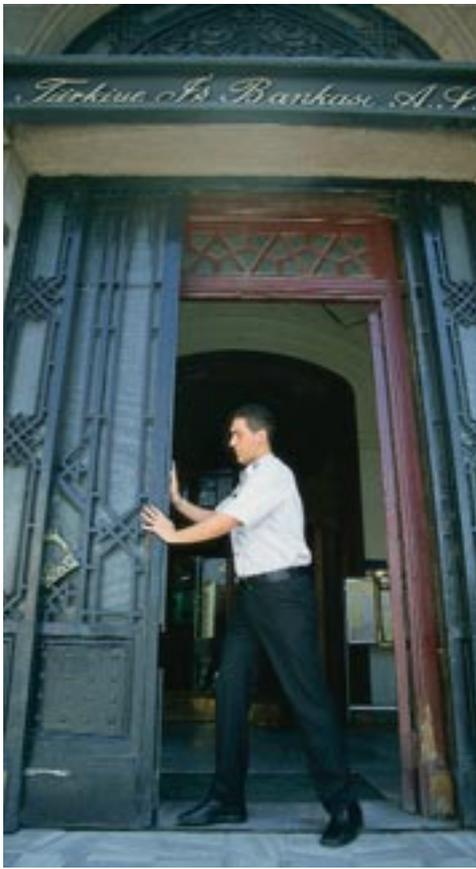




Annual Report 2001



A day in the life of İşbank...



We come to the office **everyday** with **new hopes...**

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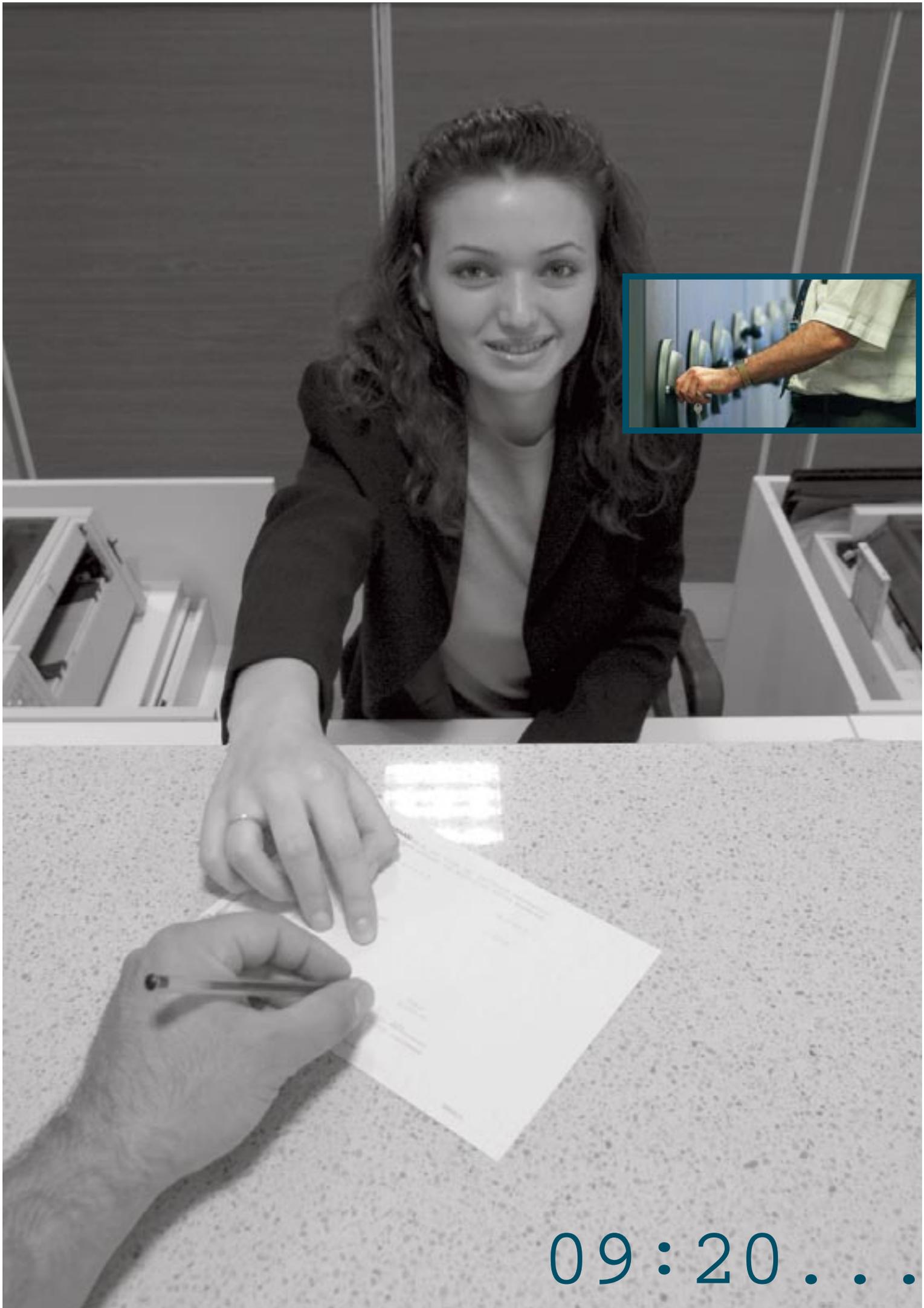
Every new day awaits us with **new excitements...**

