

**CONVENIENCE TRANSLATION INTO ENGLISH
OF FINANCIAL STATEMENTS AND
AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH
SEE NOTE I.B.3**

THE CENTRAL BANK OF THE REPUBLIC OF TURKEY

**FINANCIAL STATEMENTS
AT 31 DECEMBER 2005
TOGETHER WITH AUDITOR'S REPORT**

**CONVENIENCE TRANSLATION INTO ENGLISH OF
AUDITOR'S REPORT ORIGINALLY ISSUED IN TURKISH**

THE CENTRAL BANK OF THE REPUBLIC OF TURKEY

**AUDITOR'S REPORT
FOR THE PERIOD 1 JANUARY 2005 - 31 DECEMBER 2005**

To the Central Bank of the Republic of Turkey

1. We have audited the accompanying balance sheet of the Central Bank of the Republic of Turkey ("the Bank") as of 31 December 2005 and the related statement of income for the year then ended. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with International Standards on Auditing. These standards require that we plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The financial statements of the Bank as of 31 December 2004 were audited by another auditor whose report dated 4 March 2005 expressed an unqualified opinion.
4. In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bank as of 31 December 2005 and the results of its operations for the year then ended in accordance with the Law of the Central Bank of the Republic of Turkey and related legislation.

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

5. As explained in Note I.B.3, effects of differences between accounting principles and standards set out by related legislation in Turkey and Central Bank Law, and accounting principles generally accepted in countries in which the accompanying financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying financial statements. Accordingly, the accompanying financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

Başaran Nas Serbest Muhasebeci
Mali Müşavirlik Anonim Şirketi
a member of
PricewaterhouseCoopers

Haluk Yalçın, SMMM

Istanbul, 27 February 2006

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH SEE NOTE I.B.3**

THE CENTRAL BANK OF THE REPUBLIC OF TURKEY

BALANCE SHEETS AT 31 DECEMBER 2005 AND 2004

(Amounts expressed in thousands of New Turkish Lira ("YTL"), unless otherwise indicated.)

ASSETS		Note (Part II)	31 December 2005	31 December 2004
I.	GOLD	1	2,640,298	2,254,793
	A. International Standards		2,569,462	2,194,300
	B. Non-international Standards		70,836	60,493
II.	FOREIGN CURRENCY RESERVES	2	67,781,346	48,327,454
	A. Foreign Currency Banknotes		299,073	427,124
	B. Correspondent Bank Accounts		67,264,933	47,664,867
	C. Reserve Tranche Position		217,340	235,463
III.	COINS		69,150	2,932
IV.	DOMESTIC CORRESPONDENTS	3	-	1,144,224
V.	SECURITIES PORTFOLIO	4	20,495,029	23,164,479
	A. Government Securities		20,495,029	23,164,479
	a) Coupon		20,495,029	23,164,479
	b) Discount		-	-
	B. Other		-	-
VI.	DOMESTIC LOANS	5	1,372	309,978
	A. Banking Sector		1,372	7,678
	a) Discount Loans		1,372	7,678
	b) Loans Given according to Law 1211 40/1-c		-	-
	c) Other		-	-
	B. Loans to Savings Deposit Insurance Fund			302,300
VII.	OPEN MARKET OPERATIONS	4	1,026,306	128,000
	A. Repurchase Agreements		1,026,306	128,000
	a) Cash		1,026,306	-
	i. Foreign Exchange		-	-
	ii. Securities		1,026,306	-
	b) Securities		-	128,000
	B. Other		-	-
VIII.	FOREIGN LOANS	5	45,169	113,274
IX.	EQUITY PARTICIPATIONS	6	19,303	20,904
X.	PROPERTY AND EQUIPMENT (Net)	7	292,230	289,589
XI.	LOANS UNDER LEGAL FOLLOW-UP (Net)	5	-	-
XII.	TREASURY LIABILITIES DUE TO SDR ALLOCATION		216,438	234,486
XIII.	VALUATION ACCOUNT	17	2,029,328	2,032,526
XIV.	INTEREST AND INCOME ACCRUALS	10	12,215	74,275
XV.	MISCELLANEOUS RECEIVABLES	8	30,809	5,563
XVI.	OTHER ASSETS	9	21,700	19,715
TOTAL ASSETS			94,680,693	78,122,192

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH SEE NOTE I.B.3**

THE CENTRAL BANK OF THE REPUBLIC OF TURKEY

BALANCE SHEETS AT 31 DECEMBER 2005 AND 2004

(Amounts expressed in thousands of New Turkish Lira ("YTL"), unless otherwise indicated.)

LIABILITIES		Note (Part II)	31 December 2005	31 December 2004
I.	CURRENCY IN CIRCULATION	11	19,612,019	13,465,237
II.	DUE TO TREASURY	12	259,565	291,422
	A. Gold		7,648	6,531
	B. Reserve Tranche Position		217,340	235,463
	C. Other (Net)		34,577	49,428
III.	FOREIGN CORRESPONDENTS	13	962	41,404
IV.	DEPOSITS	14	63,482,072	56,044,674
	A. Public Sector		14,367,118	6,100,260
	a) Treasury, General and Annexed Budget Administrations		14,220,713	5,942,387
	b) Public Economic Enterprises		297	348
	c) State Economic Enterprises		57,306	49,316
	d) Other		88,802	108,209
	B. Banking Sector		27,665,722	19,999,220
	a) Domestic Banks		18,259,053	8,129,271
	b) Foreign Banks		6,897	1,000
	c) Reserve Requirements		9,399,748	11,868,739
	d) Other		24	210
	C. Miscellaneous		20,953,335	25,060,794
	a) Foreign Exchange Deposits By Citizens Abroad		20,884,256	24,978,895
	b) Other		69,079	81,899
	D. International Institutions		5,037	4,038,731
	E. Extrabudgetary Funds		490,860	845,669
	a) Saving Deposit Insurance Fund		15,893	25,869
	b) Other		474,967	819,800
V.	OPEN MARKET OPERATIONS	4	7,034,350	3,622,089
	A. Repurchase Agreements		1,025,000	128,189
	a) Cash		1,025,000	128,189
	i. Foreign Exchange		-	-
	ii. Securities		-	128,189
	b) Securities		1,025,000	-
	B. Other		6,009,350	3,493,900
VI.	FOREIGN LOANS		11,329	12,158
VII.	IMPORT TRANSFER ORDERS AND DEPOSITS		1,537,174	1,096,905
VIII.	NOTES AND REMITTANCES PAYABLE		18,068	19,783
IX.	SDR ALLOCATION		216,438	234,486
X.	CAPITAL	15	46,234	46,234
	A. Share Capital		25	25
	B. Adjustment to Share Capital		46,209	46,209
XI.	RESERVES	15	773,405	1,283,131
	A. Ordinary and Extraordinary Reserves		419,857	929,583
	B. Special Reserves (CBT's Law, # 1211 Art. 59)		175	175
	C. Inflation Adjustment to Ordinary and Extraordinary Reserves and Special Reserves		353,373	353,373
XII.	PROVISIONS	16	105,921	92,522
XIII.	VALUATION ACCOUNT	17	-	-
XIV.	INTEREST AND EXPENSE ACCRUALS	19	1,548,341	2,215,887
XV.	MISCELLANEOUS PAYABLES	18	77,841	103,800
XVI.	OTHER LIABILITIES	18	88,413	62,186
XVII.	NET PROFIT/(LOSS)		(131,439)	(509,726)
TOTAL LIABILITIES			94,680,693	78,122,192

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH SEE NOTE I.B.3**

THE CENTRAL BANK OF THE REPUBLIC OF TURKEY

STATEMENTS OF INCOME FOR THE YEARS ENDED 31 DECEMBER 2005 AND 2004

(Amounts expressed in thousands of New Turkish Lira ("YTL"), unless otherwise indicated.)

