Income on Banks	81.087	41.188	122.275	35.872	18.020	53.892	71.793	9.102	80.895	74.936	5.827	80.763
4 Interest Income on Money Markets	81.381	1	81.382	6.944	8	6.952	71	0	71	2.672	0	2.672
5 Interest Income on Securities - Trading Portfolio	629.193	3.573	632.766	580.134	754	580.888	329.223	112	329.335	67.813	3	67.816
6 Interest Income on Securities - Available for Sale	248.955	0	248.955	586.218	3.262	589.480	0	0	0	0	0	0
7 Interest Income on Securities - Held to Maturity	188.644	28.390	217.034	49.507	19	49.526	0	0	0	0	0	0
8 Income from Reverse Repo Transactions	273	0	273	197	0	197	31	0	31	0	0	0
9 Income from Lease Financing Receivables	0	0	0	0	0	0	0	0	0	0	0	0
10 Other Interest Income	29.221	481	29.702	14.060	55	14.115	2.705	128	2.833	1.623	190	1.813
<b>11 Total Interest Income (from 1 to 10)</b>	<b>1.597.533</b>	<b>152.937</b>	<b>1.750.470</b>	<b>1.425.178</b>	<b>51.528</b>	<b>1.476.706</b>	<b>410.278</b>	<b>9.720</b>	<b>419.998</b>	<b>151.703</b>	<b>6.673</b>	<b>158.376</b>
12 Interest Paid for Deposits	1.193.329	175.126	1.368.455	744.524	83.906	828.430	9	0	9	0	0	0
13 Interest Paid for Balances Due to Banks	96.375	40.699	137.074	53.177	18.974	72.151	1.202	3.070	4.272	0	1.508	1.508
14 Interest Paid for Money Markets	8.548	0	8.548	7.748	0	7.748	207	0	207	0	0	0
15 Interest Paid For Issued Securities	0	0	0	0	0	0	0	0	0	0	0	0
16 Interest Paid For Repo Transactions	158.978	0	158.978	619.470	0	619.470	92.323	0	92.323	217	0	217
17 Expenses for Lease Financing Obligations	0	0	0	0	0	0	0	0	0	0	0	0
18 Other Interest Expenses	4.559	3.533	8.092	90.297	3.437	93.734	25.778	0	25.778	882	41	923
<b>19 Total Interest Expenses (from 12 to 18)</b>	<b>1.461.789</b>	<b>219.358</b>	<b>1.681.147</b>	<b>1.515.216</b>	<b>106.317</b>	<b>1.621.533</b>	<b>119.519</b>	<b>3.070</b>	<b>122.589</b>	<b>1.099</b>	<b>1.549</b>	<b>2.648</b>
<b>20 NET OF INTEREST INCOME (INTEREST EXPENSE) (11-19)</b>	<b>135.744</b>	<b>-66.421</b>	<b>69.323</b>	<b>-90.038</b>	<b>-54.789</b>	<b>-144.827</b>	<b>290.759</b>	<b>6.650</b>	<b>297.409</b>	<b>150.604</b>	<b>5.124</b>	<b>155.728</b>
21 Provisions for Past Due Loans	1.016.869	177.982	1.194.851	133.809	43.456	177.265	24.336	2.177	26.513	12.050	328	12.378
<b>22 NET OF INTEREST INCOME (EXPENSE) AFTER PROVISIONS (20-21)</b>	<b>-881.125</b>	<b>-244.403</b>	<b>-1.125.528</b>	<b>-223.847</b>	<b>-98.245</b>	<b>-322.092</b>	<b>266.423</b>	<b>4.473</b>	<b>270.896</b>	<b>138.554</b>	<b>4.796</b>	<b>143.350</b>
23 Fees and Commissions Received on Loans	39.120	18.456	57.576	21.958	12.232	34.190	7.517	3.719	11.236	5.139	2.673	7.812
24 Dividend Income	10.370	0	10.370	37	0	37	0	0	0	0	831	831
25 Income from Banking Activities	78.575	4.121	82.696	51.056	2.932	53.988	385	146	531	35	0	35
26 Income from Fixed Assets Sold	12.717	0	12.717	518.622	0	518.622	1.533	0	1.533	23.103	0	23.103
27 Other Non-Interest Income	225.482	263	225.745	277.840	105	277.945	183.676	573	184.249	20.085	836	20.921
<b>28 Total Non-Interest Income (from 23 to 27)</b>	<b>366.264</b>	<b>22.840</b>	<b>389.104</b>	<b>869.513</b>	<b>15.269</b>	<b>884.782</b>	<b>193.111</b>	<b>4.438</b>	<b>197.549</b>	<b>48.362</b>	<b>4.340</b>	<b>52.702</b>
29 Personnel Expenses	147.714	3.676	151.390	129.841	3.168	133.009	13.792	0	13.792	14.808	0	14.808
30 Provisions for Unexpected (General) Loan Losses	2.932	58.595	61.527	258	1.338	1.596	79	200	279	3.093	3.960	7.053
31 Provisions for Retirement Benefits Fund	41.024	0	41.024	11.266	0	11.266	175	0	175	489	0	489
32 Provisions for Value Decreases in Securities Portfolio	4.717	0	4.717	59.998	0	59.998	0	0	0	0	0	0
33 Provisions for Value Decreases in Subsidiaries, Associated and Joint Cor	214.672	0	214.672	0	0	0	0	0	0	5.420	0	5.420
34 Other Provisions	20.333	0	20.333	531	0	531	-1	1	0	0	0	0
35 Fees and Commissions Paid for Transactions	9.214	6.259	15.473	4.622	3.420	8.042	913	144	1.057	203	68	271
36 Depreciation Expenses	28.065	67	28.132	21.140	162	21.302	3.307	0	3.307	1.648	0	1.648
37 Taxes, Duties, Charges and Premiums Paid	28.086	0	28.086	13.315	9	13.324	1.633	0	1.633	3.741	0	3.741
38 Other Non-Interest Expenses	624.413	6.839	631.252	150.073	1.683	151.756	41.558	0	41.558	25.804	0	25.804
<b>39 Total Non-Interest Expenses (from 29 to 38)</b>	<b>1.121.170</b>	<b>75.436</b>	<b>1.196.606</b>	<b>391.044</b>	<b>9.780</b>	<b>400.824</b>	<b>61.456</b>	<b>345</b>	<b>61.801</b>	<b>55.206</b>	<b>4.028</b>	<b>59.234</b>
40 Net of Income (Loss) from Capital Market Transactions	316.046	-1.724	314.322	48.705	-7.451	41.254	40.202	-166	40.036	111.968	0	111.968
41 Net of Income (Loss) from FX Transactions	0	-735.131	-735.131	0	85.262	85.262	0	-3.778	-3.778	0	10.659	10.659
42 Net of Income (Expense) from Extra Ordinary Transactions	548.627	0	548.627	0	0	0	0	0	0	0	0	0
43 Profit (Loss) from Net Monetary Position	675.093		675.093	-16.350		-16.350	-56.562		-56.562	0		0
44 Total Other Non-Interest Income (Expense) (from 40 to 43)	1.539.766	-736.855	802.911	32.355	77.811	110.166	-16.360	-3.944	-20.304	111.968	10.659	122.627
<b>45 PROFIT (LOSS) BEFORE TAX [(22+28+44)-39]</b>	<b>-96.265</b>	<b>-1.033.854</b>	<b>-1.130.119</b>	<b>286.977</b>	<b>-14.945</b>	<b>272.032</b>	<b>381.718</b>	<b>4.622</b>	<b>386.340</b>	<b>243.678</b>	<b>15.767</b>	<b>259.445</b>
46 Provisions for Taxes	0	0	0	0	0	0	0	0	0	0	0	0
<b>47 PROFIT (LOSS) FOR THE PERIOD (45 - 46)</b>	<b>-96.265</b>	<b>-1.033.854</b>	<b>-1.130.119</b>	<b>286.977</b>	<b>-14.945</b>	<b>272.032</b>	<b>381.718</b>	<b>4.622</b>	<b>386.340</b>	<b>243.678</b>	<b>15.767</b>	<b>259.445</b>

Source: The BRSA Banks Reporting System as of March 29, 2006.

**Annex Table 36 - Income Statement of SDIF Banks (USD million)**

(USD million)	December 2002			December 2003			December 2004			December 2005		
	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL
1 Interest Income on Loans	193	49	242	94	21	115	2	0	2	0	0	1
2 Interest Income on Past Due Loans	14	0	14	15	0	15	3	0	3	3	0	3
3 Interest Income on Banks	50	25	75	26	13	39	53	7	60	56	4	60
4 Interest Income on Money Markets	50	0	50	5	0	5	0	0	0	2	0	2
5 Interest Income on Securities - Trading Portfolio	385	2	387	416	1	416	245	0	245	50	0	50
6 Interest Income on Securities - Available for Sale	152	0	152	420	2	422	0	0	0	0	0	0
7 Interest Income on Securities - Held to Maturity	115	17	133	35	0	35	0	0	0	0	0	0
8 Income from Reverse Repo Transactions	0	0	0	0	0	0	0	0	0	0	0	0
9 Income from Lease Financing Receivables	0	0	0	0	0	0	0	0	0	0	0	0
10 Other Interest Income	18	0	18	10	0	10	2	0	2	1	0	1
<b>11 Total Interest Income (from 1 to 10)</b>	<b>977</b>	<b>94</b>	<b>1.071</b>	<b>1.021</b>	<b>37</b>	<b>1.058</b>	<b>306</b>	<b>7</b>	<b>313</b>	<b>113</b>	<b>5</b>	<b>118</b>
12 Interest Paid for Deposits	730	107	837	533	60	594	0	0	0	0	0	0
13 Interest Paid for Balances Due to Banks	59	25	84	38	14	52	1	2	3	0	1	1
14 Interest Paid for Money Markets	5	0	5	6	0	6	0	0	0	0	0	0
15 Interest Paid For Issued Securities	0	0	0	0	0	0	0	0	0	0	0	0
16 Interest Paid For Repo Transactions	97	0	97	444	0	444	69	0	69	0	0	0
17 Expenses for Lease Financing Obligations	0	0	0	0	0	0	0	0	0	0	0	0
18 Other Interest Expenses	3	2	5	65	2	67	19	0	19	1	0	1
<b>19 Total Interest Expenses (from 12 to 18)</b>	<b>894</b>	<b>134</b>	<b>1.029</b>	<b>1.086</b>	<b>76</b>	<b>1.162</b>	<b>89</b>	<b>2</b>	<b>91</b>	<b>1</b>	<b>1</b>	<b>2</b>
<b>20 NET OF INTEREST INCOME (INTEREST EXPENSE) (11-19)</b>	<b>83</b>	<b>-41</b>	<b>42</b>	<b>-65</b>	<b>-39</b>	<b>-104</b>	<b>217</b>	<b>5</b>	<b>222</b>	<b>112</b>	<b>4</b>	<b>116</b>
21 Provisions for Past Due Loans	622	109	731	96	31	127	18	2	20	9	0	9
<b>22 NET OF INTEREST INCOME (EXPENSE) AFTER PROVISIONS (20-21)</b>	<b>-539</b>	<b>-150</b>	<b>-689</b>	<b>-160</b>	<b>-70</b>	<b>-231</b>	<b>199</b>	<b>3</b>	<b>202</b>	<b>103</b>	<b>4</b>	<b>107</b>
23 Fees and Commissions Received on Loans	24	11	35	16	9	24	6	3	8	4	2	6
24 Dividend Income	6	0	6	0	0	0	0	0	0	0	1	1
25 Income from Banking Activities	48	3	51	37	2	39	0	0	0	0	0	0
26 Income from Fixed Assets Sold	8	0	8	372	0	372	1	0	1	17	0	17
27 Other Non-Interest Income	138	0	138	199	0	199	137	0	137	15	1	16
<b>28 Total Non-Interest Income (from 23 to 27)</b>	<b>224</b>	<b>14</b>	<b>238</b>	<b>623</b>	<b>11</b>	<b>634</b>	<b>144</b>	<b>3</b>	<b>147</b>	<b>36</b>	<b>3</b>	<b>39</b>
29 Personnel Expenses	90	2	93	93	2	95	10	0	10	11	0	11
30 Provisions for Unexpected (General) Loan Losses	2	36	38	0	1	1	0	0	0	2	3	5
31 Provisions for Retirement Benefits Fund	25	0	25	8	0	8	0	0	0	0	0	0
32 Provisions for Value Decreases in Securities Portfolio	3	0	3	43	0	43	0	0	0	0	0	0
33 Provisions for Value Decreases in Subsidiaries, Associated and Joint Companies	131	0	131	0	0	0	0	0	0	4	0	4
34 Other Provisions	12	0	12	0	0	0	0	0	0	0	0	0
35 Fees and Commissions Paid for Transactions	6	4	9	3	2	6	1	0	1	0	0	0
36 Depreciation Expenses	17	0	17	15	0	15	2	0	2	1	0	1
37 Taxes, Duties, Charges and Premiums Paid	17	0	17	10	0	10	1	0	1	3	0	3
38 Other Non-Interest Expenses	382	4	386	108	1	109	31	0	31	19	0	19
<b>39 Total Non-Interest Expenses (from 29 to 38)</b>	<b>686</b>	<b>46</b>	<b>732</b>	<b>280</b>	<b>7</b>	<b>287</b>	<b>46</b>	<b>0</b>	<b>46</b>	<b>41</b>	<b>3</b>	<b>44</b>
40 Net of Income (Loss) from Capital Market Transactions	193	-1	192	35	-5	30	30	0	30	83	0	83
41 Net of Income (Loss) from FX Transactions	0	-450	-450	0	61	61	0	-3	-3	0	8	8
42 Net of Income (Expense) from Extra Ordinary Transactions	336	0	336	0	0	0	0	0	0	0	0	0
43 Profit (Loss) from Net Monetary Position	413	0	413	-12	0	-12	-42	0	-42	0	0	0
44 Total Other Non-Interest Income (Expense) (from 40 to 43)	942	-451	491	23	56	79	-12	-3	-15	83	8	91
<b>45 PROFIT (LOSS) BEFORE TAX [(22+28+44)-39]</b>	<b>-59</b>	<b>-633</b>	<b>-691</b>	<b>206</b>	<b>-11</b>	<b>195</b>	<b>284</b>	<b>3</b>	<b>288</b>	<b>181</b>	<b>12</b>	<b>193</b>
46 Provisions for Taxes	0	0	0	0	0	0	0	0	0	0	0	0
<b>47 PROFIT (LOSS) FOR THE PERIOD (45 - 46)</b>	<b>-59</b>	<b>-633</b>	<b>-691</b>	<b>206</b>	<b>-11</b>	<b>195</b>	<b>284</b>	<b>3</b>	<b>288</b>	<b>181</b>	<b>12</b>	<b>193</b>

Source: The BRSA Banks Reporting System as of March 29, 2006.