İşbank rightfully deserves the motto "Turkey's bank." For generations it has been part of every day life of large numbers of citizens from all corners of the country. Currently, İşbank is serving through a vast network 834 branches countrywide. To youngsters the name "İşbank" has become synonymous with savings and the moneybox. For adults, it means business, strength and trust.

As the theme of this year's annual report, we have selected some İşbank branches from various parts of the country and asked photographers to spend a day with the staff documenting their daily activities. The photographs used throughout this annual report, therefore, illustrate "a day in the life of İşbank".



08 : 45 || 08 : 55 || 09 : 00



09:20...



Financial Highlights

(TL billions)	2001
Total Assets	16,392,740
Total Loans	3,958,663
Total Deposits	11,432,358
Shareholders' Equity	2,906,224
Paid-in Capital (*)	810,573
Legal Reserves	492,573
Revaluation Fund	882,109
Capital Reserves due to Inflation Adjustment	1,308,652
Profit / (Loss) due to Inflation Adjustment	(1,271,152)
Current Period Profit / (Loss)	(762,047)
Previous Years' Profits / (Losses)	(509,105)

(US\$ millions)	2001
Total Assets	11,680
Total Loans	2,821
Total Deposits	8,146
Shareholders' Equity	2,071
Paid-in Capital (*)	578
Legal Reserves	351
Revaluation Fund	629
Capital Reserves due to Inflation Adjustment	932
Profit / (Loss) due to Inflation Adjustment	(906)
Current Period Profit / (Loss)	(543)
Previous Years' Profits / (Losses)	(363)

(*) The Bank's registered share capital is TL 1,500,000,000,000,000 or US\$ 1.068.756.680.