	Note (Part III)	1 January- 31 December 2005	1 January- 31 December 2004
I - INTEREST INCOME	1	3,034,502	3,108,604
A. Interest Income from Foreign Correspondent Accounts		1,432,202	877,750
B. Interest Income from Open Market Operations		1,521,798	1,778,024
C. Interest Income from Loans		63,096	259,527
D. Positive Valuation Differences		-	177,835
E. Other Interest Income		17,406	15,468
II - NON-INTEREST INCOME	2	927,609	1,741,884
A. Open Market Operations		275,938	445,688
B. Foreign Exchange Gains		612,286	1,194,527
C. Commissions and Services Income		32,842	26,419
D. Foreign Currency Valuation Differences of Provision for Doubtful Receivables		350	69,974
E. Dividend Income		3,226	3,927
F. Other Income		2,967	1,349
III - TOTAL INCOME		3,962,111	4,850,488
IV - INTEREST EXPENSE	3	2,598,342	3,723,486
A. Interest Expense on Deposits by Citizens Abroad		885,047	1,645,089
B. Interest Expense on Accounts with Foreign Correspondents		54,159	235,638
C. Interest Expense on Other Deposits		149,856	90,678
D. Interest Expenses on Due to Interbank Money Market Transactions		564,508	982,728
E. Other Interest Expense		821,042	757,074
F. Negative Valuation Differences		123,730	12,279
V - NON-INTEREST EXPENSE	4	1,108,215	1,143,250
A. Open Market Operations		378,832	943,147
B. Foreign Exchange Loss		346,148	72,164
C. Non-Interest Expense to Foreign Correspondents		212,352	1,564
D. Commission Expenses		118,258	101,167
E. Provision for Doubtful Receivables		51,819	23,115
F. Other Expenses		806	2,093
VI - GENERAL ADMINISTRATIVE EXPENSES		386,993	367,617
A. Personnel Expense		292,725	270,333
B. Provisions		7,664	9,710
C. Depreciation Expense		16,416	14,879
D. Other		70,188	72,695
VII - TOTAL EXPENSES		4,093,550	5,234,353
VIII- PROFIT / (LOSS) BEFORE MONETARY LOSS [III - VII]		(131,439)	(383,865)
IX - MONETARY LOSS		-	(125,861)
X - PROFIT / LOSS AFTER MONETARY LOSS [VIII - IX]		(131,439)	(509,726)
XI - TAX PROVISION		-	-
XII - NET LOSS [X - XI]		(131,439)	(509,726)

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
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THE CENTRAL BANK OF THE REPUBLIC OF TURKEY

OFF - BALANCE SHEET COMMITMENTS AT 31 DECEMBER 2005 AND 2004

(Amounts expressed in thousands of New Turkish Lira ("YTL"), unless otherwise indicated.)

OFF - BALANCE SHEET COMMITMENTS	31 December 2005	31 December 2004
A. Securities in Custody	175,492,602	156,022,361
1. Marketable Securities in Custody - Free	162,624,597	141,701,911
2. Deal Securities	7,484,921	11,211,788
3. Marketable Security Exchange Market Banks' Guarantee Letters	85,057	71,202
4. Savings Deposit Insurance Fund's Securities - exempt from income tax	100,749	149,777
5. Other	5,197,278	2,887,683
B. Guarantees Taken	10,796,736	7,921,685
1. Banks' Treasury Bonds as Foreign Currency Market Guarantees	1,825,344	958,847
2. Bonds as Interbank Money Market Operations Guarantees	8,825,139	4,884,046
3. Bonds accepted as Guarantees for Money Market Transactions	-	-
4. Bonds as Guarantees of YTL Banknotes and Coins	-	1,764,839
5. Letters of Guarantee received for Foreign Currency Market Transactions	-	-
6. Banking Regulation and Supervisory Agency Advance Loan Guarantees	-	293,224
7. Intermediary Firms' Treasury Bonds - Pledged	15,810	20,470
8. Other	130,443	259
C. Reserve Banknotes	17,506,149	21,284,093
1. Reserve Banknotes	16,994,259	19,304,727
2. Worn-out Banknotes	101,102	172,681
3. Reserve Banknotes - Branches	299,688	386,777
4. Reserve Banknotes - kept in Ziraat Bank	109,215	63,514
5. Recently Printed Banknotes	25	25
6. YTL Banknotes	1,860	1,356,369
D. Other	111,993,708	96,658,221
1. Repurchase Agreements Pledged Account	5,958,844	9,443,590
2. Bank's Treasury Bonds Portfolio	19,323,479	18,307,679
3. Customer Operations	84,646,098	62,591,649
4. Banks' Disponibility Reserves - Treasury Bonds	-	4,213,540
5. Branches' Marketable Security in Electronic Security Fund Transfer System	1,542,225	1,809,249
6. Treasury Bonds of Marketable Security Exchange Market Members	42,948	31,201
7. YTL Coins	-	256,152
8. Other	480,114	5,161
E. Electronic Marketable Security Transfer Recording Follow-up Account for Marketable Securities, Classified with Physical Values in Above Accounts	258,193,200	216,721,350
TOTAL (A+B+C+D+E)	573,982,395	498,607,710

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
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THE CENTRAL BANK OF THE REPUBLIC OF TURKEY

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2005

(Amounts expressed in thousands of New Turkish Lira ("YTL"), unless otherwise indicated.)

	Share capital	1st and 2nd group legal reserves	Share premium	Other legal reserves	Other reserves	Property and equipment revaluation fund	Cost increase fund	Retained earnings	Net Profit / (Loss) for the year	Total shareholders' equity
31 December 2004	46,234	-	-	-	1,283,131	-	-	-	(509,726)	819,639
1 January 2005	46,234	-	-	-	1,283,131	-	-	-	(509,726)	819,639
<u>Net-off of Previous Year Losses:</u>	-	-	-	-	(509,726)	-	-	-	509,726	-
<u>Profit Distribution:</u>										
- Dividends	-	-	-	-	-	-	-	-	-	-
- Share Premium transferred to Equity	-	-	-	-	-	-	-	-	-	-
- Taxes and Funds	-	-	-	-	-	-	-	-	-	-
- Transfers to Treasury	-	-	-	-	-	-	-	-	-	-
<u>Increase in Paid-in Capital</u>										
- Cash	-	-	-	-	-	-	-	-	-	-
- Transfer from Revaluation Fund	-	-	-	-	-	-	-	-	-	-
- Transfers from Profits from Sales of Equity Participations, Subsidiaries and Property and Equipment	-	-	-	-	-	-	-	-	-	-
Other (*)	-	-	-	-	-	-	-	-	-	-
Net Profit / (Loss) for the year	-	-	-	-	-	-	-	-	(131,439)	(131,439)
31 December 2005	46,234	-	-	-	773,405	-	-	-	(131,439)	688,200

(*) "Other" includes the amount of expired banknotes transferred to special reserves according to the 59th article of Central Bank Law related to special reserves.

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH SEE NOTE I.B.3

THE CENTRAL BANK OF THE REPUBLIC OF TURKEY

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2004

(Amounts expressed in thousands of New Turkish Lira ("YTL"), unless otherwise indicated.)

	Share capital	1st and 2nd group legal reserves	Share premium	Other legal reserves	Other reserves	Property and equipment revaluation fund	Cost increase fund	Retained earnings	Net Profit / (Loss) for the year	Total Shareholders' Equity
31 December 2003	25	-	-	-	2,478,015	177,836	95	-	(1,548,363)	1,107,608
<u>Inflation Adjustment:</u>	46,209	-	-	-	5,021,940	(177,836)	(95)	(4,454,283)	(214,297)	221,638
1 January 2004	46,234	-	-	-	7,499,955	-	-	(4,454,283)	(1,762,660)	1,329,246
<u>Net-off of Previous Year Losses:</u>	-	-	-	-	(6,216,943)	-	-	4,454,283	1,762,660	-
<u>Profit Distribution:</u>	-	-	-	-	-	-	-	-	-	-
- Dividends	-	-	-	-	-	-	-	-	-	-
- Share Premium transferred to Equity	-	-	-	-	-	-	-	-	-	-
- Taxes and Funds	-	-	-	-	-	-	-	-	-	-
- Transfers to Treasury	-	-	-	-	-	-	-	-	-	-
<u>Increase in Paid-in Capital</u>	-	-	-	-	-	-	-	-	-	-
- Cash	-	-	-	-	-	-	-	-	-	-
- Transfer from Revaluation Fund	-	-	-	-	-	-	-	-	-	-
- Transfers from Profits from Sales of Equity Participations, Subsidiaries and Property and Equipment	-	-	-	-	-	-	-	-	-	-
Other (*)	-	-	-	-	119	-	-	-	-	119
Net profits for the year	-	-	-	-	-	-	-	-	(509,726)	(509,726)
31 December 2004	46,234	-	-	-	1,283,131	-	-	-	(509,726)	819,639

(*) "Other" includes the amount of expired banknotes transferred to special reserves according to the 59th article of Central Bank Law related to special reserves.

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
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THE CENTRAL BANK OF THE REPUBLIC OF TURKEY

**PROFIT DISTRIBUTION TABLES
FOR THE YEARS ENDED 31 DECEMBER 2005 AND 2004**

(Amounts expressed in thousands of New Turkish Lira ("YTL"), unless otherwise indicated.)

PROFIT DISTRIBUTION TABLE	2005	2004
A. DISTRIBUTION OF PROFIT FOR THE YEAR		
1. Loss for the year	(131,439)	(509,726)
2. Taxes to be paid (-)	-	-
- Corporate Tax	-	-
- Income Tax	-	-
- Other Taxes	-	-
NET LOSS FOR THE YEAR	(131,439)	(509,726)
3. Prior year losses (-)	-	-
4. Extraordinary reserves (-)	-	-
5. Other legal funds (-)	-	-
NET PROFIT/(LOSS) FOR DISTRIBUTION	(131,439)	(509,726)
6. Dividends to shareholders (-)	-	-
7. Dividends to personnel (-)	-	-
Due to Treasury according to Central Bank of the Republic of Turkey Law Number 1211 (the "Central Bank Law") *	-	-

(*) No profit appropriation is made due to period loss.

CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
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THE CENTRAL BANK OF THE REPUBLIC OF TURKEY

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER 2005 AND 2004

(Amounts expressed in thousands of New Turkish Lira ("YTL"), unless otherwise indicated.)

STATEMENTS OF CASH FLOWS	2005	2004
I- Cash Flows from Banking and Financing Activities (Main Operations)		
Interest Received	3,045,675	4,566,683
Interest Paid	(3,143,005)	(2,615,455)
Dividends Received	3,469	3,927
Commissions and Fees Received	32,465	27,768
Payments to Personnel and Service Providers	(686,040)	(344,542)
Cash Outflow Resulting from Monetary Loss	-	(125,861)
Cash flow from operational income before changes in assets and liabilities subject to main operations	(747,436)	1,512,520
Changes in assets and liabilities that are subject to operations		
<u>Decrease / (Increase) in assets subject to operations:</u>		
Decrease in Marketable Securities	2,669,450	8,473,128
Decrease / (Increase) in Loans	376,711	(226,419)
Decrease / (Increase) in Other Assets	498,957	(275,599)
<u>Decrease / (Increase) in liabilities subject to operations:</u>		
Increase / (Decrease) in Deposits	7,437,398	(8,002,752)
Decrease in Funds Borrowed	(829)	(1,610)
Increase / (Decrease) in Other Liabilities	9,421,315	(1,439,543)
Net Cash Flow from Banking and Financing Operations	19,655,566	39,725
II- Cash Flows from Financial and Non-financial Investments		
Equity Participations and Subsidiaries Purchased	-	2,760
Property and Equipment Purchased	(19,057)	(9,483)
Other Cash Inflows	615,255	364,928
Other Cash Outflows	(346,149)	(5,781,223)
Net Cash Used in Financial and Non-financial Investments	250,049	(5,423,018)
III- Cash Flows Regarding Capital financing Operations	-	-
Net Increase on Cash and Cash Equivalents	19,905,615	(5,383,293)
Cash and Cash Equivalents at the Beginning of the Period	50,585,179	55,968,472
Cash and Cash Equivalents at the End of the Period	70,490,794	50,585,179

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THE CENTRAL BANK OF THE REPUBLIC OF TURKEY

NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2005

(Amounts expressed in thousands of New Turkish Lira (“YTL”), unless otherwise indicated.)

I- NOTES AND EXPLANATIONS RELATED TO THE BANK AND ITS FINANCIAL POSITION:

A. Notes and Explanations related to the Current Year

(1) The financial statements of the Central Bank of the Republic of Turkey (“the Bank”) as of 31 December 2005 have not yet been approved by the Board as of the auditor’s report date.

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

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

i. Basis of Presentation of the Financial Statements

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

Law No.5024 published in the Official Gazette No.25332 on 30 December 2003 requires the application of inflation accounting in Turkey in 2004 and future years, if the actual rate of inflation meets certain thresholds. The Bank applied inflation adjustments as of 31 December 2004 as the certain thresholds had been met.

The main guidelines for the inflation accounting applied as of 31 December 2004 are as follows:

- All balance sheet amounts except for the ones expressed in terms of the purchasing power of the measuring unit at the balance sheet date are restated by applying a general price index.
- Monetary assets and liabilities are not restated because they are already expressed in terms of the purchasing power of the measuring unit at the balance sheet date. Monetary items are money held and items to be received or paid in cash.
- Non-monetary assets and liabilities are restated by applying, to the initial acquisition cost and any accumulated depreciation, the change in the general price index from the date of acquisition or initial recording to the balance sheet date. Hence, property and equipment and similar assets are restated from the date of their purchase. Depreciation charge for the period is calculated using the indexed cost amount. The components of shareholders’ equity are restated by applying the applicable general price index from the dates the components were contributed or arose.
- The gain or loss on the net monetary position is the result of the effect of general inflation and is the difference resulting from the restatement of non-monetary assets and shareholders’ equity. The gain or loss on the net monetary position is included in net income.

Since the inflation adjustment resolutions in Law No.5024 have not been realised as of 31 December 2005, the Bank did not restate its financial statements in accordance with the inflation accounting principles as of 31 December 2005.

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THE CENTRAL BANK OF THE REPUBLIC OF TURKEY

NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2005

(Amounts expressed in thousands of New Turkish Lira (“YTL”), unless otherwise indicated.)

I- NOTES AND EXPLANATIONS RELATED TO THE BANK AND ITS FINANCIAL POSITION (Continued):

A. Notes and Explanations related to the Current Year (Continued)

(2) (a) Detailed explanations of all basic accounting policies applied by the Bank

ii. Summary of Significant Accounting Principles

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

a. Accounting Principles

Financial statements have been prepared in accordance with the current Turkish legislation in effect as expressed in article “i” above.

b. Accounting of Income and Expense

Interest and other income and expenses are recognised on an accrual basis.

According to a change made in the 61st article of the Central Bank Law number 4651 on 25 April 2001, in the event of a change in the value of the Turkish currency, unrealised gains and losses arising from the revaluation of gold, foreign exchange and foreign currency indexed assets and liabilities of the Bank are classified into a special account of the balance sheet named “Valuation Differences”. Realised differences are reflected in the income statement as at the transaction date.

c. Provisions

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

d. Foreign Currency Transactions

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

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
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THE CENTRAL BANK OF THE REPUBLIC OF TURKEY

NOTES TO THE FINANCIAL STATEMENTS AT 31 DECEMBER 2005

(Amounts expressed in thousands of New Turkish Lira (“YTL”), unless otherwise indicated.)

I- NOTES AND EXPLANATIONS RELATED TO THE BANK AND ITS FINANCIAL POSITION (Continued):

A. Notes and Explanations related to the Current Year (Continued)

(2) (a) Detailed explanations of all basic accounting policies applied by the Bank (Continued)

Gold is valued at the average of the gold prices quoted on the London exchange at 11:00 hrs as of 31 December 2005 and on the basis of 1 ounce equals 31.1035 grams.

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

e. Employment Termination Benefits

According to Turkish Legislation and Labour Union agreements employment termination benefits are made at the retirement of employees or in the case of layoff. The amount payable depends on the rank and years of service, as defined in The Pension Fund for Civil Servants of the Republic of Turkey and Social Security Insurance Institution rules. The Bank calculated a full provision for its employment termination benefits and recognised this provision in its financial statements as at 31 December 2005.

f. Taxation

The Bank is subject to corporation tax in accordance with Turkish legislation. In addition, the Bank is liable for income withholding tax of third parties.

g. Securities Portfolio

The securities portfolio consists of directly purchased government bonds and securities purchased under reverse repo transactions in order to regulate the money supply and liquidity in the economy in line with the monetary policy targets based on the 52nd article of the Central Bank Law related with open market operations.

The securities purchased by the Bank are valued at their fair values. The marketable security portfolio account represents the fair values of these securities.

Securities purchased by the Bank are valued at fair value as determined by the stock exchange. Securities which are not traded on a stock exchange are valued at prices declared by the Bank and published in the Official Gazette. Positive differences between cost and revalued amount are included in the “Securities Portfolio” in the balance sheet and in the “Interest Income-Positive Valuation Differences” account in the income statement. Whenever the difference is negative, it is recorded in “Securities Portfolio” account in the balance sheet and in the “Interest Expense-Negative Valuation Differences” account in the income statement.

Securities purchased under reverse repo transactions are valued on an accrual basis using the straight-line method with the interest rate of the agreement.

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I- NOTES AND EXPLANATIONS RELATED TO THE BANK AND ITS FINANCIAL POSITION (Continued):

A. Notes and Explanations related to the Current Year (Continued)

(2) (a) Detailed explanations of all basic accounting policies applied by the Bank (Continued)

h. Equity Participations

The Bank recognises its equity participations at acquisition cost and revalues them at the Bank foreign currency bid rate at the balance sheet date.

i. New Turkish Lira (“YTL”)

Through the enactment of the Law numbered 5083 concerning the “Currency of the Republic of Turkey” in the Official Gazette dated 30 January 2004, the New Turkish Lira (“YTL”) and the New Kuruş (“YKr”) have been introduced as the new currency of the Republic of Turkey, effective from 1 January 2005. The sub-unit of the YTL is the YKr (1 YTL=100 YKr). When the prior currency, Turkish Lira, values are converted into YTL, one million TL shall be equivalent to 1 YTL. Accordingly, the currency of the Republic of Turkey is simplified by removing 6 zeroes from the TL.

(2) (b) Changes in accounting policies in the current year and their financial effects

No changes in accounting policies in the current year have been noted.

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

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

(4) The effect of any modification which has been made in valuation methods affecting the year-end results

No changes to valuation methods in the current year have been made.