**Annex Table 37 - Income Statement of SDIF Banks (December 2005/ December 2004) (% Change)**

	Nominal Change TRY			Nominal Change USD Dollar			Real Change TRY		
	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL
1 Interest Income on Loans	-86,2	72,8	-62,3	-86,2	72,6	-62,3	-86,8	65,2	-63,9
2 Interest Income on Past Due Loans	1,0	-	1,0	1,0	-	1,0	-3,4	-	-3,4
3 Interest Income on Banks	4,4	-36,0	-0,2	4,3	-36,0	-0,2	-0,2	-38,8	-4,5
4 Interest Income on Money Markets	3.663,4	-	3.663,4	3.660,9	-	3.660,9	3.499,8	-	3.499,8
5 Interest Income on Securities - Trading Portfolio	-79,4	-97,3	-79,4	-79,4	-97,3	-79,4	-80,3	-97,4	-80,3
6 Interest Income on Securities - Available for Sale	-	-	-	-	-	-	-	-	-
7 Interest Income on Securities - Held to Maturity	-	-	-	-	-	-	-	-	-
8 Income from Reverse Repo Transactions	-100,0	-	-100,0	-100,0	-	-100,0	-100,0	-	-100,0
9 Income from Lease Financing Receivables	-	-	-	-	-	-	-	-	-
10 Other Interest Income	-40,0	48,4	-36,0	-40,0	48,3	-36,0	-42,6	42,0	-38,8
<b>11 Total Interest Income (from 1 to 10)</b>	<b>-63,0</b>	<b>-31,3</b>	<b>-62,3</b>	<b>-63,0</b>	<b>-31,4</b>	<b>-62,3</b>	<b>-64,6</b>	<b>-34,3</b>	<b>-63,9</b>
12 Interest Paid for Deposits	-100,0	-	-100,0	-100,0	-	-100,0	-100,0	-	-100,0
13 Interest Paid for Balances Due to Banks	-100,0	-50,9	-64,7	-100,0	-50,9	-64,7	-100,0	-53,0	-66,2
14 Interest Paid for Money Markets	-100,0	-	-100,0	-100,0	-	-100,0	-100,0	-	-100,0
15 Interest Paid For Issued Securities	-	-	-	-	-	-	-	-	-
16 Interest Paid For Repo Transactions	-99,8	-	-99,8	-99,8	-	-99,8	-99,8	-	-99,8
17 Expenses for Lease Financing Obligations	-	-	-	-	-	-	-	-	-
18 Other Interest Expenses	-96,6	-	-96,4	-96,6	-	-96,4	-96,7	-	-96,6
<b>19 Total Interest Expenses (from 12 to 18)</b>	<b>-99,1</b>	<b>-49,5</b>	<b>-97,8</b>	<b>-99,1</b>	<b>-49,6</b>	<b>-97,8</b>	<b>-99,1</b>	<b>-51,7</b>	<b>-97,9</b>
<b>20 NET OF INTEREST INCOME (INTEREST EXPENSE) (11-19)</b>	<b>-48,2</b>	<b>-22,9</b>	<b>-47,6</b>	<b>-48,2</b>	<b>-23,0</b>	<b>-47,7</b>	<b>-50,5</b>	<b>-26,3</b>	<b>-49,9</b>
21 Provisions for Past Due Loans	-50,5	-84,9	-53,3	-50,5	-84,9	-53,3	-52,6	-85,6	-55,3
<b>22 NET OF INTEREST INCOME (EXPENSE) AFTER PROVISIONS (20-21)</b>	<b>-48,0</b>	<b>7,2</b>	<b>-47,1</b>	<b>-48,0</b>	<b>7,1</b>	<b>-47,1</b>	<b>-50,3</b>	<b>2,6</b>	<b>-49,4</b>
23 Fees and Commissions Received on Loans	-31,6	-28,1	-30,5	-31,7	-28,2	-30,5	-34,6	-31,3	-33,5
24 Dividend Income	-	-	-	-	-	-	-	-	-
25 Income from Banking Activities	-90,9	-100,0	-93,4	-90,9	-100,0	-93,4	-91,3	-100,0	-93,7
26 Income from Fixed Assets Sold	1.407,0	-	1.407,0	1.406,0	-	1.406,0	1.341,5	-	1.341,5
27 Other Non-Interest Income	-89,1	45,9	-88,6	-89,1	45,8	-88,7	-89,5	39,6	-89,1
<b>28 Total Non-Interest Income (from 23 to 27)</b>	<b>-75,0</b>	<b>-2,2</b>	<b>-73,3</b>	<b>-75,0</b>	<b>-2,3</b>	<b>-73,3</b>	<b>-76,0</b>	<b>-6,5</b>	<b>-74,5</b>
29 Personnel Expenses	7,4	-	7,4	7,3	-	7,3	2,7	-	2,7
30 Provisions for Unexpected (General) Loan Losses	3.815,2	1.880,0	2.428,0	3.812,6	1.878,7	2.426,3	3.645,0	1.793,9	2.318,1
31 Provisions for Retirement Benefits Fund	179,4	-	179,4	179,2	-	179,2	167,3	-	167,3
32 Provisions for Value Decreases in Securities Portfolio	-	-	-	-	-	-	-	-	-
33 Provisions for Value Decreases in Subsidiaries, Associated and Joint Ventures	-	-	-	-	-	-	-	-	-
34 Other Provisions	-100,0	-100,0	-	-100,0	-100,0	-	-100,0	-100,0	-
35 Fees and Commissions Paid for Transactions	-77,8	-52,8	-74,4	-77,8	-52,8	-74,4	-78,7	-54,8	-75,5
36 Depreciation Expenses	-50,2	-	-50,2	-50,2	-	-50,2	-52,3	-	-52,3
37 Taxes, Duties, Charges and Premiums Paid	129,1	-	129,1	128,9	-	128,9	119,1	-	119,1
38 Other Non-Interest Expenses	-37,9	-	-37,9	-38,0	-	-38,0	-40,6	-	-40,6
<b>39 Total Non-Interest Expenses (from 29 to 38)</b>	<b>-10,2</b>	<b>1.067,5</b>	<b>-4,2</b>	<b>-10,2</b>	<b>1.066,8</b>	<b>-4,2</b>	<b>-14,1</b>	<b>1.016,8</b>	<b>-8,3</b>
40 Net of Income (Loss) from Capital Market Transactions	178,5	-100,0	179,7	178,3	-100,0	179,5	166,4	-100,0	167,5
41 Net of Income (Loss) from FX Transactions	-	-382,1	-382,1	-	-381,9	-381,9	-	-369,9	-369,9
42 Net of Income (Expense) from Extra Ordinary Transactions	-	-	-	-	-	-	-	-	-
43 Profit (Loss) from Net Monetary Position	-100,0	-	-100,0	-100,0	-	-100,0	-100,0	-	-100,0
44 Total Other Non-Interest Income (Expense) (from 40 to 43)	-784,4	-370,3	-704,0	-783,9	-370,1	-703,6	-754,6	-358,5	-677,7
<b>45 PROFIT (LOSS) BEFORE TAX [(22+28+44)-39]</b>	<b>-36,2</b>	<b>241,1</b>	<b>-32,8</b>	<b>-36,2</b>	<b>240,9</b>	<b>-32,9</b>	<b>-38,9</b>	<b>226,3</b>	<b>-35,8</b>
46 Provisions for Taxes	-	-	-	-	-	-	-	-	-
<b>47 PROFIT (LOSS) FOR THE PERIOD (45 - 46)</b>	<b>-36,2</b>	<b>241,1</b>	<b>-32,8</b>	<b>-36,2</b>	<b>240,9</b>	<b>-32,9</b>	<b>-38,9</b>	<b>226,3</b>	<b>-35,8</b>

Source: The BRSA Banks Reporting System as of March 29, 2006.

**Annex Table 38 - Income Statement of Foreign Banks (TRY thousand)**

(TRY thousand)	December 2002			December 2003			December 2004			December 2005		
	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL
1 Interest Income on Loans	340.725	70.430	411.155	396.480	63.198	459.678	624.450	75.366	699.816	1.478.978	157.383	1.636.361
2 Interest Income on Past Due Loans	5.274	0	5.274	6.801	182	6.983	6.408	0	6.408	24.799	171	24.970
3 Interest Income on Banks	60.791	28.147	88.938	64.999	11.686	76.685	74.651	14.971	89.622	122.768	49.396	172.164
4 Interest Income on Money Markets	408.972	2.481	411.453	170.042	2.209	172.251	84.861	834	85.695	37.333	1.566	38.899
5 Interest Income on Securities - Trading Portfolio	33.801	18.450	52.251	74.406	1.434	75.840	88.468	5.538	94.006	186.535	16.898	203.433
6 Interest Income on Securities - Available for Sale	85.163	28.995	114.158	53.414	44.110	97.524	100.376	38.415	138.791	202.861	55.930	258.791
7 Interest Income on Securities - Held to Maturity	156.138	21.228	177.366	77.857	27.033	104.890	28.775	17.201	45.976	34.136	30.545	64.681
8 Income from Reverse Repo Transactions	38	0	38	10	0	10	9	0	9	24	0	24
9 Income from Lease Financing Receivables	0	0	0	0	0	0	0	0	0	0	0	0
10 Other Interest Income	54.078	11.416	65.494	14.101	1.454	15.555	22.759	2.312	25.071	51.552	9.176	60.728
<b>11 Total Interest Income (from 1 to 10)</b>	<b>1.144.980</b>	<b>181.147</b>	<b>1.326.127</b>	<b>858.110</b>	<b>151.306</b>	<b>1.009.416</b>	<b>1.030.757</b>	<b>154.637</b>	<b>1.185.394</b>	<b>2.138.986</b>	<b>321.065</b>	<b>2.460.051</b>
12 Interest Paid for Deposits	214.845	50.835	265.680	167.999	26.259	194.258	197.330	30.374	227.704	659.638	96.308	755.946
13 Interest Paid for Balances Due to Banks	238.830	28.877	267.707	144.318	15.455	159.773	246.057	21.641	267.698	327.661	83.057	410.718
14 Interest Paid for Money Markets	1.343	45	1.388	2.486	1.721	4.207	14.411	0	14.411	14.490	0	14.490
15 Interest Paid For Issued Securities	0	0	0	0	0	0	0	0	0	0	0	0
16 Interest Paid For Repo Transactions	7.956	0	7.956	12.230	0	12.230	45.825	0	45.825	90.096	5.785	95.881
17 Expenses for Lease Financing Obligations	49	1.057	1.106	19	537	556	37	192	229	853	53	906
18 Other Interest Expenses	42.291	11.069	53.360	574	3.674	4.248	573	2.215	2.788	351	1.786	2.137
<b>19 Total Interest Expenses (from 12 to 18)</b>	<b>505.314</b>	<b>91.883</b>	<b>597.197</b>	<b>327.626</b>	<b>47.646</b>	<b>375.272</b>	<b>504.233</b>	<b>54.422</b>	<b>558.655</b>	<b>1.093.089</b>	<b>186.989</b>	<b>1.280.078</b>
<b>20 NET OF INTEREST INCOME (INTEREST EXPENSE) (11-19)</b>	<b>639.666</b>	<b>89.264</b>	<b>728.930</b>	<b>530.484</b>	<b>103.660</b>	<b>634.144</b>	<b>526.524</b>	<b>100.215</b>	<b>626.739</b>	<b>1.045.897</b>	<b>134.076</b>	<b>1.179.973</b>
21 Provisions for Past Due Loans	30.975	817	31.792	14.995	0	14.995	27.351	0	27.351	144.648	0	144.648
<b>22 NET OF INTEREST INCOME (EXPENSE) AFTER PROVISIONS (20-21)</b>	<b>608.691</b>	<b>88.447</b>	<b>697.138</b>	<b>515.489</b>	<b>103.660</b>	<b>619.149</b>	<b>499.173</b>	<b>100.215</b>	<b>599.388</b>	<b>901.249</b>	<b>134.076</b>	<b>1.035.325</b>
23 Fees and Commissions Received on Loans	4.396	24.390	28.786	7.297	13.187	20.484	11.609	15.838	27.447	41.517	23.331	64.848
24 Dividend Income	9.009	0	9.009	18.748	0	18.748	39.441	45	39.486	4.136	75.306	79.442
25 Income from Banking Activities	106.167	45.101	151.268	160.497	35.285	195.782	222.378	37.619	259.997	759.164	63.526	822.690
26 Income from Fixed Assets Sold	10.823	0	10.823	529	0	529	2.835	2	2.837	7.770	0	7.770
27 Other Non-Interest Income	65.731	6.299	72.030	78.494	1.505	79.999	31.634	1.898	33.532	97.580	6.086	103.666
<b>28 Total Non-Interest Income (from 23 to 27)</b>	<b>196.126</b>	<b>75.790</b>	<b>271.916</b>	<b>265.565</b>	<b>49.977</b>	<b>315.542</b>	<b>307.897</b>	<b>55.402</b>	<b>363.299</b>	<b>910.167</b>	<b>168.249</b>	<b>1.078.416</b>
29 Personnel Expenses	226.441	933	227.374	262.816	709	263.525	300.132	762	300.894	508.298	1.327	509.625
30 Provisions for Unexpected (General) Loan Losses	5.729	17	5.746	6.861	0	6.861	17.028	0	17.028	54.548	0	54.548
31 Provisions for Retirement Benefits Fund	3.279	0	3.279	6.686	0	6.686	3.938	0	3.938	9.162	0	9.162
32 Provisions for Value Decreases in Securities Portfolio	600	309	909	37	180	217	72	1.385	1.457	1.604	2.704	4.308
33 Provisions for Value Decreases in Subsidiaries, Associated and Joint Cor	0	0	0	0	6	6	0	0	0	11.876	0	11.876
34 Other Provisions	-4.452	12.878	8.426	33.673	8.793	42.466	55.005	188	55.193	36.426	3.220	39.646
35 Fees and Commissions Paid for Transactions	9.283	4.778	14.061	10.523	4.385	14.908	15.748	11.053	26.801	77.185	54.984	132.169
36 Depreciation Expenses	63.469	134	63.603	85.258	82	85.340	80.389	40	80.429	136.533	49	136.582
37 Taxes, Duties, Charges and Premiums Paid	31.377	82	31.459	28.336	72	28.408	23.638	59	23.697	36.591	80	36.671
38 Other Non-Interest Expenses	220.028	2.953	222.981	310.308	1.893	312.201	355.916	4.028	359.944	1.011.180	7.315	1.018.495
<b>39 Total Non-Interest Expenses (from 29 to 38)</b>	<b>555.754</b>	<b>22.084</b>	<b>577.838</b>	<b>744.498</b>	<b>16.120</b>	<b>760.618</b>	<b>851.866</b>	<b>17.515</b>	<b>869.381</b>	<b>1.883.403</b>	<b>69.679</b>	<b>1.953.082</b>
40 Net of Income (Loss) from Capital Market Transactions	115.754	1.889	117.643	173.569	15.601	189.170	215.875	142.654	358.529	393.300	56.078	449.378
41 Net of Income (Loss) from FX Transactions	0	93.429	93.429	0	126.904	126.904	0	69.921	69.921	0	92.883	92.883
42 Net of Income (Expense) from Extra Ordinary Transactions	-70	0	-70	948	-2	946	8	0	8	-69	0	-69
43 Profit (Loss) from Net Monetary Position	-334.461		-334.461	-138.127		-138.127	-173.931		-173.931	0		0
44 Total Other Non-Interest Income (Expense) (from 40 to 43)	-218.777	95.318	-123.459	36.390	142.503	178.893	41.952	212.575	254.527	393.231	148.961	542.192
<b>45 PROFIT (LOSS) BEFORE TAX [(22+28+44)-39]</b>	<b>30.286</b>	<b>237.471</b>	<b>267.757</b>	<b>72.946</b>	<b>280.020</b>	<b>352.966</b>	<b>-2.844</b>	<b>350.677</b>	<b>347.833</b>	<b>321.244</b>	<b>381.607</b>	<b>702.851</b>
46 Provisions for Taxes	184.482	0	184.482	166.720	0	166.720	105.030	0	105.030	190.020	0	190.020
<b>47 PROFIT (LOSS) FOR THE PERIOD (45 - 46)</b>	<b>-154.196</b>	<b>237.471</b>	<b>83.275</b>	<b>-93.774</b>	<b>280.020</b>	<b>186.246</b>	<b>-107.874</b>	<b>350.677</b>	<b>242.803</b>	<b>131.224</b>	<b>381.607</b>	<b>512.831</b>

Source: The BRSA Banks Reporting System as of March 29, 2006.