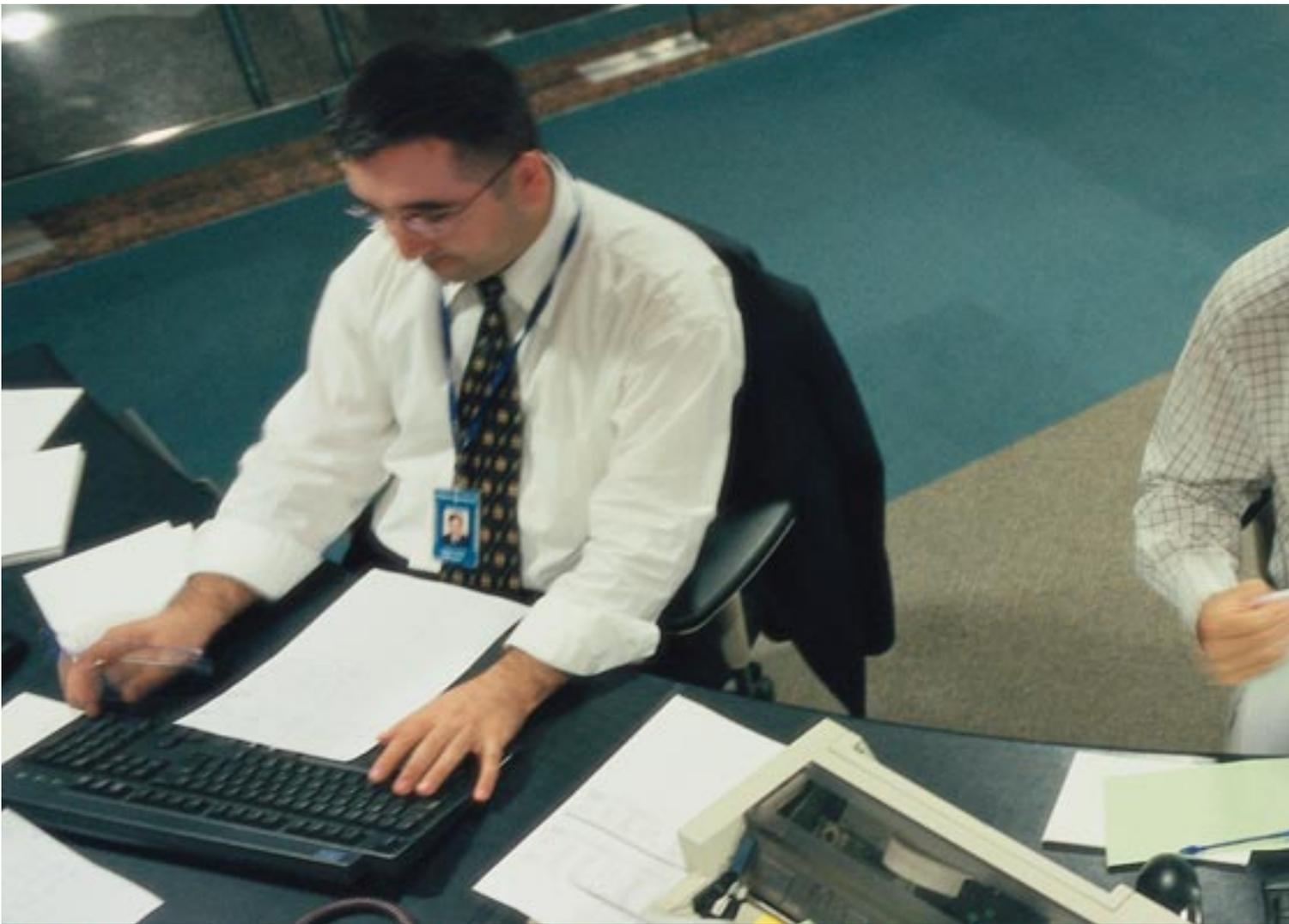
An independent audit, as required by Article 42 of the Central Bank of Turkey Law, has been performed by DRT Denetim Revizyon Tasdik Yeminli Mali Müşavirlik A.Ş.