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I- NOTES AND EXPLANATIONS RELATED TO THE BANK AND ITS FINANCIAL POSITION (Continued):

A. Notes and Explanations related to the Current Year (Continued)

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

A. Securities Portfolio

As of 31 December 2005 and 2004:

YTL Denominated Securities

1- Equity Shares - None

2- Other Securities:

- a) Securities indexed to inflation and foreign currency - Directly purchased securities are valued at their stock exchange prices. They are valued at prices announced daily in the Official Gazette, if they are not quoted on any stock exchange
- b) Fixed Income Securities - None
- c) Securities with variable interest rate - None

Foreign Currency Denominated Securities

1- Equity Shares - None

2- Other Securities

- a) Securities indexed to inflation and foreign currency - None
- b) Fixed Income Securities - Foreign currency securities are valued marked to market as determined in the foreign stock exchange markets in which they are traded (*).
- c) Securities with variable interest rate - None

3- Gold (**) - Gold is valued according to the gold price quoted on the London exchange at 11:00 hrs as of 30 December 2005 and 31 December 2004 and on the basis 1 ounce equals 31.1035 grams.

(*) Foreign currency denominated securities are classified in the “Correspondent Bank” account in the balance sheet.

(**) Gold is classified in the balance sheet under the “Gold” account.

B. Equity Participations

As of 31 December 2005 and 2004:

YTL Denominated Participations - None

Foreign Currency Denominated Participations – valued at the Bank’s foreign exchange bid rate at the balance sheet date.

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(Amounts expressed in thousands of New Turkish Lira ("YTL"), unless otherwise indicated.)

I- NOTES AND EXPLANATIONS RELATED TO THE BANK AND ITS FINANCIAL POSITION (Continued):

A. Notes and Explanations related to the Current Year (Continued)

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

C. Subsidiaries

As of 31 December 2005 and 2004:

YTL Denominated - None

Foreign Currency Denominated - None

D. Other Securities

As of 31 December 2005 and 2004:

YTL Denominated Securities

1- Equity Shares

- a) Long-term investments - None
- b) Equity shares given as collateral and pledged shares - None
- c) Equity shares subject to long-term transactions - None

2- Other Securities

- a) Long-term investments - None
- b) Equity shares given as collateral and pledged shares - None
- c) Equity shares subject to long-term transactions - None

Foreign Currency Denominated Securities

1- Equity Shares

- a) Long-term investments - None
- b) Equity shares given as collateral and pledged shares - None
- c) Equity shares subject to long-term transactions - None

2- Other Securities

- a) Long-term investments - None
- b) Equity shares given as collateral and pledged shares - None
- c) Equity shares subject to long-term transactions - None

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I- NOTES AND EXPLANATIONS RELATED TO THE BANK AND ITS FINANCIAL POSITION (Continued):

A. Notes and Explanations related to the Current Year (Continued)

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

Property and equipment are subject to depreciation based on their economic useful lives. Depreciation has been calculated on a straight-line basis and there has been no change to depreciation methods during the current year. The annual depreciation rates applied are as follows:

Buildings (acquisition cost)	2-4%
Vehicles, Furniture and Fixtures	2-20%
Leasehold Improvements	20%

Due to the adjustments on tangible assets in accordance with Law No.5024 that stipulates the implication of inflation accounting on tangible assets, the effect of revaluation on tangible assets until 31 December 2004 has been eliminated from these financial statements.

Since the inflation adjustment resolutions in Law No.5024 have not been realised as of 31 December 2005, the Bank did not restate its financial statements in accordance with the inflation accounting principles as of 31 December 2005.

(7) The exchange rate used for the valuation of foreign currency items during the preparation of the balance sheet and the Bank’s announced US dollar currency bid rate for the last five working days of the year are as follows:

	31 December 2005	31 December 2004
A. The Bank’s “Exchange Rate for the Evaluation of Foreign Currency Items” (1 US dollar \$=..... TL)	1.3418 YTL	1.3421 YTL
B. US dollar bid rates at the date of balance sheet date are as follows:	1.3418 YTL	1.3421 YTL
US dollar bid rate at the date of balance sheet		
US dollar purchase rates for the 5 working days before balance sheet date		
Bid rate of the 1st Day	1.3430 YTL	1.3525 YTL
Bid rate of the 2nd Day	1.3422 YTL	1.3425 YTL
Bid rate of the 3rd Day	1.3433 YTL	1.3527 YTL
Bid rate of the 4th Day	1.3424 YTL	1.3640 YTL
Bid rate of the 5th Day	1.3435 YTL	1.3750 YTL

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I- NOTES AND EXPLANATIONS RELATED TO THE BANK AND ITS FINANCIAL POSITION (Continued):

A. Notes and Explanations related to the Current Year (Continued)

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

I-FOREIGN CURRENCY ASSETS	31 December 2005		31 December 2004	
	Thousand YTL	Million US\$	Thousand YTL	Million US\$
1) GOLD	2,640,298	1,968	2,254,793	1,680
2) FOREIGN CURRENCY RESERVES	67,781,346	50,515	48,327,454	36,009
3) COINS	-	-	-	-
4) DOMESTIC CORRESPONDENTS	-	-	1,144,224	853
5) SECURITIES PORTFOLIO	-	-	3,715,316	2,768
6) DOMESTIC LOANS	1,372	1	7,678	6
7) OPEN MARKET OPERATIONS	-	-	-	-
8) FOREIGN LOANS	45,169	34	113,274	84
9) EQUITY PARTICIPATIONS	19,303	14	20,904	16
10) PROPERTY AND EQUIPMENT (NET)	-	-	-	-
11) LOANS UNDER LEGAL FOLLOW-UP (NET)	-	-	-	-
12) TREASURY LIABILITIES DUE TO SDR ALLOCATIONS	216,438	161	234,486	175
13) VALUATION ACCOUNT	-	-	-	-
14) INTEREST AND INCOME ACCRUALS	9,337	7	7,680	6
15) MISCELLANEOUS RECEIVABLES	1,677	1	2,525	2
16) OTHER ASSETS	3,663	3	857	1
OFF-BALANCE SHEET ITEMS (17)				
17) FORWARD PURCHASE TRANSACTIONS	-	-	-	-
TOTAL FOREIGN CURRENCY ASSETS (I+17)	70,718,603	52,704	55,829,191	41,600
II-FOREIGN CURRENCY LIABILITIES				
1) CURRENCY IN CIRCULATION	-	-	-	-
2) DUE TO TREASURY	225,027	168	242,037	180
3) FOREIGN CORRESPONDENTS	962	1	41,404	31
4) DEPOSITS	-	-	-	-
a) PUBLIC SECTOR	13,410,013	9,994	5,198,662	3,874
b) BANKING SECTOR	14,766,854	11,005	13,275,953	9,892
c) MISCELLANEOUS	20,952,275	15,615	25,057,375	18,670
d) INTERNATIONAL INSTITUTIONS	5,037	4	4,038,731	3,009
e) EXTRABUDGETARY FUNDS	400,295	298	821,296	612
5) OPEN MARKET OPERATIONS	-	-	-	-
6) FOREIGN LOANS	11,329	8	12,158	9
7) IMPORT TRANSFER ORDERS AND DEPOSITS	1,537,170	1,146	1,093,540	815
8) NOTES AND REMITTANCES PAYABLE	18,068	13	19,783	15
9) SDR ALLOCATION	216,438	161	234,486	175
10) PROVISIONS	-	-	-	-
11) VALUATION ACCOUNT	-	-	-	-
12) INTEREST AND EXPENSE ACCRUALS	1,302,782	971	2,020,054	1,505
13) MISCELLANEOUS PAYABLES	74,211	55	102,567	76
14) OTHER LIABILITIES	85,561	65	32,467	24
OFF-BALANCE SHEET ITEMS (15)				
15) FORWARD SALE TRANSACTIONS	-	-	-	-
TOTAL FOREIGN CURRENCY LIABILITIES (II+15)	53,006,022	39,504	52,190,513	38,887
FOREIGN CURRENCY NET GENERAL POSITION	17,712,581	13,201	3,638,678	2,713

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I- NOTES AND EXPLANATIONS RELATED TO THE BANK AND ITS FINANCIAL POSITION (Continued):

A. Notes and Explanations related to the Current Year (Continued)

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

	31 December 2005				31 December 2004			
	Cost	Accumulated depreciation	Net book value	Insurance coverage	Cost	Accumulated depreciation	Net book value	Insurance coverage
Movables	73,192	54,147	19,045	54,085	59,258	44,053	15,205	44,405
Immovables	313,057	39,872	273,185	277,276	307,976	33,592	274,384	193,679
	386,249	94,019	292,230	331,361	367,234	77,645	289,589	238,084

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

The amounts of the legal cases pending against the Bank as at the balance sheet date are YTL83,577 thousand, US\$7,242,351 and EUR831,096 (2004: YTL82,815 thousand, US\$7,187,446 and EUR685,473). These financial statements do not include any provision provided for those cases.

(11) Other issues which significantly affect the balance sheet or which should be disclosed for a fair view of the financial statements

As explained in the Note I(2)iib in detail, the valuation account in the balance sheet represents the unrealised foreign exchange gains resulting from the valuation of foreign currency denominated balance sheet items. Realised differences are recognised in the income statement at the transaction date.