**Annex Table 39 - Income Statement of Foreign Banks (USD million)**

(USD million)	December 2002			December 2003			December 2004			December 2005		
	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL
1 Interest Income on Loans	208	43	252	284	45	329	465	56	521	1,101	117	1,218
2 Interest Income on Past Due Loans	3	0	3	5	0	5	5	0	5	18	0	19
3 Interest Income on Banks	37	17	54	47	8	55	56	11	67	91	37	128
4 Interest Income on Money Markets	250	2	252	122	2	123	63	1	64	28	1	29
5 Interest Income on Securities - Trading Portfolio	21	11	32	53	1	54	66	4	70	139	13	151
6 Interest Income on Securities - Available for Sale	52	18	70	38	32	70	75	29	103	151	42	193
7 Interest Income on Securities - Held to Maturity	96	13	109	56	19	75	21	13	34	25	23	48
8 Income from Reverse Repo Transactions	0	0	0	0	0	0	0	0	0	0	0	0
9 Income from Lease Financing Receivables	0	0	0	0	0	0	0	0	0	0	0	0
10 Other Interest Income	33	7	40	10	1	11	17	2	19	38	7	45
<b>11 Total Interest Income (from 1 to 10)</b>	<b>701</b>	<b>111</b>	<b>811</b>	<b>615</b>	<b>108</b>	<b>723</b>	<b>768</b>	<b>115</b>	<b>883</b>	<b>1,593</b>	<b>239</b>	<b>1,832</b>
12 Interest Paid for Deposits	131	31	163	120	19	139	147	23	170	491	72	563
13 Interest Paid for Balances Due to Banks	146	18	164	103	11	114	183	16	199	244	62	306
14 Interest Paid for Money Markets	1	0	1	2	1	3	11	0	11	11	0	11
15 Interest Paid For Issued Securities	0	0	0	0	0	0	0	0	0	0	0	0
16 Interest Paid For Repo Transactions	5	0	5	9	0	9	34	0	34	67	4	71
17 Expenses for Lease Financing Obligations	0	1	1	0	0	0	0	0	0	1	0	1
18 Other Interest Expenses	26	7	33	0	3	3	0	2	2	0	1	2
<b>19 Total Interest Expenses (from 12 to 18)</b>	<b>309</b>	<b>56</b>	<b>365</b>	<b>235</b>	<b>34</b>	<b>269</b>	<b>376</b>	<b>41</b>	<b>416</b>	<b>814</b>	<b>139</b>	<b>953</b>
<b>20 NET OF INTEREST INCOME (INTEREST EXPENSE) (11-19)</b>	<b>391</b>	<b>55</b>	<b>446</b>	<b>380</b>	<b>74</b>	<b>454</b>	<b>392</b>	<b>75</b>	<b>467</b>	<b>779</b>	<b>100</b>	<b>879</b>
21 Provisions for Past Due Loans	19	0	19	11	0	11	20	0	20	108	0	108
<b>22 NET OF INTEREST INCOME (EXPENSE) AFTER PROVISIONS (20-21)</b>	<b>372</b>	<b>54</b>	<b>427</b>	<b>369</b>	<b>74</b>	<b>444</b>	<b>372</b>	<b>75</b>	<b>447</b>	<b>671</b>	<b>100</b>	<b>771</b>
23 Fees and Commissions Received on Loans	3	15	18	5	9	15	9	12	20	31	17	48
24 Dividend Income	6	0	6	13	0	13	29	0	29	3	56	59
25 Income from Banking Activities	65	28	93	115	25	140	166	28	194	565	47	613
26 Income from Fixed Assets Sold	7	0	7	0	0	0	2	0	2	6	0	6
27 Other Non-Interest Income	40	4	44	56	1	57	24	1	25	73	5	77
<b>28 Total Non-Interest Income (from 23 to 27)</b>	<b>120</b>	<b>46</b>	<b>166</b>	<b>190</b>	<b>36</b>	<b>226</b>	<b>229</b>	<b>41</b>	<b>271</b>	<b>678</b>	<b>125</b>	<b>803</b>
29 Personnel Expenses	139	1	139	188	1	189	224	1	224	378	1	379
30 Provisions for Unexpected (General) Loan Losses	4	0	4	5	0	5	13	0	13	41	0	41
31 Provisions for Retirement Benefits Fund	2	0	2	5	0	5	3	0	3	7	0	7
32 Provisions for Value Decreases in Securities Portfolio	0	0	1	0	0	0	0	1	1	1	2	3
33 Provisions for Value Decreases in Subsidiaries, Associated and Joint Companies	0	0	0	0	0	0	0	0	0	9	0	9
34 Other Provisions	-3	8	5	24	6	30	41	0	41	27	2	30
35 Fees and Commissions Paid for Transactions	6	3	9	8	3	11	12	8	20	57	41	98
36 Depreciation Expenses	39	0	39	61	0	61	60	0	60	102	0	102
37 Taxes, Duties, Charges and Premiums Paid	19	0	19	20	0	20	18	0	18	27	0	27
38 Other Non-Interest Expenses	135	2	136	222	1	224	265	3	268	753	5	758
<b>39 Total Non-Interest Expenses (from 29 to 38)</b>	<b>340</b>	<b>14</b>	<b>354</b>	<b>533</b>	<b>12</b>	<b>545</b>	<b>635</b>	<b>13</b>	<b>648</b>	<b>1,402</b>	<b>52</b>	<b>1,454</b>
40 Net of Income (Loss) from Capital Market Transactions	71	1	72	124	11	136	161	106	267	293	42	335
41 Net of Income (Loss) from FX Transactions	0	57	57	0	91	91	0	52	52	0	69	69
42 Net of Income (Expense) from Extra Ordinary Transactions	0	0	0	1	0	1	0	0	0	0	0	0
43 Profit (Loss) from Net Monetary Position	-205	0	-205	-99	0	-99	-130	0	-130	0	0	0
44 Total Other Non-Interest Income (Expense) (from 40 to 43)	-134	58	-76	26	102	128	31	158	190	293	111	404
<b>45 PROFIT (LOSS) BEFORE TAX [(22+28+44)-39]</b>	<b>19</b>	<b>145</b>	<b>164</b>	<b>52</b>	<b>201</b>	<b>253</b>	<b>-2</b>	<b>261</b>	<b>259</b>	<b>239</b>	<b>284</b>	<b>523</b>
46 Provisions for Taxes	113	0	113	119	0	119	78	0	78	141	0	141
<b>47 PROFIT (LOSS) FOR THE PERIOD (45 - 46)</b>	<b>-94</b>	<b>145</b>	<b>51</b>	<b>-67</b>	<b>201</b>	<b>133</b>	<b>-80</b>	<b>261</b>	<b>181</b>	<b>98</b>	<b>284</b>	<b>382</b>

Source: The BRSA Banks Reporting System as of March 29, 2006.

**Annex Table 40 - Income Statement of Foreign Banks (TRY thousand)(December 2005/ December 2004) (% Change)**

	Nominal Change TRY			Nominal Change USD Dollar			Real Change TRY		
	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL
1 Interest Income on Loans	136,8	108,8	133,8	136,7	108,7	133,7	126,5	99,7	123,7
2 Interest Income on Past Due Loans	370,2	-	373,5	472,3	-	476,2	270,2	-	272,7
3 Interest Income on Banks	102,0	75,5	93,6	145,8	113,6	135,6	57,3	215,6	83,7
4 Interest Income on Money Markets	-90,9	-36,9	-90,5	-88,9	-23,2	-88,5	-57,9	79,6	-56,6
5 Interest Income on Securities - Trading Portfolio	451,9	-8,4	289,3	571,6	11,5	373,8	101,7	191,9	107,0
6 Interest Income on Securities - Available for Sale	138,2	92,9	126,7	189,9	134,8	175,9	93,3	39,3	78,4
7 Interest Income on Securities - Held to Maturity	-78,1	43,9	-63,5	-73,4	75,1	-55,6	13,5	69,9	34,6
8 Income from Reverse Repo Transactions	-36,8	-	-36,8	-23,1	-	-23,1	155,1	-	155,1
9 Income from Lease Financing Receivables	-	-	-	-	-	-	-	-	-
10 Other Interest Income	-4,7	-19,6	-7,3	16,0	-2,2	12,8	116,7	279,6	131,7
<b>11 Total Interest Income (from 1 to 10)</b>	<b>86,8</b>	<b>77,2</b>	<b>85,5</b>	<b>127,4</b>	<b>115,7</b>	<b>125,8</b>	<b>98,5</b>	<b>98,6</b>	<b>98,5</b>
12 Interest Paid for Deposits	207,0	89,5	184,5	273,7	130,6	246,3	219,7	203,3	217,6
13 Interest Paid for Balances Due to Banks	37,2	187,6	53,4	67,0	250,1	86,7	27,4	267,1	46,8
14 Interest Paid for Money Markets	978,9	-100,0	943,9	1.213,1	-100,0	1.170,5	-3,8	-	-3,8
15 Interest Paid For Issued Securities	-	-	-	-	-	-	-	-	-
16 Interest Paid For Repo Transactions	1.032,4	-	1.105,1	1.278,2	-	1.366,7	88,1	-	100,1
17 Expenses for Lease Financing Obligations	1.640,8	-95,0	-18,1	2.018,7	-93,9	-0,3	2.105,2	-73,6	278,4
18 Other Interest Expenses	-99,2	-83,9	-96,0	-99,0	-80,4	-95,1	-41,4	-22,9	-26,7
<b>19 Total Interest Expenses (from 12 to 18)</b>	<b>116,3</b>	<b>103,5</b>	<b>114,3</b>	<b>163,3</b>	<b>147,7</b>	<b>160,9</b>	<b>107,4</b>	<b>228,7</b>	<b>119,2</b>
<b>20 NET OF INTEREST INCOME (INTEREST EXPENSE) (11-19)</b>	<b>63,5</b>	<b>50,2</b>	<b>61,9</b>	<b>99,0</b>	<b>82,8</b>	<b>97,0</b>	<b>90,0</b>	<b>28,0</b>	<b>80,1</b>
21 Provisions for Past Due Loans	367,0	-100,0	355,0	468,3	-100,0	453,7	405,9	-	405,9
<b>22 NET OF INTEREST INCOME (EXPENSE) AFTER PROVISIONS</b>	<b>48,1</b>	<b>51,6</b>	<b>48,5</b>	<b>80,2</b>	<b>84,5</b>	<b>80,7</b>	<b>72,7</b>	<b>28,0</b>	<b>65,2</b>
23 Fees and Commissions Received on Loans	844,4	-4,3	125,3	1.049,4	16,4	174,2	242,1	40,9	126,0
24 Dividend Income	-54,1	-	781,8	-44,1	-	973,2	-90,0	159.971,7	92,4
25 Income from Banking Activities	616,2	28,7	441,0	771,6	56,6	558,4	227,0	47,6	201,1
26 Income from Fixed Assets Sold	-28,2	-	-28,2	-12,6	-	-12,6	162,2	-100,0	162,0
27 Other Non-Interest Income	48,5	-3,4	43,9	80,7	17,6	75,2	195,1	206,7	195,7
<b>28 Total Non-Interest Income (from 23 to 27)</b>	<b>364,7</b>	<b>114,8</b>	<b>295,0</b>	<b>465,5</b>	<b>161,4</b>	<b>380,8</b>	<b>183,1</b>	<b>181,0</b>	<b>182,8</b>
29 Personnel Expenses	124,5	42,2	124,1	173,2	73,1	172,8	62,0	66,6	62,0
30 Provisions for Unexpected (General) Loan Losses	852,1	-100,0	849,3	1.058,8	-100,0	1.055,4	206,4	-	206,4
31 Provisions for Retirement Benefits Fund	179,4	-	179,4	240,1	-	240,1	122,5	-	122,5
32 Provisions for Value Decreases in Securities Portfolio	167,3	775,1	373,9	225,4	965,0	476,8	2.030,9	86,7	182,8
33 Provisions for Value Decreases in Subsidiaries, Associated and Joint Ventures	-	-	-	-	-	-	-	-	-
34 Other Provisions	-918,2	-75,0	370,5	-1.095,8	-69,6	472,6	-36,7	1.538,3	-31,3
35 Fees and Commissions Paid for Transactions	731,5	1.050,8	840,0	911,9	1.300,6	1.044,0	368,8	375,8	371,7
36 Depreciation Expenses	115,1	-63,4	114,7	161,8	-55,5	161,4	62,5	17,2	62,4
37 Taxes, Duties, Charges and Premiums Paid	16,6	-2,4	16,6	41,9	18,7	41,9	48,1	29,7	48,0
38 Other Non-Interest Expenses	359,6	147,7	356,8	459,3	201,5	455,9	171,8	73,7	170,7
<b>39 Total Non-Interest Expenses (from 29 to 38)</b>	<b>238,9</b>	<b>215,5</b>	<b>238,0</b>	<b>312,4</b>	<b>284,0</b>	<b>311,4</b>	<b>111,5</b>	<b>280,5</b>	<b>114,9</b>
40 Net of Income (Loss) from Capital Market Transactions	239,8	2.868,7	282,0	313,5	3.513,0	364,9	74,3	-62,4	19,9
41 Net of Income (Loss) from FX Transactions	-	-0,6	-0,6	-	21,0	21,0	-	27,1	27,1
42 Net of Income (Expense) from Extra Ordinary Transactions	-1,4	-	-1,4	20,0	-	20,0	-925,0	-	-925,0
43 Profit (Loss) from Net Monetary Position	-100,0	-	-100,0	-100,0	-	-100,0	-100,0	-	-100,0
44 Total Other Non-Interest Income (Expense) (from 40 to 43)	-279,7	56,3	-539,2	-318,8	90,2	-634,5	796,6	-33,0	103,8
<b>45 PROFIT (LOSS) BEFORE TAX [(22+28+44)-39]</b>	<b>964,6</b>	<b>58,4</b>	<b>160,9</b>	<b>1.195,6</b>	<b>92,8</b>	<b>217,5</b>	<b>-10.943,9</b>	<b>2,6</b>	<b>92,1</b>
46 Provisions for Taxes	2,3	-	2,3	24,5	-	24,5	71,9	-	71,9
<b>47 PROFIT (LOSS) FOR THE PERIOD (45 - 46)</b>	<b>-186,7</b>	<b>58,4</b>	<b>512,2</b>	<b>-205,5</b>	<b>92,8</b>	<b>645,1</b>	<b>-218,5</b>	<b>2,6</b>	<b>100,8</b>

Source: The BRSA Banks Reporting System as of March 29, 2006.