2001 conversion rate as of 12/31/2001: US\$ 1 = TL 1,403,500

İşbank's Banking Network

	2001
Domestic Branches	834
Overseas Branches	7
Representative Offices Abroad	1
Total Employees	15,745

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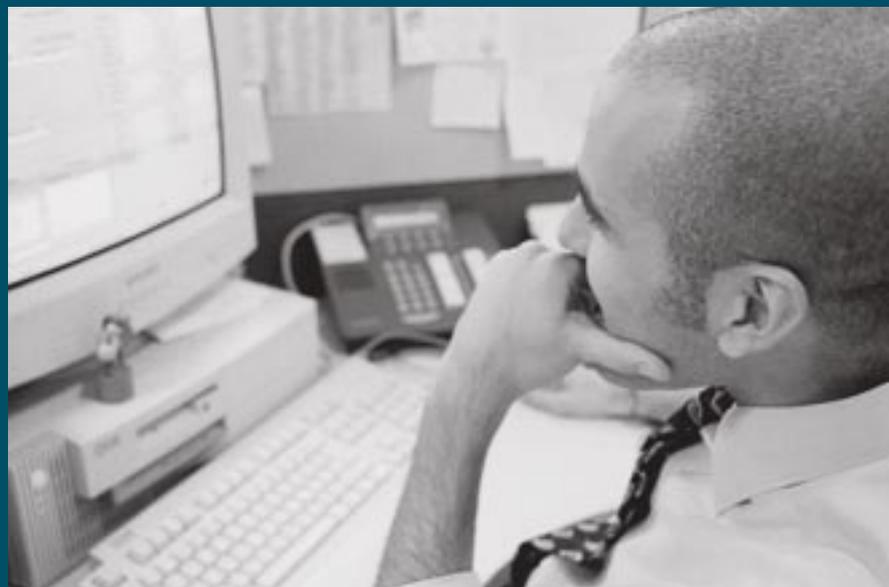
10:15



10:35



10:46... 10:58...



İşbank - Turkey's Bank

11:10...



Its corporate values, supported by the high quality of its services, enhance clientele, employee and shareholder satisfaction, while making İşbank the most trusted bank among Turkish depositors and clients.

One year after the establishment of the Republic of Turkey, Mustafa Kemal Atatürk ordered economy bureaucrats to establish a bank that would assist in the rebuilding and development of the economy. Established in 1924, a year full of challenges for the young Republic, İşbank's aim was to contribute to the development of both the banking system and the economy and provide financial sources for important investments and emerging markets. İşbank is proud to be one of the few corporations established during the first few years of the Republic that is still operating today. The Bank continues to display the same steady growth and strength patterns it demonstrated at its inception.

Currently, İşbank plays a leading role in the Turkish economy both as one of the country's foremost private banks and as a major powerhouse for such diverse industries as glass, metallurgy, petroleum products distribution and telecommunications.

The majority of its shares have been publicly owned since its establishment, resulting in a unique shareholder base for İşbank. With more than 300,000 shareholders, including the Bank's Pension Fund, representing both active and retired Bank employees as the major shareholder, close to 27% of İşbank shares are traded on the Istanbul and London Stock Exchanges.

The Bank closed 2001 with TL 16,392 trillion (US\$ 11.68 billion) in total assets. The market capitalization of İşbank is the largest amid private companies in Turkey, although it fell to TL 6.6 trillion (US\$ 4.6 billion) at the end of 2001 due to the economic crisis.

Taking into account its equity participations, İşbank is one of the world's largest corporations.

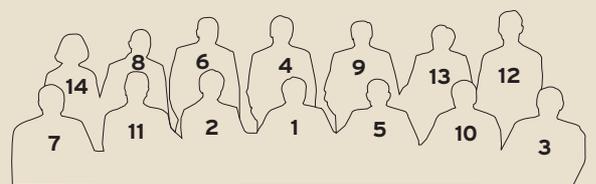
Its corporate values, supported by the high quality of its services, enhance clientele, employee and shareholder satisfaction, while making the Bank the most trusted bank among Turkish depositors and clients.