B. Other Notes and Explanations

(1) Information on events related with the Bank's functions occurring after the balance sheet date, which affect the financial activities and/or financial structure significantly

None.

(2) Information on the Bank's foreign branches

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

(3) The effects of differences between accounting principles and standards set out by related legislation in Turkey and Central Bank Law, and accounting principles generally accepted in countries in which these financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in these financial statements. Accordingly, these financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

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I- NOTES AND EXPLANATIONS RELATED TO THE BANK AND ITS FINANCIAL POSITION (Continued):

C. The Opinion of the independent audit firm auditing the financial statements (in accordance with the format presented in the legislation)

The financial statements for the year ended 31 December 2005 have been audited by Başaran Nas Serbest Muhasebeci Mali Müşavirlik A.Ş. (“a member of PricewaterhouseCoopers”) and an unqualified opinion is expressed in the auditor’s report dated 27 February 2006.

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

II. NOTES AND EXPLANATIONS ON THE BALANCE SHEET AND MEMORANDUM ACCOUNTS

(1) Information on the Gold Account

According to the 53rd article of Central Bank Law, the Bank manages gold and foreign exchange reserves in the context of the monetary policy targets and applications. For this purpose the Bank performs banking operations in domestic and foreign markets including forward or spot purchase/sale of gold, foreign currency, marketable securities, derivative instruments and lending/borrowing transactions in accordance with the procedures and rules determined by its own investment, liquidity and yield priorities.

As of 31 December 2005 the Bank has 116,103,753 (2004: 116,103,753) net grams of gold in international standards and 3,200,797 (2004: 3,200,797) net grams of gold in non-international standards. 82,433,108 (2004: 82,433,108) grams of the gold in international standards is kept at the Bank of England and Federal Reserve Bank of New York and 33,670,645 (2004: 33,670,645) grams is kept at the Head Office of the Bank. The gold in non-international standards is kept at the Head Office of the Bank; 345,575 (2004: 345,575) grams of gold in non-international standards belongs to the Treasury and the related liability is presented in the balance sheet under the “Due to Treasury” account.

Gold is valued at the average of the gold prices quoted on the London exchange at 11:00 hrs, as of 30 December 2005 and 31 December 2004 and on the basis of 1 ounce equals 31.1035 grams.

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**II. NOTES AND EXPLANATIONS ON THE BALANCE SHEET AND MEMORANDUM
ACCOUNTS (Continued)**

(2) Information on the Foreign Currency Reserves Account

Correspondent Bank Accounts

	2005		2004	
	YTL'000 amount	US\$ amount (in millions)	YTL'000 amount	US\$ amount (in millions)
Current Accounts	5,362,844	3,997	3,311,550	2,467
Marketable Securities Portfolio	61,902,089	46,134	44,353,317	33,048
Total	67,264,933	50,131	47,664,867	35,515

Correspondent bank accounts consist of the current accounts and marketable securities held as reserve in foreign correspondent banks. The marketable securities portfolio consists of foreign currency government bonds and treasury bills issued by international financial institutions and kept in foreign banks.

As of 31 December 2005 marketable securities held for reserve purposes amount to YTL61,902,089 thousand (2004: YTL44,353,317 thousand) and are valued with quoted prices in the international markets at the balance sheet date.

Bank deposits and investment account (US treasury bills) belonging to the Turkish Defence Fund amount to YTL7,493 thousand (2004: YTL3,273 thousand) and YTL436,486 thousand (2004: YTL440,805 thousand), respectively. Securities held on behalf of the Turkish Defence Fund are not valued and carried at their acquisition costs. The Bank acts as intermediary regarding the securities and investments of the Turkish Defence Fund in foreign correspondents.

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**II. NOTES AND EXPLANATIONS ON THE BALANCE SHEET AND MEMORANDUM
ACCOUNTS (Continued)**

(3) Domestic Correspondents

Foreign currency interbank transactions in which the Bank acts as intermediary are accounted under the "Domestic Correspondents" account in assets and under the "Bank Deposits" accounts in liabilities. As of 31 December 2004 foreign currency interbank transactions in which the Bank acts as intermediary amounts to YTL1,144,224 thousand (EUR176,000,000 and US\$613,000,000 equivalent). The Bank carries the default risk of borrower counterparty in these transactions.

As of 31 December 2004, YTL580 thousand interest accrual amount of the Foreign Currency Interbank Money Market Transactions, in which the Bank acts as an intermediary, is recognised as "Interest Income Accrual" in the balance sheet and as "Other Interest Income" and "Other Interest Expense" in the statement of income.

As of 31 December 2005, there are no foreign currency interbank money market transactions in which the Bank acts as an intermediary.

As of 31 December 2005 (apart from the interbank transactions in which the Bank acts as an intermediary), the Bank acts as a counterparty in YTL interbank transactions where the borrowing amount is YTL6,009,350 thousand (2004: YTL3,493,900 thousand), which is classified under the "Open Market Operations - Other" in liabilities. The interest expense accrual amounting to YTL4,507 thousand (2004: YTL1,747 thousand) related to this account is classified in "Interest and Expense Accruals".

(4) Marketable Securities Portfolio and Open Market Operations

(a) Information on the Marketable Securities Portfolio

As of 31 December 2005, the marketable securities portfolio amounting to YTL20,495,029 thousand (2004: YTL23,164,479 thousand) consists of directly purchased government bonds amounting to TL19,470,029 thousand and securities purchased under reverse repo transactions amounting to YTL1,025,000 thousand.

As of 31 December 2004, YTL211 thousand which is classified under interest and income accruals represents accrued interest income calculated on securities sold under repurchase agreements based on the valuation of securities with Official Gazette prices.

As of 31 December 2005, YTL871 thousand classified under interest and income accruals represents accrued interest income calculated on securities purchased under reverse repo transactions based on the valuation of securities with Official Gazette prices.

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**II. NOTES AND EXPLANATIONS ON THE BALANCE SHEET AND MEMORANDUM
ACCOUNTS (Continued)**

(4) Marketable Securities Portfolio and Open Market Operations (Continued)

(a) Information on the Marketable Securities Portfolio (Continued)

In the year 2001, YTL3,715,316 thousand of securities indexed to foreign currencies, included in the securities that the Bank acquired by direct purchase, were represented by treasury bills issued by the Turkish Treasury, indexed to SDR (Special Drawing Rights). The authorisation of the Bank to extend short-term advances to the Treasury was removed by an amendment made in Law No.4651 on 25 April 2001. Under temporary article number 2 of the Law, the Bank had the authorisation to acquire securities issued by the Treasury from the primary markets starting from the validity date of the act for a temporary period of six months. In accordance with this authorisation, the Bank purchased SDR7,584,579,154 of securities at cost between May 2001 and November 2001 from the primary markets. These securities were issued for the loan extension of the IMF to the Treasury for budget financing. The coupon rates on the securities were indexed to the rate applicable on liabilities to the IMF. The interest income accrual of the periodic payments in the amount of SDR59,837,060 relates to these securities with an acquisition cost of SDR7,584,579,154 which are valued at the SDR exchange rate and accounted as YTL13,876,894 thousand in the “Securities Portfolio” as at 31 December 2001.

The Treasury has redeemed government bonds in a total amount of SDR3,232,054,154 in 2002, SDR272,135,000 in 2003, SDR2,312,330,000 in 2004 and SDR1,768,060,000 in 2005. Consequently, no amounts of mentioned securities are carried in the financial statements as of 31 December 2005. Similarly, the redemption of funds borrowed from the IMF is completed. However, according to the agreement, the interest will be paid to the IMF in February 2006 and accordingly, the interest amount of YTL2,613 thousand is recognised under interest and expense accruals as at 31 December 2005.

As of 31 December 2004, the total of the cost amount of SDR1,768,060,000 and the interest accrual amount of SDR11,391,217 which equals a total of YTL3,715,316 thousand have been classified under the “Marketable Securities Portfolio” account.