**Annex Table 41 - Income Statement of Development and Investment Banks (TRY thousand)**

(TRY thousand)	December 2002			December 2003			December 2004			December 2005		
	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL
1 Interest Income on Loans	480.904	89.684	570.588	542.015	85.203	627.218	400.564	91.107	491.671	344.242	85.794	430.036
2 Interest Income on Past Due Loans	5.347	1.572	6.919	3.676	2.691	6.367	17.799	918	18.717	5.699	1.755	7.454
3 Interest Income on Banks	246.376	86.254	332.630	239.584	42.089	281.673	199.544	48.045	247.589	190.310	59.351	249.661
4 Interest Income on Money Markets	416.703	5.402	422.105	373.789	6.374	380.163	169.013	6.051	175.064	71.743	4.277	76.020
5 Interest Income on Securities - Trading Portfolio	79.593	25.000	104.593	26.213	1.840	28.053	45.443	2.335	47.778	52.522	3.072	55.594
6 Interest Income on Securities - Available for Sale	7.734	3.629	11.363	43.617	18.940	62.557	111.928	25.525	137.453	122.430	36.257	158.687
7 Interest Income on Securities - Held to Maturity	49.830	8.851	58.681	59.215	12.685	71.900	78.297	10.294	88.591	57.864	4.690	62.554
8 Income from Reverse Repo Transactions	168	0	168	72	0	72	188	0	188	6	0	6
9 Income from Lease Financing Receivables	226	8.516	8.742	54	6.817	6.871	14	10.061	10.075	528	13.673	14.201
10 Other Interest Income	976	37.350	38.326	3.849	2.534	6.383	866	507	1.373	1.452	1.401	2.853
<b>11 Total Interest Income (from 1 to 10)</b>	<b>1.287.857</b>	<b>266.258</b>	<b>1.554.115</b>	<b>1.292.084</b>	<b>179.173</b>	<b>1.471.257</b>	<b>1.023.656</b>	<b>194.843</b>	<b>1.218.499</b>	<b>846.796</b>	<b>210.270</b>	<b>1.057.066</b>
12 Interest Paid for Deposits	0	0	0	0	3	3	0	7	7	0	0	0
13 Interest Paid for Balances Due to Banks	76.086	143.682	219.768	85.268	97.632	182.900	11.157	103.711	114.868	9.503	145.879	155.382
14 Interest Paid for Money Markets	17.247	6.211	23.458	12.664	6.762	19.426	6.424	8.455	14.879	10.574	9.130	19.704
15 Interest Paid For Issued Securities	0	129.955	129.955	0	61.641	61.641	0	59.609	59.609	0	7.028	7.028
16 Interest Paid For Repo Transactions	1.077	371	1.448	2.412	1.324	3.736	9.851	253	10.104	22.862	3.015	25.877
17 Expenses for Lease Financing Obligations	0	0	0	0	1	1	0	29	29	0	27	27
18 Other Interest Expenses	10.126	93	10.219	10.879	2.060	12.939	5.619	854	6.473	4.878	1.450	6.328
<b>19 Total Interest Expenses (from 12 to 18)</b>	<b>104.536</b>	<b>280.312</b>	<b>384.848</b>	<b>111.223</b>	<b>169.423</b>	<b>280.646</b>	<b>33.051</b>	<b>172.918</b>	<b>205.969</b>	<b>47.817</b>	<b>166.529</b>	<b>214.346</b>
<b>20 NET OF INTEREST INCOME (INTEREST EXPENSE) (11-19)</b>	<b>1.183.321</b>	<b>-14.054</b>	<b>1.169.267</b>	<b>1.180.861</b>	<b>9.750</b>	<b>1.190.611</b>	<b>990.605</b>	<b>21.925</b>	<b>1.012.530</b>	<b>798.979</b>	<b>43.741</b>	<b>842.720</b>
21 Provisions for Past Due Loans	21.711	19.039	40.750	50.616	45.772	96.388	21.555	5.017	26.572	21.657	2.791	24.448
<b>22 NET OF INTEREST INCOME (EXPENSE) AFTER PROVISIONS (20-21)</b>	<b>1.161.610</b>	<b>-33.093</b>	<b>1.128.517</b>	<b>1.130.245</b>	<b>-36.022</b>	<b>1.094.223</b>	<b>969.050</b>	<b>16.908</b>	<b>985.958</b>	<b>777.322</b>	<b>40.950</b>	<b>818.272</b>
23 Fees and Commissions Received on Loans	11.488	15.401	26.889	11.462	19.046	30.508	12.469	13.356	25.825	14.630	13.582	28.212
24 Dividend Income	13.486	0	13.486	4.844	0	4.844	4.315	5.207	9.522	16.228	0	16.228
25 Income from Banking Activities	26.559	5.107	31.666	29.911	7.297	37.208	38.241	6.414	44.655	41.090	5.842	46.932
26 Income from Fixed Assets Sold	3.214	0	3.214	4.527	0	4.527	27.290	0	27.290	11.642	269	11.911
27 Other Non-Interest Income	379.180	5.111	384.291	88.134	9.176	97.310	267.972	10.774	278.746	218.372	8.385	226.757
<b>28 Total Non-Interest Income (from 23 to 27)</b>	<b>433.927</b>	<b>25.619</b>	<b>459.546</b>	<b>138.878</b>	<b>35.519</b>	<b>174.397</b>	<b>350.287</b>	<b>35.751</b>	<b>386.038</b>	<b>301.962</b>	<b>28.078</b>	<b>330.040</b>
29 Personnel Expenses	147.259	52	147.311	163.025	55	163.080	179.530	145	179.675	190.963	435	191.398
30 Provisions for Unexpected (General) Loan Losses	4.968	0	4.968	8.264	1.486	9.750	2.721	2.246	4.967	4.380	757	5.137
31 Provisions for Retirement Benefits Fund	4.016	0	4.016	3.457	0	3.457	3.932	0	3.932	4.671	0	4.671
32 Provisions for Value Decreases in Securities Portfolio	76	5.698	5.774	441	4.679	5.120	2.288	6.975	9.263	249	2.296	2.545
33 Provisions for Value Decreases in Subsidiaries, Associated and Joint Cor	1.363	0	1.363	8.442	0	8.442	27.455	1.731	29.186	2.988	0	2.988
34 Other Provisions	88.546	118	88.664	99.278	0	99.278	84.527	13	84.540	13.881	0	13.881
35 Fees and Commissions Paid for Transactions	4.680	9.179	13.859	5.486	8.382	13.868	3.686	12.766	16.452	3.728	7.341	11.069
36 Depreciation Expenses	11.803	0	11.803	15.111	0	15.111	14.674	0	14.674	15.135	4	15.139
37 Taxes, Duties, Charges and Premiums Paid	31.650	0	31.650	21.252	0	21.252	17.010	0	17.010	11.741	3	11.744
38 Other Non-Interest Expenses	81.581	12.239	93.820	67.947	11.906	79.853	94.585	18.302	112.887	90.100	19.625	109.725
<b>39 Total Non-Interest Expenses (from 29 to 38)</b>	<b>375.942</b>	<b>27.286</b>	<b>403.228</b>	<b>392.703</b>	<b>26.508</b>	<b>419.211</b>	<b>430.408</b>	<b>42.178</b>	<b>472.586</b>	<b>337.836</b>	<b>30.461</b>	<b>368.297</b>
40 Net of Income (Loss) from Capital Market Transactions	54.713	2.535	57.248	151.104	-20.761	130.343	9.138	19.308	28.446	6.655	-20.447	-13.792
41 Net of Income (Loss) from FX Transactions	0	-12.851	-12.851	0	22.364	22.364	0	-29.618	-29.618	0	23.175	23.175
42 Net of Income (Expense) from Extra Ordinary Transactions	2.673	0	2.673	50.932	56	50.988	16.590	0	16.590	1.355	0	1.355
43 Profit (Loss) from Net Monetary Position	-614.882		-614.882	-423.971		-423.971	-556.716		-556.716	0		0
44 Total Other Non-Interest Income (Expense) (from 40 to 43)	-557.496	-10.316	-567.812	-221.935	1.659	-220.276	-530.988	-10.310	-541.298	8.010	2.728	10.738
<b>45 PROFIT (LOSS) BEFORE TAX [(22+28+44)-39]</b>	<b>662.099</b>	<b>-45.076</b>	<b>617.023</b>	<b>654.485</b>	<b>-25.352</b>	<b>629.133</b>	<b>357.941</b>	<b>171</b>	<b>358.112</b>	<b>749.458</b>	<b>41.295</b>	<b>790.753</b>
46 Provisions for Taxes	152.543	0	152.543	186.488	0	186.488	42.967	0	42.967	108.133	0	108.133
<b>47 PROFIT (LOSS) FOR THE PERIOD (45 - 46)</b>	<b>509.556</b>	<b>-45.076</b>	<b>464.480</b>	<b>467.997</b>	<b>-25.352</b>	<b>442.645</b>	<b>314.974</b>	<b>171</b>	<b>315.145</b>	<b>641.325</b>	<b>41.295</b>	<b>682.620</b>

Source: The BRSA Banks Reporting System as of March 29, 2006.

**Annex Table 42 - Income Statement of Development and Investment Banks (USD million)**

(USD million)	December 2002			December 2003			December 2004			December 2005		
	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL
1 Interest Income on Loans	294	55	349	388	61	449	298	68	366	256	64	320
2 Interest Income on Past Due Loans	3	1	4	3	2	5	13	1	14	4	1	6
3 Interest Income on Banks	151	53	204	172	30	202	149	36	184	142	44	186
4 Interest Income on Money Markets	255	3	258	268	5	272	126	5	130	53	3	57
5 Interest Income on Securities - Trading Portfolio	49	15	64	19	1	20	34	2	36	39	2	41
6 Interest Income on Securities - Available for Sale	5	2	7	31	14	45	83	19	102	91	27	118
7 Interest Income on Securities - Held to Maturity	30	5	36	42	9	52	58	8	66	43	3	47
8 Income from Reverse Repo Transactions	0	0	0	0	0	0	0	0	0	0	0	0
9 Income from Lease Financing Receivables	0	5	5	0	5	5	0	7	8	0	10	11
10 Other Interest Income	1	23	23	3	2	5	1	0	1	1	1	2
<b>11 Total Interest Income (from 1 to 10)</b>	<b>788</b>	<b>163</b>	<b>951</b>	<b>926</b>	<b>128</b>	<b>1.054</b>	<b>763</b>	<b>145</b>	<b>908</b>	<b>631</b>	<b>157</b>	<b>787</b>
12 Interest Paid for Deposits	0	0	0	0	0	0	0	0	0	0	0	0
13 Interest Paid for Balances Due to Banks	47	88	134	61	70	131	8	77	86	7	109	116
14 Interest Paid for Money Markets	11	4	14	9	5	14	5	6	11	8	7	15
15 Interest Paid For Issued Securities	0	80	80	0	44	44	0	44	44	0	5	5
16 Interest Paid For Repo Transactions	1	0	1	2	1	3	7	0	8	17	2	19
17 Expenses for Lease Financing Obligations	0	0	0	0	0	0	0	0	0	0	0	0
18 Other Interest Expenses	6	0	6	8	1	9	4	1	5	4	1	5
<b>19 Total Interest Expenses (from 12 to 18)</b>	<b>64</b>	<b>171</b>	<b>235</b>	<b>80</b>	<b>121</b>	<b>201</b>	<b>25</b>	<b>129</b>	<b>153</b>	<b>36</b>	<b>124</b>	<b>160</b>
<b>20 NET OF INTEREST INCOME (INTEREST EXPENSE) (11-19)</b>	<b>724</b>	<b>-9</b>	<b>715</b>	<b>846</b>	<b>7</b>	<b>853</b>	<b>738</b>	<b>16</b>	<b>754</b>	<b>595</b>	<b>33</b>	<b>627</b>
21 Provisions for Past Due Loans	13	12	25	36	33	69	16	4	20	16	2	18
<b>22 NET OF INTEREST INCOME (EXPENSE) AFTER PROVISIONS (20-21)</b>	<b>711</b>	<b>-20</b>	<b>690</b>	<b>810</b>	<b>-26</b>	<b>784</b>	<b>722</b>	<b>13</b>	<b>735</b>	<b>579</b>	<b>30</b>	<b>609</b>
23 Fees and Commissions Received on Loans	7	9	16	8	14	22	9	10	19	11	10	21
24 Dividend Income	8	0	8	3	0	3	3	4	7	12	0	12
25 Income from Banking Activities	16	3	19	21	5	27	28	5	33	31	4	35
26 Income from Fixed Assets Sold	2	0	2	3	0	3	20	0	20	9	0	9
27 Other Non-Interest Income	232	3	235	63	7	70	200	8	208	163	6	169
<b>28 Total Non-Interest Income (from 23 to 27)</b>	<b>265</b>	<b>16</b>	<b>281</b>	<b>99</b>	<b>25</b>	<b>125</b>	<b>261</b>	<b>27</b>	<b>288</b>	<b>225</b>	<b>21</b>	<b>246</b>
29 Personnel Expenses	90	0	90	117	0	117	134	0	134	142	0	143
30 Provisions for Unexpected (General) Loan Losses	3	0	3	6	1	7	2	2	4	3	1	4
31 Provisions for Retirement Benefits Fund	2	0	2	2	0	2	3	0	3	3	0	3
32 Provisions for Value Decreases in Securities Portfolio	0	3	4	0	3	4	2	5	7	0	2	2
33 Provisions for Value Decreases in Subsidiaries, Associated and Joint Companies	1	0	1	6	0	6	20	1	22	2	0	2
34 Other Provisions	54	0	54	71	0	71	63	0	63	10	0	10
35 Fees and Commissions Paid for Transactions	3	6	8	4	6	10	3	10	12	3	5	8
36 Depreciation Expenses	7	0	7	11	0	11	11	0	11	11	0	11
37 Taxes, Duties, Charges and Premiums Paid	19	0	19	15	0	15	13	0	13	9	0	9
38 Other Non-Interest Expenses	50	7	57	49	9	57	70	14	84	67	15	82
<b>39 Total Non-Interest Expenses (from 29 to 38)</b>	<b>230</b>	<b>17</b>	<b>247</b>	<b>281</b>	<b>19</b>	<b>300</b>	<b>321</b>	<b>31</b>	<b>352</b>	<b>252</b>	<b>23</b>	<b>274</b>
40 Net of Income (Loss) from Capital Market Transactions	33	2	35	108	-15	93	7	14	21	5	-15	-10
41 Net of Income (Loss) from FX Transactions	0	-8	-8	0	16	16	0	-22	-22	0	17	17
42 Net of Income (Expense) from Extra Ordinary Transactions	2	0	2	36	0	37	12	0	12	1	0	1
43 Profit (Loss) from Net Monetary Position	-376	0	-376	-304	0	-304	-415	0	-415	0	0	0
44 Total Other Non-Interest Income (Expense) (from 40 to 43)	-341	-6	-347	-159	1	-158	-396	-8	-403	6	2	8
<b>45 PROFIT (LOSS) BEFORE TAX [(22+28+44)-39]</b>	<b>405</b>	<b>-28</b>	<b>377</b>	<b>469</b>	<b>-18</b>	<b>451</b>	<b>267</b>	<b>0</b>	<b>267</b>	<b>558</b>	<b>31</b>	<b>589</b>
46 Provisions for Taxes	93	0	93	134	0	134	32	0	32	81	0	81
<b>47 PROFIT (LOSS) FOR THE PERIOD (45 - 46)</b>	<b>312</b>	<b>-28</b>	<b>284</b>	<b>335</b>	<b>-18</b>	<b>317</b>	<b>235</b>	<b>0</b>	<b>235</b>	<b>478</b>	<b>31</b>	<b>508</b>

Source: The BRSA Banks Reporting System as of March 29, 2006.