Board of **Directors**

1. **Burhan Karağöz**, Chairman
2. **H. Ersin Özince**, Deputy Chairman and Chief Executive Officer
3. **Salih Ergün**, Director
4. **Prof. Dr. Ahmet Kırman**, Director
5. **Onur Ökten**, Director
6. **Erbaşar Özsoy**, Director
7. **Mustafa Özyürek**, Director
8. **Hasan Arslan Sarsar**, Director
9. **Bahtiyar Sönmez**, Director
10. **Mustafa Timisi**, Director
11. **Enis Tütüncü**, Director
12. **Volkan Taşkın**, Auditor
13. **A. Suna Ünal**, Auditor
14. **A. Taciser Bayer**, Reporter

As of June 2002



Message from the CEO



H. Ersin Özince Deputy Chairman and Chief Executive Officer

The year 2001 started-off on fragile ground in Turkey with aftershocks from the financial crisis that ruled the markets in November of the previous year. The liquidity squeeze and the deterioration of the payments system in February 2001 resulted in a loss of confidence in the economic program and the unsustainable imbalances among the interest rate, exchange rate and inflation led to the abandonment of the crawling peg exchange rate regime and FX rates were allowed to float. In the following months, exchange rates displayed a high volatility and the Turkish lira depreciated considerably, resulting in a loss of public and investor confidence and a sharp contraction in finance and manufacturing industries, simultaneously.

To stimulate the economy that had come almost to a standstill, a series of radical structural reforms were developed and rapidly passed through the parliament, including the new banking regulations and supervisions.

Consequently, the banking industry has undergone the biggest reform and consolidation process in its history. Along with the restructuring process in the banking sector, banking legislation and prudential regulations were brought in line with international standards, especially the EU. In the final analysis, the recent crises helped to create a banking system in Turkey where only the strong can survive.

Within the banking sector restructuring program, a three-tier audit process based on the inflation-adjusted financial statements of publicly traded, deposit-taking private banks was implemented and none of these audited financial statements could display a profit. For many years, the effect of inflation on bank financial statements was not extracted and banks' real financial strength could not be assessed. However, this year, when the effects of inflation were stripped from financial statements, banks with strong equity bases emerged with their growth potentials.

11:31..



One of our principal aims for the future is to expand our activities and increase our market shares in all areas of growth, to improve customer satisfaction through higher service quality and to regain profitability to create shareholder value.

As for İşbank, we are proud that İşbank has the largest shareholders' equity figure and shareholders' equity/assets ratio, making us the largest private bank in Turkey, a stimulating force to look to the future with confidence and optimism. Our shareholders' equity stood at US\$ 2,071 million at the end of 2001 - taking into account inflation losses from all previous years.

Extraordinary changes in 2001, in both economic and political spheres, were reflected as continued uncertainty and volatility in financial markets. Accordingly, İşbank maintained flexible pricing policies for effective management of assets and liabilities, taking into account the liquidity in the first few months of the year and cost and return in the following months. With these developments on stage, İşbank's market share in total deposits, which was 6.8% in 2000, increased to 10.59% at the end of 2001. This increase is also evidence of the flight-to-quality demonstrated during times of crises when depositors express their confidence in larger, stronger banks in spite of the 100% state guarantee on savings deposits. It is worthwhile to mention that our market share in deposits continues to increase in 2002, in spite of the presence of numerous investment alternatives in the marketplace.

Although the increase in the overall loan volume in the banking sector was limited in 2001, İşbank's share of total cash loans in the banking sector increased from 9.6% to 10.4%. İşbank has a diversified commercial loan portfolio in terms of both industry and customer exposure. The Bank has long lasting commercial lending relations with various large scaled companies in Turkey as well as a significant presence in lending to small and medium-size companies. Even at the peak of the crisis, we did not call back any loans due to liquidity shortages. It has always been part of İşbank's historic mission to support the industrial development of our country - this past year was no exception. Consequently, the deterioration in our asset quality is the result of on-going difficulties in the Turkish economy. We prefer to follow a cooperative attitude and take part in the Istanbul Approach - a joint initiative among banks to resolve problem loans on a constructive basis.