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II. NOTES AND EXPLANATIONS ON THE BALANCE SHEET AND MEMORANDUM
ACCOUNTS (Continued)

(4) Marketable Securities Portfolio and Open Market Operations (Continued)

(a) Information on the Marketable Securities Portfolio (Continued)

Breakdown of securities portfolio as at 31 December 2005 is as follows:

	31 December 2005 Acquisition Cost	31 December 2005 Accrual (net)	31 December 2005 Balance Sheet Value	31 December 2005 Official Gazette Value
<u>Purchases under Agreements to Resell</u>				
<u>("Reverse repo")</u>				
Treasury Bills and Government Bonds	-	-	-	-
1. Fixed Income	-	-	-	-
2. Indexed to Inflation	-	-	-	-
3. Indexed to Foreign Currency	-	-	-	-
4. Securities in Foreign Currency	-	-	-	-
5. Floating Rate	1,025,000	871	1,025,000	1,025,000
<u>Direct Purchases</u>				
Treasury Bills and Government Bonds	-	-	-	-
1. Fixed Income	-	-	-	-
2. Indexed to Inflation	19,160,779	309,250	19,470,029	19,470,029
3. Indexed to Foreign Currency	-	-	-	-
4. Securities in Foreign Currency	-	-	-	-
5. Floating Rate	-	-	-	-
<u>Other Marketable Securities</u>				
Accrued Income from securities sold under agreements to repurchase	-	-	-	-
TOTAL	20,185,779	310,121	20,495,029	20,495,029

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II. NOTES AND EXPLANATIONS ON THE BALANCE SHEET AND MEMORANDUM
ACCOUNTS (Continued)

(4) Marketable Securities Portfolio and Open Market Operations (Continued)

(a) Information on the Marketable Securities Portfolio (Continued)

Breakdown of securities portfolio as at 31 December 2004 is as follows:

	31 December 2005 Acquisition Cost	31 December 2005 Accrual (net)	31 December 2004 Balance Sheet Value	31 December 2004 Official Gazette Value
<u>Purchases under Agreements to Resell</u> <u>("Reverse repo")</u>				
Treasury Bills and Government Bonds	-	-	-	-
1. Fixed Income	-	-	-	-
2. Indexed to Inflation	-	-	-	-
3. Indexed to Foreign Currency	-	-	-	-
4. Securities in Foreign Currency	-	-	-	-
5. Floating Rate	-	-	-	-
<u>Direct Purchases</u>				
Treasury Bills and Government Bonds				
1. Fixed Income	-	-	-	-
2. Indexed to Inflation	19,049,662	399,290	19,448,952	19,448,952
3. Indexed to Foreign Currency	3,691,532	23,784	3,715,316	-
4. Securities in Foreign Currency	-	-	-	-
5. Floating Rate	-	-	-	-
<u>Other Marketable Securities</u>	-	211	211	-
Accrued Income from securities sold under agreements to repurchase	-	211	211	-
TOTAL	22,741,194	423,285	23,164,479	19,448,952

As at 31 December 2005 and 2004, the nominal values of YTL marketable securities acquired by direct purchase amount to YTL18,427,087 thousand and YTL18,307,679 thousand, respectively.

As of 31 December 2005, the nominal values of YTL marketable securities purchased by reverse repurchase agreements amount to YTL896,392 thousand.

(b) Explanations on Open Market Operations

As of 31 December 2005, Open Market Operations in the assets amounting to YTL1,026,306 thousand represent marketable securities purchased under reverse repo transactions plus the interest that is going to be earned at the maturity of the transaction.

As of 31 December 2004, Open Market Operations in the assets amounting to YTL128,000 thousand represent the sales amount of the securities sold under repurchase agreements.

As of 31 December 2005, the Open Market Operations presented in the liabilities amounting to YTL1,025,000 thousand represent the cost of the securities that were purchased under reverse repo transactions and the amount of YTL6,009,350 thousand represents the funds borrowed through the Interbank Money Market.

**CONVENIENCE TRANSLATION INTO ENGLISH OF FINANCIAL STATEMENTS
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**II. NOTES AND EXPLANATIONS ON THE BALANCE SHEET AND MEMORANDUM
ACCOUNTS (Continued)**

(4) Marketable Securities Portfolio and Open Market Operations (Continued)

(b) Explanations on Open Market Operations (Continued)

As of 31 December 2004, the Open Market Operations presented in the liabilities amounting to YTL128,189 thousand represent the amount payable for securities sold under repurchase agreements and the amount of YTL3,493,900 thousand represents the funds borrowed by the Bank through the Interbank Money Market.

As of 31 December 2005 and 2004, YTL1,306 thousand (2004: YTL189 thousand) which is the amount to be received (2004: to be paid) at the maturity date of the reverse repurchase of (2004: repurchase) securities, is followed under the "Other Liabilities" (2004: "Other Assets") account.

(5) Loans

(a) Information on Domestic Loans

As of 31 December 2005, YTL1,372 thousand classified under domestic loans represent the loans extended to Türkiye İhracat ve Kredi Bankası A.Ş. ("Eximbank").

As of 31 December 2004, YTL7,678 thousand represent the loans extended to Eximbank, and YTL302,300 thousand of the total domestic loans is consisted of an advance loan issued to the Savings Deposit Insurance Fund against collateral of government bonds with the maturity date of July 2007. The income accrual computed on the advance loan amounting to YTL64,983 thousand has been recognised in the interest and income accruals.

(b) Explanation on Loans and Advances Granted to the Bank's Shareholders or Personnel

In the year 2001, YTL3,715,316 thousand of securities indexed to foreign currencies, included in the securities that the Bank acquired by direct purchase, were represented by treasury bills issued by the Turkish Treasury, indexed to SDR (Special Drawing Rights). The authorisation of the Bank to extend short-term advances to the Treasury was removed by an amendment made in Law No.4651 on 25 April 2001. Under temporary article number 2 of the Law, the Bank had the authorisation to acquire securities issued by the Treasury from the primary markets starting from the validity date of the act for a temporary period of six months. In accordance with this authorisation, the Bank purchased SDR7,584,579,154 of securities at cost between May 2001 and November 2001 from the primary markets. These securities were issued for the loan extension of the IMF to the Treasury for budget financing. The coupon rates on the securities were indexed to the rate applicable on liabilities to the IMF. The interest income accrual of the periodic payments in the amount of SDR59,837,060 relates to these securities with acquisition cost of SDR7,584,579,154 which are valued at the SDR exchange rate and accounted as YTL13,876,894 thousand in the "Securities Portfolio" as at 31 December 2001. As of 31 December 2005, the redemption of the mentioned securities has been completed.

The Treasury has redeemed Government Bonds in a total amount of SDR 3,232,054,154 in 2002, SDR 272,135,000 in 2003, SDR 2,312,330,000 in 2004 and SDR 1,768,060,000 in 2005.

As of 31 December 2004, the total of the cost amount of SDR1,768,060,000 and the interest accrual amount of SDR11,391,217 which equals the total of YTL3,715,316 thousand have been classified under the "Marketable Securities Portfolio" account.

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II. NOTES AND EXPLANATIONS ON THE BALANCE SHEET AND MEMORANDUM ACCOUNTS (Continued)

(5) Loans (Continued)

(c) Information on the Foreign Loans Account

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

(d) Explanation on the Loans under Legal Follow-up (net)

The total balance consists of uncollectible receivables from Iraq as a result of the Gulf Crisis and from receivables related with trade affairs with Iraq. A full provision for these receivables has been provided for in these financial statements.

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

	31 December 2005		31 December 2004	
	YTL thousand	US\$	YTL thousand	US\$
Opening Balance	1,728,114	1,287,619,402	1,774,973	1,271,620,668
- Increases during the period (+)	51,819	38,645,961	23,115	15,998,734
- Transfers from other follow-up accounts (+)	-	-	-	-
- Transfers to other follow-up accounts (-)	-	-	-	-
- Collections during the period (-)	-	-	-	-
- Write-offs (-)	-	-	-	-
- Foreign exchange loss	(350)	-	(69,974)	-
Closing balance	1,779,583	1,326,265,363	1,728,114	1,287,619,402
- Specific provisions (-)	1,779,583	1,326,265,363	1,728,114	1,287,619,402
Net balance after provisions	-	-	-	-

According to the 61st article of the Central Bank Law, foreign currency denominated loans under follow-up are revalued at the period ends and unrealised gains and losses arising from the revaluation are classified into a special account named "Valuation Differences". Provisions for the related receivables including foreign currency rate differences are accounted in the income statement according to the 59th article of the Central Bank Law.

(6) Equity Participations

Equity Participations are stated at acquisition cost and valued with the Bank's foreign currency bid rate at the year-end.

As of 31 December 2005 and 2004, the Bank's equity participations can be analysed as follows:

Name	Share (%)	Nominal Capital	Acquisition Cost	31 December 2004	31 December 2004
				Balance Sheet Amount	Balance Sheet Amount
Bank for International Settlements	15	SDR3,000,000,000	(*)SDR10,000,000	19,272	20,879
S.W.I.F.T.	0.007	EUR 14,031,375	EUR 19,520	31	25
Total equity participations				19,303	20,904

(*) The Bank has 8,000 shares in the Bank for International Settlements, where SDR10,000,000 is paid and SDR30,000,000 is unpaid.

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**II. NOTES AND EXPLANATIONS ON THE BALANCE SHEET AND MEMORANDUM
ACCOUNTS (Continued)**

(6) Equity Participations (Continued)

During 2005, CHF3,516,766 (2004: CHF3,309,030) has been received as dividend income and YTL2,687 thousand (2004: YTL2,930 thousand) is accrued as dividend income at 31 December 2005.

There have been no additions or disposals to the equity participation account in the current and previous period.

(7) Property and Equipment

The Bank has no immovables held with the intention of being sold. As of 31 December 2005, the cost of immovables and related accumulated depreciation amount to YTL313,057 thousand (2004: YTL307,976 thousand) and YTL39,872 thousand (2004: YTL33,592 thousand), respectively, whereas the cost of movables and related accumulated depreciation amount to YTL73,192 thousand (2004: YTL59,258 thousand) and YTL54,147 thousand (2004: YTL44,053 thousand), respectively.