**Annex Table 43 - Income Statement of Development and Investment Banks (December 2005/ December 2004) (% Change)**

	Nominal Change TRY			Nominal Change USD Dollar			Real Change TRY		
	T L	FX	TOTAL	T L	FX	TOTAL	T L	FX	TOTAL
1 Interest Income on Loans	-14,1	-5,8	-12,5	-14,1	-5,9	-12,6	-17,8	-9,9	-16,3
2 Interest Income on Past Due Loans	6,6	11,6	7,7	29,7	35,9	31,1	-69,4	82,9	-61,9
3 Interest Income on Banks	-22,8	-31,2	-24,9	-6,0	-16,3	-8,7	-8,8	18,2	-3,5
4 Interest Income on Money Markets	-82,8	-20,8	-82,0	-79,0	-3,6	-78,1	-59,4	-32,4	-58,5
5 Interest Income on Securities - Trading Portfolio	-34,0	-87,7	-46,8	-19,7	-85,0	-35,3	10,6	25,8	11,3
6 Interest Income on Securities - Available for Sale	1.483,0	899,1	1.296,5	1.826,6	1.115,9	1.599,6	4,6	35,9	10,4
7 Interest Income on Securities - Held to Maturity	16,1	-47,0	6,6	41,3	-35,5	29,7	-29,3	-56,4	-32,5
8 Income from Reverse Repo Transactions	-96,4	-	-96,4	-95,7	-	-95,7	-96,9	-	-96,9
9 Income from Lease Financing Receivables	133,6	60,6	62,4	184,3	95,4	97,7	3.507,5	30,0	34,8
10 Other Interest Income	48,8	-96,2	-92,6	81,1	-95,4	-90,9	60,4	164,3	98,8
<b>11 Total Interest Income (from 1 to 10)</b>	<b>-34,2</b>	<b>-21,0</b>	<b>-32,0</b>	<b>-20,0</b>	<b>-3,9</b>	<b>-17,2</b>	<b>-20,9</b>	<b>3,2</b>	<b>-17,0</b>
12 Interest Paid for Deposits	-	-	-	-	-	-	-	-100,0	-100,0
13 Interest Paid for Balances Due to Banks	-87,5	1,5	-29,3	-84,8	23,6	-14,0	-18,5	34,5	29,4
14 Interest Paid for Money Markets	-38,7	47,0	-16,0	-25,4	78,9	2,2	57,4	3,3	26,7
15 Interest Paid For Issued Securities	-	-94,6	-94,6	-	-93,4	-93,4	-	-88,7	-88,7
16 Interest Paid For Repo Transactions	2.022,7	712,7	1.687,1	2.483,5	889,1	2.075,0	122,0	1.039,9	145,0
17 Expenses for Lease Financing Obligations	-	-	-	-	-	-	-	-10,9	-10,9
18 Other Interest Expenses	-51,8	1.459,1	-38,1	-41,4	1.797,6	-24,6	-16,9	62,4	-6,5
<b>19 Total Interest Expenses (from 12 to 18)</b>	<b>-54,3</b>	<b>-40,6</b>	<b>-44,3</b>	<b>-44,3</b>	<b>-27,7</b>	<b>-32,2</b>	<b>38,4</b>	<b>-7,9</b>	<b>-0,5</b>
<b>20 NET OF INTEREST INCOME (INTEREST EXPENSE) (11-19)</b>	<b>-32,5</b>	<b>-411,2</b>	<b>-27,9</b>	<b>-17,8</b>	<b>-478,8</b>	<b>-12,3</b>	<b>-22,9</b>	<b>90,8</b>	<b>-20,4</b>
21 Provisions for Past Due Loans	-0,2	-85,3	-40,0	21,4	-82,2	-27,0	-3,9	-46,8	-12,0
<b>22 NET OF INTEREST INCOME (EXPENSE) AFTER PROVISIONS</b>	<b>-33,1</b>	<b>-223,7</b>	<b>-27,5</b>	<b>-18,6</b>	<b>-250,6</b>	<b>-11,8</b>	<b>-23,3</b>	<b>131,7</b>	<b>-20,6</b>
23 Fees and Commissions Received on Loans	27,4	-11,8	4,9	55,0	7,3	27,7	12,2	-2,7	4,5
24 Dividend Income	20,3	-	20,3	46,5	-	46,5	259,7	-100,0	63,0
25 Income from Banking Activities	54,7	14,4	48,2	88,3	39,2	80,4	2,8	-12,9	0,5
26 Income from Fixed Assets Sold	262,2	-	270,6	340,9	-	351,0	-59,2	-	-58,3
27 Other Non-Interest Income	-42,4	64,1	-41,0	-29,9	99,7	-28,2	-22,1	-25,6	-22,2
<b>28 Total Non-Interest Income (from 23 to 27)</b>	<b>-30,4</b>	<b>9,6</b>	<b>-28,2</b>	<b>-15,3</b>	<b>33,4</b>	<b>-12,6</b>	<b>-17,5</b>	<b>-24,9</b>	<b>-18,2</b>
29 Personnel Expenses	29,7	736,5	29,9	57,8	918,1	58,1	1,7	187,0	1,9
30 Provisions for Unexpected (General) Loan Losses	-11,8	-	3,4	7,3	-	25,8	54,0	-67,8	-1,1
31 Provisions for Retirement Benefits Fund	16,3	-	16,3	41,6	-	41,6	13,6	-	13,6
32 Provisions for Value Decreases in Securities Portfolio	227,6	-59,7	-55,9	298,7	-51,0	-46,4	-89,6	-68,5	-73,7
33 Provisions for Value Decreases in Subsidiaries, Associated and Joint Ventures	119,2	-	119,2	166,8	-	166,8	-89,6	-100,0	-90,2
34 Other Provisions	-84,3	-100,0	-84,3	-80,9	-100,0	-80,9	-84,3	-100,0	-84,3
35 Fees and Commissions Paid for Transactions	-20,3	-20,0	-20,1	-3,1	-2,7	-2,8	-3,3	-45,0	-35,6
36 Depreciation Expenses	28,2	-	28,3	56,1	-	56,1	-1,3	-	-1,3
37 Taxes, Duties, Charges and Premiums Paid	-62,9	-	-62,9	-54,9	-	-54,8	-34,0	-	-34,0
38 Other Non-Interest Expenses	10,4	60,3	17,0	34,4	95,2	42,3	-8,9	2,6	-7,0
<b>39 Total Non-Interest Expenses (from 29 to 38)</b>	<b>-10,1</b>	<b>11,6</b>	<b>-8,7</b>	<b>9,4</b>	<b>35,9</b>	<b>11,2</b>	<b>-24,9</b>	<b>-30,9</b>	<b>-25,5</b>
40 Net of Income (Loss) from Capital Market Transactions	-87,8	-906,6	-124,1	-85,2	-1.081,7	-129,3	-30,3	-201,3	-146,4
41 Net of Income (Loss) from FX Transactions	-	-280,3	-280,3	-	-319,5	-319,5	-	-174,8	-174,8
42 Net of Income (Expense) from Extra Ordinary Transactions	-49,3	-	-49,3	-38,3	-	-38,3	-92,2	-	-92,2
43 Profit (Loss) from Net Monetary Position	-100,0	-	-100,0	-100,0	-	-100,0	-100,0	-	-100,0
44 Total Other Non-Interest Income (Expense) (from 40 to 43)	-101,4	-126,4	-101,9	-101,7	-132,2	-102,3	-101,4	-125,3	-101,9
<b>45 PROFIT (LOSS) BEFORE TAX [(22+28+44)-39]</b>	<b>13,2</b>	<b>-191,6</b>	<b>28,2</b>	<b>37,8</b>	<b>-211,5</b>	<b>56,0</b>	<b>100,3</b>	<b>22.999,3</b>	<b>111,2</b>
46 Provisions for Taxes	-29,1	-	-29,1	-13,7	-	-13,7	140,7	-	140,7
<b>47 PROFIT (LOSS) FOR THE PERIOD (45 - 46)</b>	<b>25,9</b>	<b>-191,6</b>	<b>47,0</b>	<b>53,2</b>	<b>-211,5</b>	<b>78,9</b>	<b>94,8</b>	<b>22.999,3</b>	<b>107,2</b>

Source: The BRSA Banks Reporting System as of March 29, 2006.

**Annex Table 44 - Balance Sheet of Participation Banks (TRY thousand)(December 2004/December 2003)**

ASSET ACCOUNTS :			December 2003			June 2004			September 2004			December 2004		
			TL	FX	TOTAL	TL	FX	TOTAL	TL	FX	TOTAL	TL	FX	TOTAL
1-	CASH ASSETS		28.080	67.637	95.717	35.371	68.930	104.301	39.124	81.954	121.078	60.650	84.949	145.599
2-	DUE FROM CENTRAL BANK		27.636	11.052	38.688	43.544	998	44.542	73.814	724	74.538	144.961	29.278	174.239
3-	DUE FROM BANKS		201.976	327.703	529.679	243.483	262.022	505.505	151.301	499.498	650.799	142.083	542.940	685.023
4-	SECURITIES PORTFOLIO (NET)		4.480	41.709	46.189	2.745	48.750	51.495	3.484	33.788	37.272	3.039	43.467	46.506
5-	A) GOVERNMENT SECURITIES		0	0	0	0	0	0	0	0	0	0	0	0
6-	B) OTHER SECURITIES		4.480	41.709	46.189	2.745	48.750	51.495	3.484	33.788	37.272	3.039	43.467	46.506
7-	BLOKAGES		34.918	306.961	341.879	70.484	331.462	401.946	75.745	386.485	462.230	80.754	391.405	472.159
8-	EXTENDED FUNDS		1,344.355	1,793.636	3,137.991	2,188.225	2,026.521	4,214.746	2,464.043	2,181.753	4,645.796	2,698.322	2,202.214	4,900.536
9-	PAST DUE LOANS (NET)		65.551	58.558	124.109	42.798	54.010	96.808	36.672	56.243	92.915	35.395	76.208	111.603
10-	A) PAST DUE LOANS		128.192	187.534	315.726	149.803	196.704	346.507	149.728	197.929	347.657	159.393	180.420	339.813
11-	B) LOAN LOSS RESERVES (-)		62.641	128.976	191.617	107.005	142.694	249.699	113.056	141.686	254.742	123.998	104.212	228.210
12-	SHARE OF PROFIT & INCOME ACCRUALS		53.974	28.304	82.278	86.411	34.576	120.987	103.180	39.000	142.180	95.021	36.253	131.274
13-	SUBSIDIARIES, ASSOCIATED AND JOINT COMPANIES (NET)		44.086	14	44.100	51.610	15	51.625	56.098	15	56.113	62.695	13	62.708
14-	LONG-TERM SECURITIES (NET)		0	0	0	0	0	0	0	0	0	0	0	0
15-	FIXED ASSETS TO BE SOLD		51.321	0	51.321	82.943	0	82.943	60.360	0	60.360	74.298	0	74.298
16-	FIXED ASSETS (NET)		722.277	94	722.371	586.962	445	587.407	564.682	417	565.099	547.178	365	547.543
17-	OTHER ASSETS		33.626	3.824	37.450	51.322	9.663	60.985	43.652	9.883	53.535	28.096	3.462	31.558
18-	<b>TOTAL ASSETS</b>		2,612.280	2,639.492	5,251.772	3,485.898	2,837.392	6,323.290	3,672.155	3,289.760	6,961.915	3,972.492	3,410.554	7,383.046
<b>LIABILITY ACCOUNTS :</b>														
19-	COLLECTED FUNDS		1,127.106	2,983.549	4,110.655	1,980.929	3,067.215	5,048.144	2,030.644	3,479.651	5,510.295	2,262.362	3,729.796	5,992.158
20-	DUE TO THE CENTRAL BANK		0	0	0	0	0	0	0	0	0	0	0	0
21-	DUE TO BANKS		0	877	877	0	41.430	41.430	0	59.759	59.759	22.722	50.858	73.580
22-	SOLD SECURITIES (NET)		0	0	0	0	0	0	0	0	0	0	0	0
23-	TAXES, DUTIES, CHARGES & PREMIUMS PAYABLE		18.625	0	18.625	17.709	0	17.709	19.644	0	19.644	20.558	3	20.561
24-	SHARE OF PROFIT AND EXPENSE ACCRUALS		13.433	8.679	22.112	20.001	6.819	26.820	23.654	8.158	31.812	26.764	7.955	34.719
25-	RESERVES		22.848	2.785	25.633	32.313	3.268	35.581	39.126	7.195	46.321	38.591	4.624	43.215
26-	OTHER LIABILITIES		166.861	235.104	401.965	252.175	130.180	382.355	379.702	123.359	503.061	180.319	82.705	263.024
27-	<b>TOTAL</b>		1,348.873	3,230.994	4,579.867	2,303.127	3,248.912	5,552.039	2,492.770	3,678.122	6,170.892	2,551.316	3,875.941	6,427.257
<b>OWN FUNDS:</b>														
28-	PAID UP CAPITAL		420.310	0	420.310	628.477	0	628.477	658.342	0	658.342	722.914	0	722.914
29-	LEGAL & PROVISIONAL RESERVES		12.101	0	12.101	76.876	0	76.876	80.178	0	80.178	71.697	0	71.697
30-	FIXED ASSET REVALUATION FUND		201.840	0	201.840	17.681	0	17.681	3.807	0	3.807	0	0	0
31-	SECURITIES REVALUATION FUND		0	0	0	0	0	0	0	0	0	0	0	0
32-	PROFIT (LOSS) FOR THE PERIOD		2.246	72.265	74.511	17.552	29.214	46.766	20.943	43.044	63.987	49.358	56.207	105.565
33-	PROFIT (LOSS) FOR PREVIOUS YEARS		-36.857	0	-36.857	1.451	0	1.451	-15.291	0	-15.291	55.613	0	55.613
34-	<b>TOTAL OWNERS EQUITY (39+...+45)</b>		599.640	72.265	671.905	742.037	29.214	771.251	747.979	43.044	791.023	899.582	56.207	955.789
35-	<b>TOTAL LIABILITIES (38+46)</b>		1,948.513	3,303.259	5,251.772	3,045.164	3,278.126	6,323.290	3,240.749	3,721.166	6,961.915	3,450.898	3,932.148	7,383.046
36-	<b>NON CASH FUNDS AND OBLIGATIONS</b>		754.937	691.005	1,445.942	1,133.648	1,058.252	2,191.900	1,352.389	1,264.566	2,616.955	1,602.764	1,491.450	3,094.214
37-	<b>COMMITMENTS (50+51)</b>		118.187	14.881	133.068	173.045	48.821	221.866	543.378	137.084	680.462	572.670	182.677	755.347
38-	A) FX TRANSACTIONS		0	14.881	14.881	42.646	48.821	91.467	109.766	137.084	246.850	86.882	182.677	269.559
39-	C) OTHER COMMITMENTS		118.187	0	118.187	130.399	0	130.399	433.612	0	433.612	485.788	0	485.788
40-	<b>TOTAL OFF BALANCE SHEET LIABILITIES</b>		873.124	705.886	1,579.010	1,306.693	1,107.073	2,413.766	1,895.767	1,401.650	3,297.417	2,175.434	1,674.127	3,849.561

Source: The BRSA Banks Reporting System as of March 29, 2006.