İşbank has proactively adopted the optimum practices, techniques and methodologies for risk management available in international banking spheres. In

. 11 : 36 || 11 : 42 || 11 : 44



In 2001, 205 branches were included in the "Retail Banking Performance Development Project" to improve İşbank's share and profitability in retail business and to enhance and maintain its leadership.

11:50...



İşbank continued to be a major player in the capital markets during 2001 and increased its share in the sector through substantial increases achieved in equity, bond and bill trading as well as in repo and mutual fund transactions.



We remain committed to our mission of contributing to the development of our country through our Group's financial and industrial activities, ready as always to face every challenge.

2002, İşbank's traditionally prudent approach will be pursued for the credit allocation process, taking into account the economic crisis that mostly affected manufacturing industry.

Throughout 2001's difficult times, we had ample liquidity so that borrowing from markets was not necessary. Our borrowing accounted for a 7.7% share of total liabilities; well below publicly traded banks of comparable size. In November 2001, the Bank obtained a syndicated loan of US\$ 350 million with a maturity of one year, which was channeled into financing and refinancing of pre-export related transactions. Despite unfavorable conditions, which emerged specifically after the September 11th terrorist attacks, interest from international markets reassured once more the investor confidence at İşbank.

During 2001, our branch network totaled 841 with their characteristics continuing to change gradually, aiming to offer better service to our customers while also helping to control operational costs and to improve our productivity. The number of ATMs totaled 2,279 as we maintained our leading market share of 19.7% into 2002. Our electronic distribution networks are being constantly enriched with new capabilities in order to offer value added services to our customers.

The expansion of the international network of İşbank continued in 2001 through the establishment of the New York Representative Office, the off-shore branch in Bahrain and two branches in the Turkish Republic of Northern Cyprus.

İşbank continued to be a major player in the capital markets during 2001 and increased its share in the sector through substantial increases achieved in equity, bond and bill trading as well as in repo and mutual fund transactions. The Bank's strength in capital markets reflects its product diversification and competitive pricing policy in addition to its capacity to provide widespread and uninterrupted high-quality services through a large branch network, ATMs, Netmatiks, Internet and telephone banking.

İşbank is proud to be the founder of some of the most important industries in Turkey. Established in 1935 as the first glass manufacturing company in Turkey, Türkiye Şişe ve Cam Fabrikaları A.Ş., is now the second largest producer of household glass products in Europe, third in the world.

11:57

12:05



We remain committed to our mission as bankers and industrialists, simultaneously. Our equity participation Petrol Ofisi A.Ş., the largest petroleum products distribution company in Turkey, was acquired in 2000 through privatization and continues to yield favorable results.

İşbank Group holds 51% of the total shares of İş-Tim Telekomünikasyon Hizmetleri A.Ş., the third GSM operator in Turkey and Telecom Italia Group holds the remaining 49%. Carrying on with investments to become an effective operator in the sector, the company achieved coverage of about 50% of the entire population in its first year and serves its clientele under the "Aria" brand by introducing new innovative services at competitive prices. Within the context of safe interactive cellular phone banking developed using an encoded SIM card supplied by İş-Tim and USSD technology, an advanced banking infrastructure was developed to facilitate even the most sophisticated transactions for our customers.

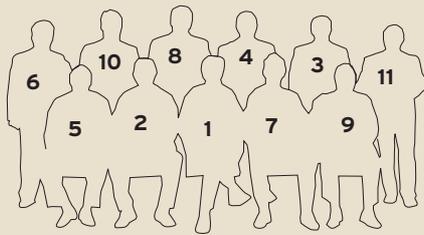
İşbank will continue to adopt innovative IT-based banking applications in the future as it focuses on new projects that will help to maintain its leadership within the sector.