(8) Miscellaneous Receivables

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

The breakdown of miscellaneous receivables is as follows:

	<u>31 December 2005</u>	<u>31 December 2004</u>
YTL deposit accounts that are held in the foreign banks	21,724	501
Withholding tax payable that will be deducted from corporate income tax	5,535	196
Deposits and advances given	1,178	1,327
Import transfer orders of printing plant	799	1,070
Other	1,573	2,469
Total Miscellaneous Receivables	<u>30,809</u>	<u>5,563</u>

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II. NOTES AND EXPLANATIONS ON THE BALANCE SHEET AND MEMORANDUM
ACCOUNTS (Continued)

(9) Other Assets

The breakdown of the other assets is presented below:

	<u>31 December 2005</u>	<u>31 December 2004</u>
Printing plant inventory	10,126	12,344
Construction in progress	3,240	2,632
Other materials and warehouses	2,349	2,358
Money transfer orders to correspondent banks	2,102	857
Valuation account for foreign currency indexed securities	1,560	-
Prepaid expenses	463	394
Amounts to be written off according to court decision	457	81
Interest receivable from repurchase agreements	-	189
Other	1,403	860
Total Other Assets	21,700	19,715

(10) Interest and Income Accruals

	<u>31 December 2005</u>	<u>31 December 2004</u>
Foreign loans accrued interest income	6,212	3,871
Dividend income accruals	2,687	2,930
EFT commission income accrual	1,990	1,613
Interest income accrual on reverse repurchase agreements	871	-
Foreign currency deposit interest income accrual	58	5
Accrued interest income on the domestic loans granted to the Savings Deposit Insurance Fund	-	64,983
Foreign currency interbank money market interest income accrual	-	580
Other	397	293
Total	12,215	74,275

(11) Currency in Circulation

According to the Central Bank Law Act 1, the Bank has the privilege of issuing banknotes in Turkey. The banknotes in circulation amount to YTL19,612,019 thousand as of 31 December 2005 (2004: YTL13,465,237 thousand).

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**II. NOTES AND EXPLANATIONS ON THE BALANCE SHEET AND MEMORANDUM
ACCOUNTS (Continued)**

(12) Due to Treasury

As of 31 December 2005, YTL7,648 thousand (2004: YTL6,531 thousand) of due to Treasury consists of gold in non-international standards belonging to the Treasury, deposited in the Bank. Tax and other liabilities to the Treasury amounting to YTL34,577 thousand (2004: YTL49,428 thousand) are also included in this account.

Reserve Tranche Position is the paid cash portion of the total IMF quota of SDR964,000,000. Reserve Tranche Position amounting to SDR112,775,000 is classified under "Foreign Currency Reserves" on the assets and under "Due to Treasury" on the liabilities. As of 31 December 2005, the balance of the account amounts to YTL217,340 thousand (2004: YTL235,463 thousand).

(13) Foreign Correspondents

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

(14) Deposit Accounts

The deposits balance is composed of deposits from the Treasury, public institutions, the banking sector, citizens abroad, the IMF and other funds.

The Treasury and public institutions accounts are included in demand deposits.

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

Deposits by citizens abroad consist of deposits by Turkish citizens living abroad. As of 31 December 2005 and 2004 the balance amounted to YTL20,884,256 thousand and YTL24,978,895 thousand, respectively.

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

<u>Foreign Currency Type</u>	<u>31 December 2005</u>			<u>31 December 2004</u>		
	<u>Foreign Currency Balance (000)</u>	<u>Thousand YTL</u>	<u>Interest Rates</u>	<u>Foreign Currency Balance (000)</u>	<u>Thousand YTL</u>	<u>Interest Rates</u>
EUR	12,145,614	19,281,162	2.5%-4%	12,673,283	23,151,554	2.5%-4.8%
US\$	1,115,006	1,496,115	2.25%-4.5%	1,257,975	1,688,328	1.5%-4.5%
CHF	92,232	93,966	0.81%-0.90%	104,075	122,871	0.74%-1.78%
Other	-	13,013	4.15%-4.43%	-	16,142	4.21%-4.95%
Total		20,884,256			24,978,895	

Maturities of the deposits vary between 1 to 3 years and interest rates vary according to maturity and balance of the deposit account.

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**II. NOTES AND EXPLANATIONS ON THE BALANCE SHEET AND MEMORANDUM
ACCOUNTS (Continued)**

The International Institutions deposit balance is the YTL equivalent of the balance transferred by the IMF as "special drawing rights" (SDR). The Bank is designated as "the depositor" to regulate the relations of the Turkish Treasury with the IMF. As of 31 December 2005, in line with the agreements between the IMF and the Turkish Treasury the amount of YTL5,037 thousand (2004: 4,038,731 thousand) granted is classified under the "Deposit" accounts.

Deposits of funds consist of the demand accounts of various funds controlled by the Prime Ministry of the Republic of Turkey.

(15) Capital and Reserves

According to the 5th article of the Central Bank Law, the capital of the Bank is YTL25 thousand and it is divided into 250,000 shares, with a value of YKr10 each. The capital may be increased with the approval of the Government. The shares are divided into (A), (B), (C) and (D) shares. The (A) group shares belong solely to the Turkish Treasury and cannot be lower than 51% of capital.

As of 31 December 2005 and 2004, the capital of the Bank is presented below:

	<u>31 December 2005</u>	<u>31 December 2004</u>
Share capital	25	25
Adjustment to share capital	46,209	46,209
Total capital	46,234	46,234

The shareholders of the Bank are as listed below:

	<u>31 December 2005</u>		<u>31 December 2004</u>	
	<u>Participation Amount YTL</u>	<u>Share %</u>	<u>Participation Amount YTL</u>	<u>Share %</u>
Turkish Treasury	13,680	55	13,680	55
T.C. Ziraat Bankası A.Ş.	4,795	19	4,795	19
Güvenlik Yard. Sandığı Vakfi	1,280	5	1,280	5
Türkiye Garanti Bankası A.Ş.	621	2	621	2
T. İş Bankası A.Ş.	582	2	582	2
T. Halk Bankası A.Ş.	277	1	277	1
Türkiye Kızılay Derneği	301	1	301	1
T.C. Emekli Sandığı Gen.Müd.	250	1	250	1
Social Security Institution	100	<1	100	<1
Other	3,114	12	3,114	12
Total nominal share capital	25,000	100	25,000	100

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**II. NOTES AND EXPLANATIONS ON THE BALANCE SHEET AND MEMORANDUM
ACCOUNTS (Continued)**

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

According to the Bank Assembly Resolutions No: 8527/18126 and 8595/18194 dated 11 March 2004 and 9 December 2004, respectively, previous year losses have been deducted from ordinary and extraordinary reserves on this inflation-adjusted balance sheet which has been prepared in accordance with the Law No.5024 as of 31 December 2004.

(16) Provisions

As of 31 December 2005, the Bank calculated a full provision for employment termination benefits amounting to YTL69,064 thousand (2004: YTL58,568 thousand) and this provision has been classified under the "Provisions" account.

The provision account also includes an amount of YTL36,857 thousand (2004: YTL33,954 thousand) which corresponds to the provision for the transfer insurance of banknotes, cash and securities.

As of 31 December 2005 and 2004, the Bank did not calculate a corporate income tax provision.

(17) Valuation Account

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

(18) Other Liabilities and Miscellaneous Payables

Other Liabilities

	<u>31 December 2005</u>	<u>31 December 2004</u>
Correspondent account transactions with value dates in 2006	85,526	32,435
Follow-up account of YTL banknotes	-	27,257
Other	2,886	2,494
Total	88,412	62,186

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**II. NOTES AND EXPLANATIONS ON THE BALANCE SHEET AND MEMORANDUM
ACCOUNTS (Continued)**

Miscellaneous Payables

	<u>31 December 2005</u>	<u>31 December 2004</u>
Amounts waiting resolution from Tax Offices	32,157	25,909
Amounts blocked related with the pending legal cases	27,305	27,311
Interest accrued on deposit accounts below specified limits	5,441	6,346
Creditors of foreign currencies that were deposited as trust	2,287	2,805
Amount pending due to late application of beneficiary	2,518	105
IMF charge return (*)	-	32,504
Other	8,133	8,820
	77,841	103,800

(*) Due to the continuing confirmation process between the Bank and the Treasury as of 31 December 2004, the amount YTL32,504 thousand of the IMF charge return is not recognised in the income statement. As of 31 December 2005 the amount of YTL3,207 thousand has been confirmed between the Bank and the Turkish Treasury, and this amount has been recognised in the income statement in the year 2005.