**Annex Table 45 - Balance Sheet of Participation Banks (USD million)**

ASSET ACCOUNTS :		December 2003			June 2004			September 2004			December 2004		
		TL	FX	TOTAL	TL	FX	TOTAL	TL	FX	TOTAL	TL	FX	TOTAL
1-	CASH ASSETS	20	48	69	24	47	70	26	55	81	45	63	108
2-	DUE FROM CENTRAL BANK	20	8	28	29	1	30	49	0	50	108	22	130
3-	DUE FROM BANKS	145	235	379	164	177	341	101	334	435	106	405	510
4-	SECURITIES PORTFOLIO (NET)	3	30	33	2	33	35	2	23	25	2	32	35
5-	A) GOVERNMENT SECURITIES	0	0	0	0	0	0	0	0	0	0	0	0
6-	B) OTHER SECURITIES	3	30	33	2	33	35	2	23	25	2	32	35
7-	BLOKAGES	25	220	245	48	224	271	51	258	309	60	292	352
8-	EXTENDED FUNDS	963	1.285	2.248	1.478	1.368	2.846	1.645	1.457	3.102	2.011	1.641	3.651
9-	PAST DUE LOANS (NET)	47	42	89	29	36	65	24	38	62	26	57	83
10-	A) PAST DUE LOANS	92	134	226	101	133	234	100	132	232	119	134	253
11-	B) LOAN LOSS RESERVES (-)	45	92	137	72	96	169	75	95	170	92	78	170
12-	SHARE OF PROFIT & INCOME ACCRUALS	39	20	59	58	23	82	69	26	95	71	27	98
13-	SUBSIDIARIES, ASSOCIATED AND JOINT COMPANIES (NET)	32	0	32	35	0	35	37	0	37	47	0	47
14-	LONG-TERM SECURITIES (NET)	0	0	0	0	0	0	0	0	0	0	0	0
15-	FIXED ASSETS TO BE SOLD	37	0	37	56	0	56	40	0	40	55	0	55
16-	FIXED ASSETS (NET)	517	0	518	396	0	397	377	0	377	408	0	408
17-	OTHER ASSETS	24	3	27	35	7	41	29	7	36	21	3	24
18-	<b>TOTAL ASSETS</b>	1.871	1.891	3.762	2.354	1.916	4.270	2.452	2.197	4.648	2.960	2.541	5.501
<b>LIABILITY ACCOUNTS :</b>													
19-	COLLECTED FUNDS	807	2.137	2.945	1.338	2.071	3.409	1.356	2.323	3.679	1.686	2.779	4.465
20-	DUE TO THE CENTRAL BANK	0	0	0	0	0	0	0	0	0	0	0	0
21-	DUE TO BANKS	0	1	1	0	28	28	0	40	40	17	38	55
22-	SOLD SECURITIES (NET)	0	0	0	0	0	0	0	0	0	0	0	0
23-	TAXES, DUTIES, CHARGES & PREMIUMS PAYABLE	13	0	13	12	0	12	13	0	13	15	0	15
24-	SHARE OF PROFIT AND EXPENSE ACCRUALS	10	6	16	14	5	18	16	5	21	20	6	26
25-	RESERVES	16	2	18	22	2	24	26	5	31	29	3	32
26-	OTHER LIABILITIES	120	168	288	170	88	258	254	82	336	134	62	196
27-	<b>TOTAL</b>	966	2.315	3.281	1.555	2.194	3.749	1.664	2.456	4.120	1.901	2.888	4.789
<b>OWN FUNDS:</b>													
28-	PAID UP CAPITAL	301	0	301	424	0	424	440	0	440	539	0	539
29-	LEGAL & PROVISIONAL RESERVES	9	0	9	52	0	52	54	0	54	53	0	53
30-	FIXED ASSET REVALUATION FUND	145	0	145	12	0	12	3	0	3	0	0	0
31-	SECURITIES REVALUATION FUND	0	0	0	0	0	0	0	0	0	0	0	0
32-	PROFIT (LOSS) FOR THE PERIOD	2	52	53	12	20	32	14	29	43	37	42	79
33-	PROFIT (LOSS) FOR PREVIOUS YEARS	-26	0	-26	1	0	1	-10	0	-10	41	0	41
34-	<b>TOTAL OWNERS EQUITY (39+...+45)</b>	430	52	481	501	20	521	499	29	528	670	42	712
35-	<b>TOTAL LIABILITIES (38+46)</b>	1.396	2.367	3.762	2.056	2.214	4.270	2.164	2.485	4.648	2.571	2.930	5.501
<b>NON CASH FUNDS AND OBLIGATIONS</b>													
36-	<b>NON CASH FUNDS AND OBLIGATIONS</b>	541	495	1.036	766	715	1.480	903	844	1.747	1.194	1.111	2.306
37-	<b>COMMITMENTS (50+51)</b>	85	11	99	117	33	150	363	92	454	427	136	563
38-	A) FX TRANSACTIONS	0	11	11	29	33	62	73	92	165	65	136	201
39-	C) OTHER COMMITMENTS	85	0	88	88	0	88	290	0	290	362	0	362
40-	<b>TOTAL OFF BALANCE SHEET LIABILITIES</b>	626	506	1.177	882	748	1.630	1.266	936	2.202	1.621	1.247	2.868

Source: The BRSA Banks Reporting System as of March 29, 2006.

**Annex Table 46 - Balance Sheet of Participation Banks (% Change) (December 2004/December 2003)**

	Nominal Change TL			Nominal Change USD Dollar			Real Change TL		
	TL	FX	TOTAL	TL	FX	TOTAL	TL	FX	TOTAL
1- CASH ASSETS	116	26	52	125	31	58	90	10	34
2- DUE FROM CENTRAL BANK	425	165	350	446	176	368	361	133	296
3- DUE FROM BANKS	-30	66	29	-27	72	35	-38	46	14
4- SECURITIES PORTFOLIO (NET)	-32	4	1	-29	8	5	-40	-8	-12
5- A) GOVERNMENT SECURITIES	-	-	-	-	-	-	-	-	-
6- B) OTHER SECURITIES	-32	4	1	-29	8	5	-40	-8	-12
7- BLOKAGES	131	28	38	141	33	44	103	12	21
8- EXTENDED FUNDS	101	23	56	109	28	62	76	8	37
9- PAST DUE LOANS (NET)	-46	30	-10	-44	35	-6	-53	14	-21
10- A) PAST DUE LOANS	24	-4	8	29	0	12	9	-15	-5
11- B) LOAN LOSS RESERVES (-)	98	-19	19	106	-16	24	74	-29	5
12- SHARE OF PROFIT & INCOME ACCRUALS	76	28	60	83	33	66	55	13	40
13- SUBSIDIARIES, ASSOCIATED AND JOINT COMPANIES (NET)	42	-7	42	48	-3	48	25	-18	25
14- LONG-TERM SECURITIES (NET)	-	-	-	-	-	-	-	-	-
15- FIXED ASSETS TO BE SOLD	45	-	45	51	-	51	27	-	27
16- FIXED ASSETS (NET)	-24	288	-24	-21	304	-21	-33	241	-33
17- OTHER ASSETS	-16	-9	-16	-13	-6	-12	-27	-20	-26
<b>18- TOTAL ASSETS</b>	<b>52</b>	<b>29</b>	<b>41</b>	<b>58</b>	<b>34</b>	<b>46</b>	<b>34</b>	<b>14</b>	<b>23</b>
<b>LIABILITY ACCOUNTS :</b>									
19- COLLECTED FUNDS	101	25	46	109	30	52	76	10	28
20- DUE TO THE CENTRAL BANK	-	-	-	-	-	-	-	-	-
21- DUE TO BANKS	-	5.699	8.290	-	5.931	8.626	-	4.994	7.270
22- SOLD SECURITIES (NET)	-	-	-	-	-	-	-	-	-
23- TAXES, DUTIES, CHARGES & PREMIUMS PAYABLE	10	-	10	15	-	15	-3	-	-3
24- SHARE OF PROFIT AND EXPENSE ACCRUALS	99	-8	57	107	-5	63	75	-19	38
25- RESERVES	69	66	69	76	73	75	48	46	48
26- OTHER LIABILITIES	8	-65	-35	12	-63	-32	-5	-69	-43
<b>27- TOTAL</b>	<b>89</b>	<b>20</b>	<b>40</b>	<b>97</b>	<b>25</b>	<b>46</b>	<b>66</b>	<b>5</b>	<b>23</b>
<b>OWN FUNDS:</b>									
28- PAID UP CAPITAL	72	-	72	79	-	79	51	-	51
29- LEGAL & PROVISIONAL RESERVES	492	-	492	516	-	516	420	-	420
30- FIXED ASSET REVALUATION FUND	-100	-	-100	-100	-	-100	-100	-	-100
31- SECURITIES REVALUATION FUND	-	-	-	-	-	-	-	-	-
32- PROFIT (LOSS) FOR THE PERIOD	2.098	-22	42	2.186	-19	47	1.830	-32	24
33- PROFIT (LOSS) FOR PREVIOUS YEARS	-251	-	-251	-257	-	-257	-233	-	-233
<b>34- TOTAL OWNERS EQUITY (39+...+45)</b>	<b>50</b>	<b>-22</b>	<b>42</b>	<b>56</b>	<b>-19</b>	<b>48</b>	<b>32</b>	<b>-32</b>	<b>25</b>
<b>35- TOTAL LIABILITIES (38+46)</b>	<b>77</b>	<b>19</b>	<b>41</b>	<b>84</b>	<b>24</b>	<b>46</b>	<b>56</b>	<b>5</b>	<b>23</b>
<b>36- NON CASH FUNDS AND OBLIGATIONS</b>	<b>112</b>	<b>116</b>	<b>114</b>	<b>121</b>	<b>124</b>	<b>123</b>	<b>86</b>	<b>90</b>	<b>88</b>
<b>37- COMMITMENTS (50+51)</b>	<b>385</b>	<b>1.128</b>	<b>468</b>	<b>404</b>	<b>1.128</b>	<b>468</b>	<b>326</b>	<b>978</b>	<b>399</b>
38- A) FX TRANSACTIONS	-	1.128	1.711	-12	1.128	1.711	-	978	1.491
39- C) OTHER COMMITMENTS	311	-	311	327	-	311	261	-	261
<b>40- TOTAL OFF BALANCE SHEET LIABILITIES</b>	<b>149</b>	<b>137</b>	<b>144</b>	<b>159</b>	<b>147</b>	<b>144</b>	<b>119</b>	<b>108</b>	<b>114</b>

Source: The BRSA Banks Reporting System as of March 29, 2006.

**Annex Table 47 - Income Statement of Participation Banks (TRY thousand)**

(TRY thousand)	December 2003			June 2004			September 2004			December 2004		
	TL	FX	TOTAL	TL	FX	TOTAL	TL	FX	TOTAL	TL	FX	TOTAL
DIVIDEND INCOME :												
1- DIVIDEND INCOME FROM FUNDS	378.995	303.097	682.092	277.100	135.389	412.489	443.245	202.504	645.749	614.150	271.396	885.546
2- DIVIDEND INCOME FROM PAST DUE LOANS	3.582	7.310	10.892	829	2.514	3.343	1.166	2.969	4.135	5.510	3.782	9.292
3- DIVIDEND INCOME FROM FINANCIAL SECTOR	0	0	0	1.942	294	2.236	9.553	672	10.225	12.719	12.085	24.804
4- INCOME FROM GOVERNMENT SECURITIES	0	0	0	0	0	0	0	0	0	0	0	0
5- INCOME FROM OTHER SECURITIES	0	0	0	0	0	0	0	0	0	0	0	0
6- OTHER DIVIDEND INCOME	1.264	99	1.363	1.113	106	1.219	1.897	166	2.063	2.124	182	2.306
<b>7- TOTAL DIVIDEND INCOME</b>	<b>383.841</b>	<b>310.506</b>	<b>694.347</b>	<b>280.984</b>	<b>138.303</b>	<b>419.287</b>	<b>455.861</b>	<b>206.311</b>	<b>662.172</b>	<b>634.503</b>	<b>287.445</b>	<b>921.948</b>
DIVIDEND EXPENDITURES :												
8- DIVIDEND INCOME TO FUNDS	149.244	136.119	285.363	145.909	62.440	208.349	244.923	97.611	342.534	337.567	133.750	471.317
9- DIVIDEND INCOME TO FINANCIAL SECTOR	0	0	0	0	0	0	0	209	209	0	433	433
10- DIVIDEND INCOME TO SOLD SECURITIES	0	0	0	0	0	0	0	0	0	0	0	0
11- OTHER DIVIDEND INCOME EXPENDITURES	0	0	0	0	0	0	1.566	0	1.566	1.829	0	1.829
<b>12- TOTAL DIVIDEND INCOME EXPENDITURES</b>	<b>149.244</b>	<b>136.119</b>	<b>285.363</b>	<b>145.909</b>	<b>62.440</b>	<b>208.349</b>	<b>246.489</b>	<b>97.820</b>	<b>344.309</b>	<b>339.396</b>	<b>134.183</b>	<b>473.579</b>
13- NET DIVIDEND INCOME (EXPENDITURE)	234.597	174.387	408.984	135.075	75.863	210.938	209.372	108.491	317.863	295.107	153.262	448.369
14- PROVISIONS FOR PAST DUE LOANS	53.915	0	53.915	40.414	0	40.414	52.239	0	52.239	51.657	0	51.657
15- PROVISIONS FOR LOANS	1.895	0	1.895	2.765	0	2.765	3.589	0	3.589	4.935	0	4.935
<b>16- AFTER PROVISION NET DIVIDEND INCOME (EXPENDITURES)</b>	<b>178.787</b>	<b>174.387</b>	<b>353.174</b>	<b>91.896</b>	<b>75.863</b>	<b>167.759</b>	<b>153.544</b>	<b>108.491</b>	<b>262.035</b>	<b>238.515</b>	<b>153.262</b>	<b>391.777</b>
INCOMES EXCLUDING DIVIDEND INCOME:												
17- CHARGE AND COMMISSIONS FROM FUNDS	20.392	3.650	24.042	20.674	1.536	22.210	30.908	2.632	33.540	45.779	3.818	49.597
18- DIVIDENDS FROM SUBSIDIARIES AND JOINT COMPANIES	23	34	57	0	0	0	0	0	0	0	0	0
19- BANKING SERVICES DIVIDEND INCOME	48.379	1.967	50.346	32.962	987	33.949	52.287	1.514	53.801	74.458	2.176	76.634
20- INCOME FROM FIXED ASSETS SOLD	7.047	0	7.047	2.319	0	2.319	2.878	0	2.878	4.852	0	4.852
21- OTHER INCOME EXCLUDING DIVIDEND INCOME	60.074	73.772	133.846	112.956	2.416	115.372	149.594	4.182	153.776	180.954	545	181.499
<b>22- TOTAL INCOME EXCLUDING DIVIDEND INCOME</b>	<b>135.915</b>	<b>79.423</b>	<b>215.338</b>	<b>168.911</b>	<b>4.939</b>	<b>173.850</b>	<b>235.667</b>	<b>8.328</b>	<b>243.995</b>	<b>306.043</b>	<b>6.539</b>	<b>312.582</b>
EXPENDITURES EXCLUDING DIVIDEND INCOME:												
23- PERSONNEL EXPENDITURES	85.034	22	85.056	65.262	140	65.402	99.195	369	99.564	137.425	506	137.931
24- PROVISIONS FOR RETIREMENT BENEFIT FUND	858	0	858	532	0	532	914	0	914	1.164	0	1.164
25- PROVISIONS FOR VALUE DECREASES IN SECURITIES, SUBSIDIARIES, JOINT COMP AND	0	0	0	0	0	0	0	0	0	0	0	0
26- OTHER PROVISIONS	760	0	760	387	0	387	0	0	0	1.481	235	1.716
27- FEES AND COMMISSIONS PAID FOR TRANSACTIONS	17.956	350	18.306	10.006	483	10.489	17.361	659	18.020	27.194	891	28.085
28- DEPRECIATION EXPENSES	286.265	23	286.288	101.686	80	101.766	148.648	127	148.775	202.169	163	202.332
29- TAXES, DUTIES, CHARGES AND PREMIUMS PAID	26.384	23	26.407	6.003	0	6.003	8.978	4	8.982	13.132	4	13.136
30- OTHER NON-INTEREST EXPENSES	98.021	229	98.250	125.525	348	125.873	188.514	665	189.179	250.441	981	251.422
<b>31- TOTAL EXPENDITURES EXCLUDING DIVIDEND INCOME</b>	<b>515.278</b>	<b>647</b>	<b>515.925</b>	<b>309.401</b>	<b>1.051</b>	<b>310.452</b>	<b>463.610</b>	<b>1.824</b>	<b>465.434</b>	<b>633.006</b>	<b>2.780</b>	<b>635.786</b>
TOTAL INCOME (EXPENDITURES) EXCLUDING DIVIDEND INCOME												
32- NET OF INCOME (LOSS) FROM CAPITAL MARKET TRANSACTIONS	2.905	0	2.905	-38	0	-38	1.544	1.111	2.655	1.346	1.129	2.475
33- NET OF INCOME (LOSS) FROM FX TRANSACTIONS	0	22.813	22.813	0	17.202	17.202	0	20.623	20.623	0	30.992	30.992
34- NET OF INCOME (LOSS) FROM EXTRA ORDINARY TRANSACTIONS	364	0	364	65	0	65	114	-1	113	135	0	135
<b>35- TOTAL OTHER INCOME (EXPENDITURE) EXCLUDING DIVIDEND INCOME</b>	<b>3.269</b>	<b>22.813</b>	<b>26.082</b>	<b>27</b>	<b>17.202</b>	<b>17.229</b>	<b>1.658</b>	<b>21.733</b>	<b>23.391</b>	<b>1.481</b>	<b>32.121</b>	<b>33.602</b>
<b>36- PROFIT (LOSS) BEFORE TAX</b>	<b>-197.307</b>	<b>275.976</b>	<b>78.669</b>	<b>-48.567</b>	<b>96.953</b>	<b>48.386</b>	<b>-72.741</b>	<b>136.728</b>	<b>63.987</b>	<b>-83.577</b>	<b>189.142</b>	<b>105.565</b>
<b>37- PROVISIONS FOR TAXES</b>	<b>4.158</b>	<b>0</b>	<b>4.158</b>	<b>1.619</b>	<b>0</b>	<b>1.619</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>225</b>	<b>0</b>	<b>225</b>
<b>38- PROFIT (LOSS) FOR THE PERIOD</b>	<b>-201.465</b>	<b>275.976</b>	<b>74.511</b>	<b>-50.186</b>	<b>96.953</b>	<b>46.767</b>	<b>-72.741</b>	<b>136.728</b>	<b>63.987</b>	<b>-83.577</b>	<b>189.142</b>	<b>105.565</b>