(19) Interest and Expense Accruals

	<u>31 December 2005</u>	<u>31 December 2004</u>
Interest expense accruals on deposits by citizens abroad	1,261,000	1,966,839
Interest expense accruals on reserve deposits	262,102	207,222
Interest expense accruals on bank deposits with two days notice	9,582	4,505
Expense accruals on commissions payable	6,206	6,554
Interest expense accruals on interbank transactions in which the Bank acts as a counterparty	4,507	1,747
Interest expense accruals on IMF charges	2,613	27,884
Interest expense accruals on interbank transactions	-	580
Interest expense accruals on securities sold under repurchase agreements	-	63
Other	2,331	493
Total	1,548,341	2,215,887

(20) Derivative Instruments and Off-balance Sheet Items

As of 31 December 2005 and 2004, the Bank has no derivative instruments. The off-balance sheet items as of 31 December 2005 and 2004 are presented in the off-balance sheet tables.

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III. NOTES AND EXPLANATIONS RELATING TO THE INCOME STATEMENT:

(1) Interest Income

In the year ended at 31 December 2005, interest income amounting to YTL1,326,809 thousand (2004: YTL805,638 thousand) from foreign correspondents accounts represents income from the foreign investment portfolio.

In the year ended at 31 December 2005, income from open market operations represents income amounting to YTL10 thousand (2004: YTL88 thousand) obtained from placements through interbank operations and interest income from the securities portfolio amounting to YTL1,521,788 thousand (2004: YTL1,777,936 thousand).

The "Positive Valuation Differences" account is composed of the positive differences between the market values and the original acquisition costs of the foreign currency and YTL denominated marketable securities portfolio. Since the difference between the market value and the original acquisition cost of the marketable security portfolio is negative as of 31 December 2005, it is represented under the "Negative Valuation Differences" account.

(2) Non-interest Income

In the year ended at 31 December 2005, non-interest income is composed of income from open market operations amounting to YTL273,763 thousand (2004: 443,800 thousand) which is related to the purchase and sale of securities.

(3) Interest Expenses

In the year ended at 31 December 2005, total interest expenses amounting to YTL2,598,342 thousand (2004: YTL3,723,486 thousand) include interest expense on deposits from citizens abroad amounting to YTL885,047 thousand (2004: YTL1,645,089 thousand).

The "Negative Valuation Differences" account is composed of losses arising from the differences between the market values and the original acquisition costs of the foreign currency and YTL denominated marketable securities portfolio.

(4) Non-interest Expenses

In the year ended at 31 December 2005, the open market transactions amounting to YTL344,297 thousand (2004: 927,016 thousand) include marketable securities trading losses.

Provision for doubtful receivables represents the provision provided for the interest income accruals calculated during the current period for loans under legal follow-up. The foreign exchange gain of YTL350 thousand (2004: 69,974 thousand) due to the devaluation of US\$ against YTL, is recorded in "Foreign Currency Valuation Differences" under the "Non-interest Income" section of the income statement.

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IV. SUPPLEMENTARY FINANCIAL STATEMENTS

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

CURRENT PERIOD (31/12/2005)

ASSETS	No maturity	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Demand	Total
Gold	2,640,298	-	-	-	-	-	-	2,640,298
Foreign Currency Reserves	2,392,303	8,891,363	8,569,229	27,149,021	20,325,780	236,310	217,340	67,781,346
Coins	69,150	-	-	-	-	-	-	69,150
Domestic Correspondents	-	-	-	-	-	-	-	-
Securities Portfolio	-	1,025,000	-	681,366	18,788,663	-	-	20,495,029
Domestic Loans	-	-	1,372	-	-	-	-	1,372
Open Market Operations	-	1,026,306	-	-	-	-	-	1,026,306
Foreign Loans	-	-	1,900	2,244	18,641	22,384	-	45,169
Equity Participations	19,303	-	-	-	-	-	-	19,303
Property and Equipment (Net)	-	-	-	-	-	-	292,230	292,230
Loans Under Legal Follow-up	-	-	-	-	-	-	1,779,583	1,779,583
Provisions for Loans Under Legal Follow-up	-	-	-	-	-	-	(1,779,583)	(1,779,583)
Treasury Liabilities due to SDR Allocation	-	-	-	-	-	-	216,438	216,438
Valuation Account	-	-	-	-	-	-	2,029,328	2,029,328
Interest and Income Accruals	-	3,038	278	2,770	-	-	6,129	12,215
Miscellaneous Receivables	-	5,535	-	-	-	-	25,274	30,809
Other Assets	-	3,286	1,734	66	-	-	16,614	21,700
Total Assets	5,121,054	10,954,528	8,574,513	27,835,467	39,133,084	258,694	2,803,353	94,680,693
LIABILITIES								
Currency in Circulation	19,612,019	-	-	-	-	-	-	19,612,019
Due to Treasury	7,648	29,016	-	-	-	-	222,901	259,565
Foreign Correspondents	962	-	-	-	-	-	-	962
Deposits	14,449,422	19,167,986	10,700,876	8,776,197	9,891,668	-	495,923	63,482,072
Open Market Operations	-	7,034,350	-	-	-	-	-	7,034,350
Foreign Loans	-	-	-	-	-	-	11,329	11,329
Import Transfer Orders and Deposits	-	-	-	1,537,174	-	-	-	1,537,174
Notes and Remittances Payable	-	18,068	-	-	-	-	-	18,068
SDR Allocation	-	-	-	-	-	-	216,438	216,438
Capital	-	-	-	-	-	-	46,234	46,234
Reserves	-	-	-	-	-	-	773,405	773,405
Provisions	-	-	-	-	-	-	105,921	105,921
Valuation Account	-	-	-	-	-	-	-	-
Interest and Expense Accruals	-	338,805	81,253	530,432	597,851	-	-	1,548,341
Miscellaneous Payables	6,265	1,230	-	5,419	-	-	64,927	77,841
Other Liabilities	-	86,832	-	-	-	-	1,581	88,413
Net Income/(Loss) for the year	-	-	-	-	-	-	(131,439)	(131,439)
Total Liabilities	34,076,316	26,676,287	10,782,129	10,849,222	10,489,519	-	1,807,220	94,680,693

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IV. SUPPLEMENTARY FINANCIAL STATEMENTS

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

PRECEDING PERIOD (31/12/2004)

ASSETS	No maturity	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Demand	Total
Gold	2,254,793	-	-	-	-	-	-	2,254,793
Foreign Currency Reserves	1,045,555	7,466,721	7,233,090	18,889,037	13,457,588	-	235,463	48,327,454
Coins	2,932	-	-	-	-	-	-	2,932
Domestic Correspondents	-	1,144,224	-	-	-	-	-	1,144,224
Securities Portfolio	211	-	-	-	14,751,259	8,413,009	-	23,164,479
Domestic Loans	-	10,482	5,486	294,010	-	-	-	309,978
Open Market Operations	-	128,000	-	-	-	-	-	128,000
Foreign Loans	-	-	34,056	34,056	15,224	23,612	6,326	113,274
Equity Participations	-	-	-	-	-	-	20,904	20,904
Property and Equipment (Net)	-	-	-	-	-	-	289,589	289,589
Loans Under Legal Follow-up	-	-	-	-	-	-	1,728,114	1,728,114
Provisions for Loans Under Legal Follow-up	-	-	-	-	-	-	(1,728,114)	(1,728,114)
Treasury Liabilities due to SDR Allocation	-	-	-	-	-	-	234,486	234,486
Valuation Account	-	-	-	-	-	-	2,032,526	2,032,526
Interest and Income Accruals	-	65,083	1,164	1,164	3,450	807	2,607	74,275
Miscellaneous Receivables	1,682	359	-	985	-	2,537	-	5,563
Other Assets	-	1,319	-	392	209	-	17,795	19,715
Total Assets	3,305,173	8,816,188	7,273,796	19,219,644	28,227,730	8,439,965	2,839,696	78,122,192
LIABILITIES								
Currency in Circulation	13,465,237	-	-	-	-	-	-	13,465,237
Due to Treasury	6,531	49,428	-	-	-	-	235,463	291,422
Foreign Correspondents	41,404	-	-	-	-	-	-	41,404
Deposits	7,249,150	19,921,275	1,557,765	14,545,961	11,842,719	-	927,804	56,044,674
Open Market Operations	-	3,622,089	-	-	-	-	-	3,622,089
Foreign Loans	-	-	-	-	-	-	12,158	12,158
Import Transfer Orders and Deposits	-	-	-	1,096,905	-	-	-	1,096,905
Notes and Remittances Payable	-	19,783	-	-	-	-	-	19,783
SDR Allocation	-	-	-	-	-	-	234,486	234,486
Capital	-	-	-	-	-	-	46,234	46,234
Reserves	-	-	-	-	-	-	1,283,131	1,283,131
Provisions	-	-	-	-	-	-	92,522	92,522
Valuation Account	-	-	-	-	-	-	-	-
Interest and Expense Accruals	7,285	291,567	150,542	827,340	932,496	-	6,657	2,215,887
Miscellaneous Payables	-	-	-	-	-	-	103,800	103,800
Other Liabilities	32,434	-	-	-	-	-	29,752	62,186
Net Income/(Loss) for the year	-	-	-	-	-	-	(509,726)	(509,726)
Total Liabilities	20,802,041	23,904,142	1,708,307	16,470,206	12,775,215	-	2,462,281	78,122,192