Source: The BRSA Banks Reporting System as of March 29, 2006.

**Annex Table 48 - Income Statement of Participation Banks (USD million)**

(USD million)	December 2003			June 2004			September 2004			December 2004		
	TL	FX	TOTAL	TL	FX	TOTAL	TL	FX	TOTAL	TL	FX	TOTAL
DIVIDEND INCOME :												
1- DIVIDEND INCOME FROM FUNDS	272	217	489	187	91	279	296	135	431	458	202	660
2- DIVIDEND INCOME FROM PAST DUE LOANS	3	5	8	1	2	2	1	2	3	4	3	7
3- DIVIDEND INCOME FROM FINANCIAL SECTOR	0	0	0	1	0	2	6	0	7	9	9	18
4- INCOME FROM GOVERNMENT SECURITIES	0	0	0	0	0	0	0	0	0	0	0	0
5- INCOME FROM OTHER SECURITIES	0	0	0	0	0	0	0	0	0	0	0	0
6- OTHER DIVIDEND INCOME	1	0	1	1	0	1	1	0	1	2	0	2
7- <b>TOTAL DIVIDEND INCOME</b>	275	222	497	190	93	283	304	138	442	473	214	687
DIVIDEND EXPENDITURES :												
8- DIVIDEND INCOME TO FUNDS	107	98	204	99	42	141	164	65	229	252	100	351
9- DIVIDEND INCOME TO FINANCIAL SECTOR	0	0	0	0	0	0	0	0	0	0	0	0
10- DIVIDEND INCOME TO SOLD SECURITIES	0	0	0	0	0	0	0	0	0	0	0	0
11- OTHER DIVIDEND INCOME EXPENDITURES	0	0	0	0	0	0	1	0	1	1	0	1
12- <b>TOTAL DIVIDEND INCOME EXPENDITURES</b>	107	98	204	99	42	141	165	65	230	253	100	353
13- NET DIVIDEND INCOME (EXPENDITURE)	168	125	293	91	51	142	140	72	212	220	114	334
14- PROVISIONS FOR PAST DUE LOANS	39	0	39	27	0	27	35	0	35	38	0	38
15- PROVISIONS FOR LOANS	1	0	1	2	0	2	2	0	2	4	0	4
16- <b>AFTER PROVISION NET DIVIDEND INCOME (EXPENDITURE)</b>	128	125	253	62	51	113	103	72	175	178	114	292
INCOMES EXCLUDING DIVIDEND INCOME:												
17- CHARGE AND COMMISSIONS FROM FUNDS	15	3	17	14	1	15	21	2	22	34	3	37
18- DIVIDENDS FROM SUBSIDIARIES AND JOINT COMPANIES	0	0	0	0	0	0	0	0	0	0	0	0
19- BANKING SERVICES DIVIDEND INCOME	35	1	36	22	1	23	35	1	36	55	2	57
20- INCOME FROM FIXED ASSETS SOLD	5	0	5	2	0	2	2	0	2	4	0	4
21- OTHER INCOME EXCLUDING DIVIDEND INCOME	43	53	96	76	2	78	100	3	103	135	0	135
22- <b>TOTAL INCOME EXCLUDING DIVIDEND INCOME</b>	97	57	154	114	3	117	157	6	163	228	5	233
EXPENDITURES EXCLUDING DIVIDEND INCOME:												
23- PERSONNEL EXPENDITURES	61	0	61	44	0	44	66	0	66	102	0	103
24- PROVISIONS FOR RETIREMENT BENEFIT FUND	1	0	1	0	0	0	1	0	1	1	0	1
25- PROVISIONS FOR VALUE DECREASES IN SECURITIES, SUBSID	0	0	0	0	0	0	0	0	0	0	0	0
26- OTHER PROVISIONS	1	0	1	0	0	0	0	0	0	1	0	1
27- FEES AND COMMISSIONS PAID FOR TRANSACTIONS	13	0	13	7	0	7	12	0	12	20	1	21
28- DEPRECIATION EXPENSES	205	0	205	69	0	69	99	0	99	151	0	151
29- TAXES, DUTIES, CHARGES AND PREMIUMS PAID	19	0	19	4	0	4	6	0	6	10	0	10
30- OTHER NON-INTEREST EXPENSES	70	0	70	85	0	85	126	0	126	187	1	187
31- <b>TOTAL EXPENDITURES EXCLUDING DIVIDEND INCOME</b>	369	0	370	209	1	210	310	1	311	472	2	474
TOTAL INCOME (EXPENDITURES) EXCLUDING DIVIDEND INCOME												
32- NET OF INCOME (LOSS) FROM CAPITAL MARKET TRANSACTIONS	2	0	2	0	0	0	1	1	2	1	1	2
33- NET OF INCOME (LOSS) FROM FX TRANSACTIONS	0	16	16	0	12	12	0	14	14	0	23	23
34- NET OF INCOME (LOSS) FROM EXTRA ORDINARY TRANSACTIONS	0	0	0	0	0	0	0	0	0	0	0	0
35- <b>TOTAL OTHER INCOME (EXPENDITURE) EXCLUDING DIVIDEND INCOME</b>	2	16	19	0	12	12	1	15	16	1	24	25
36- <b>PROFIT (LOSS) BEFORE TAX</b>	-141	198	56	-33	65	33	-49	91	43	-62	141	79
37- <b>PROVISIONS FOR TAXES</b>	0	0	0	0	0	0	0	0	0	0	0	0
38- <b>PROFIT (LOSS) FOR THE PERIOD</b>	-144	198	53	-34	65	32	-49	91	43	-62	141	79

Source: The BRSA Banks Reporting System as of March 29, 2006.

**Annex Table 49 - Income Statement of Participation Banks (% Change) (December 2004/December 2003)**

		Nominal Change TL			Nominal Change USD Dollar			Real Change TL		
		TL	FX	TOTAL	TL	FX	TOTAL	TL	FX	TOTAL
	DIVIDEND INCOME :									
1-	DIVIDEND INCOME FROM FUNDS	62,0	-10,5	29,8	68,5	-6,9	35,0	42,3	-21,3	14,0
2-	DIVIDEND INCOME FROM PAST DUE LOANS	53,8	-48,3	-14,7	60,0	-46,2	-11,3	35,1	-54,6	-25,1
3-	DIVIDEND INCOME FROM FINANCIAL SECTOR	-	-	-	-	-	-	-	-	-
4-	INCOME FROM GOVERNMENT SECURITIES	-	-	-	-	-	-	-	-	-
5-	INCOME FROM OTHER SECURITIES	-	-	-	-	-	-	-	-	-
6-	OTHER DIVIDEND INCOME	68,0	83,8	69,2	74,8	91,2	76,0	47,6	61,5	48,6
<b>7-</b>	<b>TOTAL DIVIDEND INCOME</b>	<b>65,3</b>	<b>-7,4</b>	<b>32,8</b>	<b>71,9</b>	<b>-3,7</b>	<b>38,1</b>	<b>45,2</b>	<b>-18,7</b>	<b>16,6</b>
	DIVIDEND EXPENDITURES :									
8-	DIVIDEND INCOME TO FUNDS	126,2	-1,7	65,2	135,2	2,2	71,8	98,7	-13,7	45,1
9-	DIVIDEND INCOME TO FINANCIAL SECTOR	-	-	-	-	-	-	-	-	-
10-	DIVIDEND INCOME TO SOLD SECURITIES	-	-	-	-	-	-	-	-	-
11-	OTHER DIVIDEND INCOME EXPENDITURES	-	-	-	-	-	-	-	-	-
<b>12-</b>	<b>TOTAL DIVIDEND INCOME EXPENDITURES</b>	<b>127,4</b>	<b>-1,4</b>	<b>66,0</b>	<b>136,5</b>	<b>2,5</b>	<b>72,6</b>	<b>99,8</b>	<b>-13,4</b>	<b>45,8</b>
13-	NET DIVIDEND INCOME (EXPENDITURE)	25,8	-12,1	9,6	30,8	-8,6	14,0	10,5	-22,8	-3,7
14-	PROVISIONS FOR PAST DUE LOANS	-4,2	-	-4,2	-0,4	-	-0,4	-15,8	-	-15,8
15-	PROVISIONS FOR LOANS	160,4	-	160,4	170,8	-	170,8	128,8	-	128,8
<b>16-</b>	<b>AFTER PROVISION NET DIVIDEND INCOME (EXPENDITURE)</b>	<b>33,4</b>	<b>-12,1</b>	<b>10,9</b>	<b>38,7</b>	<b>-8,6</b>	<b>15,4</b>	<b>17,2</b>	<b>-22,8</b>	<b>-2,6</b>
	INCOMES EXCLUDING DIVIDEND INCOME:									
17-	CHARGE AND COMMISSIONS FROM FUNDS	124,5	4,6	106,3	133,5	8,8	114,6	97,2	-8,1	81,2
18-	DIVIDENDS FROM SUBSIDIARIES AND JOINT COMPANIES	-100,0	-100,0	-100,0	-100,0	-100,0	-100,0	-100,0	-100,0	-100,0
19-	BANKING SERVICES DIVIDEND INCOME	53,9	10,6	52,2	60,1	15,1	58,3	35,2	-2,8	33,7
20-	INCOME FROM FIXED ASSETS SOLD	-31,1	-	-31,1	-28,4	-	-28,4	-39,5	-	-39,5
21-	OTHER INCOME EXCLUDING DIVIDEND INCOME	201,2	-99,3	35,6	213,3	-99,2	41,0	164,6	-99,4	19,1
<b>22-</b>	<b>TOTAL INCOME EXCLUDING DIVIDEND INCOME</b>	<b>125,2</b>	<b>-91,8</b>	<b>45,2</b>	<b>134,2</b>	<b>-91,4</b>	<b>51,0</b>	<b>97,8</b>	<b>-92,8</b>	<b>27,5</b>
	EXPENDITURES EXCLUDING DIVIDEND INCOME:									
23-	PERSONNEL EXPENDITURES	61,6	2200,0	62,2	68,1	2292,1	68,7	42,0	1920,4	42,4
24-	PROVISIONS FOR RETIREMENT BENEFIT FUND	35,7	-	35,7	41,1	-	41,1	19,2	-	19,2
25-	PROVISIONS FOR VALUE DECREASES IN SECURITIES, SUBSIDIARIES	-	-	-	-	-	-	-	-	-
26-	OTHER PROVISIONS	94,9	-	125,8	102,7	-	134,8	71,2	-	98,3
27-	FEES AND COMMISSIONS PAID FOR TRANSACTIONS	51,4	154,6	53,4	57,5	164,8	59,6	33,0	123,6	34,8
28-	DEPRECIATION EXPENSES	-29,4	608,7	-29,3	-26,5	637,1	-26,5	-38,0	522,5	-37,9
29-	TAXES, DUTIES, CHARGES AND PREMIUMS PAID	-50,2	-82,6	-50,3	-48,2	-81,9	-48,3	-56,3	-84,7	-56,3
30-	OTHER NON-INTEREST EXPENSES	155,5	328,4	155,9	165,7	345,5	166,1	124,4	276,3	124,8
<b>31-</b>	<b>TOTAL EXPENDITURES EXCLUDING DIVIDEND INCOME</b>	<b>22,8</b>	<b>329,7</b>	<b>23,2</b>	<b>27,8</b>	<b>346,9</b>	<b>28,2</b>	<b>7,9</b>	<b>277,4</b>	<b>8,3</b>
	TOTAL INCOME (EXPENDITURES) EXCLUDING DIVIDEND INCOME									
32-	NET OF INCOME (LOSS) FROM CAPITAL MARKET TRANSACTIONS	-53,7	-	-14,8	-51,8	-	-11,4	-59,3	-	-25,2
33-	NET OF INCOME (LOSS) FROM FX TRANSACTIONS	-	35,9	35,9	-	41,3	41,3	-	19,3	19,3
34-	NET OF INCOME (LOSS) FROM EXTRA ORDINARY TRANSACTIONS	-62,9	-	-62,9	-61,4	-	-61,4	-67,4	-	-67,4
<b>35-</b>	<b>TOTAL OTHER INCOME (EXPENDITURE) EXCLUDING DIVIDEND INCOME</b>	<b>-54,7</b>	<b>40,8</b>	<b>28,8</b>	<b>-52,9</b>	<b>46,4</b>	<b>34,0</b>	<b>-60,2</b>	<b>23,7</b>	<b>13,2</b>
<b>36-</b>	<b>PROFIT (LOSS) BEFORE TAX</b>	<b>-55,9</b>	<b>-31,5</b>	<b>29,9</b>	<b>-54,2</b>	<b>-28,7</b>	<b>35,1</b>	<b>-61,3</b>	<b>-39,8</b>	<b>14,1</b>
<b>37-</b>	<b>PROVISIONS FOR TAXES</b>	<b>-94,6</b>	<b>-</b>	<b>-94,6</b>	<b>-94,4</b>	<b>-</b>	<b>-94,4</b>	<b>-95,2</b>	<b>-</b>	<b>-95,2</b>
<b>38-</b>	<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>-58,5</b>	<b>-31,5</b>	<b>41,7</b>	<b>-56,9</b>	<b>-28,7</b>	<b>47,3</b>	<b>-63,6</b>	<b>-39,8</b>	<b>24,5</b>

Source: The BRSA Banks Reporting System as of March 29, 2006.

**Annex Table 50 - Balance Sheet of Participation Banks (TRY thousand) (December 2005)**

ASSETS	December 2005		
	T L	FX	TOTAL
1 Cash Assets	77.951	100.626	178.577
2 Due from Banks	885.158	486.448	1.371.606
3 a) Domestic Banks (Incl.CBRT and Money Market Rcv.)	525.158	147.299	672.457
4 b) Foreign Banks	360.000	339.149	699.149
5 Securities-Trading Portfolio (Net)	1.566	0	1.566
6 Securities Available for Sale (Net)	1.598	16.117	17.715
7 Required Reserves	0	436.095	436.095
8 Loans	6.257.857	215.770	6.473.627
9 Receivables from Leasing (Net)	579.439	235.177	814.616
10 Past Due Loans (Net) (11-12)	118.554	699	119.253
11 a) Past Due Loans	298.934	12.469	311.403
12 b) Loan Loss Reserves (-)	180.380	11.770	192.150
13 Dividend Income Accual and Rediscounts	133.106	14.370	147.476
14 Subsidiaries, Associated and Joint Controlled Companies	60.228	147	60.375
15 Securities-Held to Maturity (Net)	0	0	0
16 Fixed Assets (Net)	220.294	160	220.454
17 Other Assets	98.932	5.136	104.068
<b>18 TOTAL ASSETS (1+..+17)-(3+4+11+12)</b>	<b>8.434.683</b>	<b>1.510.745</b>	<b>9.945.428</b>
LIABILITIES			
19 Funds Obtained	4.441.519	3.927.636	8.369.155
20 a) Private Current Accounts	1.009.321	952.333	1.961.654
21 b) Participation Accounts ( Including Banks)	3.432.198	2.975.303	6.407.501
22 Due to Banks	0	182.004	182.004
23 a) Domestic Banks	0	0	0
24 b) Foreign Banks	0	182.004	182.004
25 Leasing Obligations (Net)	0	4.682	4.682
26 Securities Issued (Net)	0	0	0
27 Dividend Income and Expenditure Rediscounts	49.733	15.860	65.593
28 Taxes, Duties, Charges&Preimiums Payable	25.546	5	25.551
29 Reserves	59.677	15.389	75.066
30 Subordinated Debt	616	0	616
31 Other Liabilities	216.508	55.163	271.671
<b>32 TOTAL (19+..+31)-(20+21+23+24)</b>	<b>4.793.599</b>	<b>4.200.739</b>	<b>8.994.338</b>
33 Paid Up Capital	816.252	0	816.252
34 Legal&Provisional Reserves	211.605	0	211.605
35 Paid Up Capital Inflation	0	0	0
36 Securities Revaluation Fund	0	0	0
37 Revaluation Fund	1.058	0	1.058
38 Profit (Loss) for the Period	250.142	0	250.142
39 Profit (Loss) for Previous Years	-327.967	0	-327.967
<b>40 TOTAL OWN FUNDS (33+...+39)</b>	<b>951.090</b>	<b>0</b>	<b>951.090</b>
<b>41 TOPLAM PASİFLER (32+40)</b>	<b>5.744.689</b>	<b>4.200.739</b>	<b>9.945.428</b>
42 Non-Cash Loans and Liabilities	3.187.682	2.561.066	5.748.748
43 Commitments (44+45)	1.303.655	70.990	1.374.645
44 a) Derivative Financial Instruments	9.232	46.653	55.885
45 b) Other Commitments	1.294.423	24.337	1.318.760

Source: The BRSA Banks Reporting System as of March 29, 2006.

**Annex Table 51 - Balance Sheet of Participation Banks (USD million)**

ASSETS	December 2005		
	T L	FX	TOTAL
1 Cash Assets	58	75	133
2 Due from Banks	659	362	1.021
3 a) Domestic Banks (Incl.CBRT and Money Market Rcv.)	391	110	501
4 b) Foreign Banks	268	253	521
5 Securities-Trading Portfolio (Net)	1	0	1
6 Securities Available for Sale (Net)	1	12	13
7 Required Reserves	0	325	325
8 Loans	4.660	161	4.820
9 Receivables from Leasing (Net)	431	175	607
10 Past Due Loans (Net) (11-12)	88	1	89
11 a) Past Due Loans	223	9	232
12 b) Loan Loss Reserves (-)	134	9	143
13 Dividend Income Accual and Rediscounts	99	11	110
14 Subsidiaries, Associated and Joint Controlled Companies (Net)	45	0	45
15 Securities-Held to Maturity (Net)	0	0	0
16 Fixed Assets (Net)	164	0	164
17 Other Assets	74	4	77
<b>18 TOTAL ASSETS (1+..+17)-(3+4+11+12)</b>	<b>6.280</b>	<b>1.125</b>	<b>7.405</b>
LIABILITIES			
19 Funds Obtained	3.307	2.925	6.232
20 a) Private Current Accounts	752	709	1.461
21 b) Participation Accounts ( Including Banks)	2.556	2.215	4.771
22 Due to Banks	0	136	136
23 a) Domestic Banks	0	0	0
24 b) Foreign Banks	0	136	136
25 Leasing Obligations (Net)	0	3	3
26 Securities Issued (Net)	0	0	0
27 Dividend Income and Expenditure Rediscounts	37	12	49
28 Taxes, Duties, Charges&Premiums Payable	19	0	19
29 Reserves	44	11	56
30 Subordinated Debt	0	0	0
31 Other Liabilities	161	41	202
<b>32 TOTAL (19+..+31)-(20+21+23+24)</b>	<b>3.569</b>	<b>3.128</b>	<b>6.697</b>
33 Paid Up Capital	608	0	608
34 Legal&Provisional Reserves	158	0	158
35 Paid Up Capital Inflation	0	0	0
36 Securities Revaluation Fund	0	0	0
37 Revaluation Fund	1	0	1
38 Profit (Loss) for the Period	186	0	186
39 Profit (Loss) for Previous Years	-244	0	-244
<b>40 TOTAL OWN FUNDS (33+...+39)</b>	<b>708</b>	<b>0</b>	<b>708</b>
<b>41 TOPLAM PASİFLER (32+40)</b>	<b>4.278</b>	<b>3.128</b>	<b>7.405</b>
42 Non-Cash Loans and Liabilities	2.374	1.907	4.281
43 Commitments (44+45)	971	53	1.024
44 a) Derivative Financial Instruments	7	35	42
45 b) Other Commitments	964	18	982

Source: The BRSA Banks Reporting System as of March 29, 2006.

**Annex Table 52 - Balance Sheet of Participation Banks (TRY thousand)**

	December 2005		
	T L	FX	TOTAL
1 Dividend Income on Loans	794.095	44.487	838.582
2 Dividend Income from Past Due Loans	4.679	5.367	10.046
3 Leasing Incomes	72.498	15.393	87.891
4 Income from Banks and SFI	35.175	4.364	39.539
5 Income from Securities	659	89	748
6 Other Dividend Income	25.758	5.887	31.645
<b>7 Total Dividend Income (from 1 to 6)</b>	<b>932.864</b>	<b>75.587</b>	<b>1.008.451</b>
8 Dividend Income to Funds	438.057	110.400	548.457
9 Leasing Expenses	10	298	308
10 Expenditures to Banks and SFI	2.698	6.556	9.254
11 Shares of Profit Paid for Issued Securities	0	0	0
12 Other Activity Expenditures	0	0	0
13 Total Dividend IncomeExpenditures (from 8 to 12)	440.765	117.254	558.019
<b>14 NET DIVIDEND INCOME (EXPENDITURE) (7-13)</b>	<b>492.099</b>	<b>-41.667</b>	<b>450.432</b>
15 Provisions for Past Due Loans	51.937	231	52.168
<b>16 AFTER PROVISIONS NET DIVIDEND INCOME (EXPENDITURE)</b>	<b>440.162</b>	<b>-41.898</b>	<b>398.264</b>
17 Fees and Commissions Received on Loans	129.893	32.250	162.143
18 Dividends on Subsidiaries and Joint Companies	1.611	0	1.611
19 Banking Services Dividend Income	124.765	6.679	131.444
20 Income from Fixed Assets Sold	7.698	0	7.698
21 Other Income Excluding Dividend Income	62.755	387	63.142
<b>22 Total Income Excluding Dividend Income (from 17 to 21)</b>	<b>326.722</b>	<b>39.316</b>	<b>366.038</b>
23 Personnel Expenditures	192.524	902	193.426
24 Provisions for Unexpected (General) Loan Losses	13.635	898	14.533
25 Provisions for Retirement Benefit Fund	2.102	0	2.102
26 Provisions for Value Decreases in Securities Portfolio	708	0	708
27 Provisions for Value Decreases in Subsidiaries, Associated and Joint Comp	3.215	0	3.215
28 Other Provisions	78.356	40	78.396
29 Fees and Commissions Paid for Transactions	42.135	3.935	46.070
30 Depreciation Expenses	29.195	175	29.370
31 Taxes, Duties, Charges and Premiums Paid	10.717	16	10.733
32 Other Non-Interest Expenses	259.585	1.051	260.636
<b>33 Total Expenditures Excluding Dividend Income (from 23 to 32)</b>	<b>632.172</b>	<b>7.017</b>	<b>639.189</b>
34 Net of Income (Loss) from Capital Market Transactions (Net)	392	4.726	5.118
35 Net of Income (Loss) from FX Transactions (Net)	0	130.142	130.142
36 Net of Income (Loss) from Extra Ordinary Transactions (Net)	-1.628	0	-1.628
37 Net of Income (Loss) from Net Monetary Position	0	0	0
38 Total Other Income (Loss) (from 34 to 37)	-1.236	134.868	133.632
<b>39 PROFIT (LOSS) BEFORE TAX[( 16 + 22 + 38) - 33 ]</b>	<b>133.476</b>	<b>125.269</b>	<b>258.745</b>
40 Tax Provision	8.603	0	8.603
<b>41 PROFIT (LOSS) FOR THE PERIOD (39 - 40)</b>	<b>124.873</b>	<b>125.269</b>	<b>250.142</b>

Source: The BRSA Banks Reporting System as of March 29, 2006.



**Annex Table 53 - Income Statement of Participation Banks (USD million)**

	December 2005		
	T L	FX	TOTAL
1 Dividend Income on Loans	591	33	624
2 Dividend Income from Past Due Loans	3	4	7
3 Leasing Incomes	54	11	65
4 Income from Banks and SFI	26	3	29
5 Income from Securities	0	0	1
6 Other Dividend Income	19	4	24
<b>7 Total Dividend Income (from 1 to 6)</b>	<b>695</b>	<b>56</b>	<b>751</b>
8 Dividend Income to Funds	326	82	408
9 Leasing Expenses	0	0	0
10 Expenditures to Banks and SFI	2	5	7
11 Shares of Profit Paid for Issued Securities	0	0	0
12 Other Activity Expenditures	0	0	0
13 Total Dividend Income Expenditures (from 8 to 12)	328	87	416
<b>14 NET DIVIDEND INCOME (EXPENDITURE) (7-13)</b>	<b>366</b>	<b>-31</b>	<b>335</b>
15 Provisions for Past Due Loans	39	0	39
<b>16 AFTER PROVISIONS NET DIVIDEND INCOME (EXPENDITURE) [</b>	<b>328</b>	<b>-31</b>	<b>297</b>
17 Fees and Commissions Received on Loans	97	24	121
18 Dividends on Subsidiaries and Joint Companies	1	0	1
19 Banking Services Dividend Income	93	5	98
20 Income from Fixed Assets Sold	6	0	6
21 Other Income Excluding Dividend Income	47	0	47
<b>22 Total Income Excluding Dividend Income (from 17 to 21)</b>	<b>243</b>	<b>29</b>	<b>273</b>
23 Personnel Expenditures	143	1	144
24 Provisions for Unexpected (General) Loan Losses	10	1	11
25 Provisions for Retirement Benefit Fund	2	0	2
26 Provisions for Value Decreases in Securities Portfolio	1	0	1
27 Provisions for Value Decreases in Subsidiaries, Associated and Joint Compa	2	0	2
28 Other Provisions	58	0	58
29 Fees and Commissions Paid for Transactions	31	3	34
30 Depreciation Expenses	22	0	22
31 Taxes, Duties, Charges and Premiums Paid	8	0	8
32 Other Non-Interest Expenses	193	1	194
<b>33 Total Expenditures Excluding Dividend Income (from 23 to 32)</b>	<b>471</b>	<b>5</b>	<b>476</b>
34 Net of Income (Loss) from Capital Market Transactions (Net)	0	4	4
35 Net of Income (Loss) from FX Transactions (Net)	0	97	97
36 Net of Income (Loss) from Extra Ordinary Transactions (Net)	-1	0	-1
37 Net of Income (Loss) from Net Monetary Position	0	0	0
38 Total Other Income (Loss) (from 34 to 37)	-1	100	100
<b>39 PROFIT (LOSS) BEFORE TAX[( 16 + 22 + 38) - 33 ]</b>	<b>99</b>	<b>93</b>	<b>193</b>
40 Tax Provision	6	0	6
<b>41 PROFIT (LOSS) FOR THE PERIOD (39 - 40)</b>	<b>93</b>	<b>93</b>	<b>186</b>

Source: The BRSA Banks Reporting System as of March 29, 2006.