In concluding, we are pleased to report that İşbank emerged as one of Turkey's strongest banks in spite of the turmoil that affected all lines of business in 2001. Our staunch adherence to a deep-rooted prudent banking culture helped us to cope easily with the most severe problems in a planned and coordinated manner. One of our principal aims for the future is to expand our activities and increase our market shares in all areas of growth, to improve customer satisfaction through higher service quality and to regain profitability to create shareholder value.

We remain committed to our mission of contributing to the development of our country through our Group's financial and industrial activities, ready as always to face every challenge. On behalf of the Board of Directors, I would like to thank our shareholders, employees, customers, business partners and correspondent banks for their important contributions in making İşbank a benchmarked institution.

H. Ersin Özince

Deputy Chairman and Chief Executive Officer



Executive Committee

1. **H. Ersin Özince**, Deputy Chairman and Chief Executive Officer
2. **Caner Çimenbiçer**, Senior Deputy Chief Executive
3. **Kadir Akgöz**, Deputy Chief Executive
4. **A. Aykut Demiray**, Deputy Chief Executive
5. **A. Cüneyt Demren**, Deputy Chief Executive
6. **M. Sırrı Erkan**, Deputy Chief Executive
7. **B. Daver Orhon**, Deputy Chief Executive
8. **Haluk L. Somersan**, Deputy Chief Executive
9. **Turgut Sungur**, Deputy Chief Executive
10. **Yusuf Ziya Toprak**, Deputy Chief Executive
11. **Özcan Türkakın**, Deputy Chief Executive

As of August 2002

The Turkish Economy



12:35.

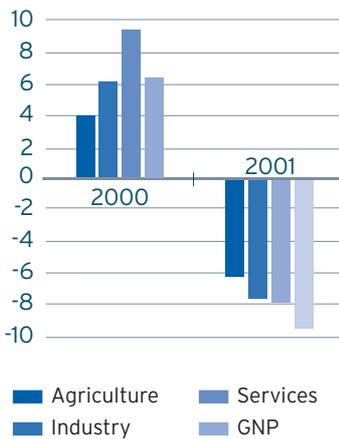


Structural reforms under the new economic program, adopted in May, started to bear fruit only toward the end of the summer when interest rates declined and exchange rates achieved relative stability.



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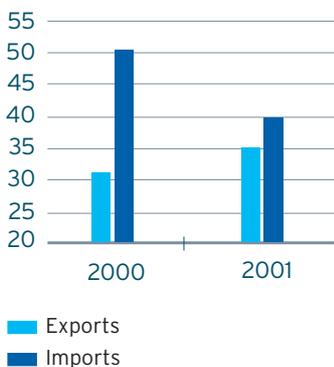
GNP Sectoral Growth Rates (%)



Main Economic Developments

In 2000, a marked decline in interest rates due to the fixed exchange rate policy resulted in an increase in domestic demand, which in turn led the Turkish economy to grow by 6.3%. However, the November 2000 and February 2001 crises negatively affected not only the financial sector but all segments of the economy; as a result, the economy contracted by 9.4% for the year. The breakdown of GNP with regard to sub-sectors revealed that the contraction was far worse than expected due to downsizing in industrial and services sectors in addition to the rapid falls in agricultural output and especially in the net factor income abroad. The February crisis blocked the payments system and, together with the liquidity squeeze, led to a generalized lack of confidence in the economic program implemented. The closing values of overnight interest rates then skyrocketed to around 4,000%. Structural reforms under the new economic program, adopted in May, started to bear fruit only toward the end of the summer when interest rates declined and exchange rates achieved relative stability. However, the signs of recovery swiftly disappeared after the September 11th terrorist attacks in the USA and the problems that arose in the Argentinian economy; consequently, interest and exchange rates were driven up. Structural reforms and positive developments, especially with regard to banking reforms, accelerated the release of foreign loan facilities, which the Turkish economy needed and the IMF committed the granting of additional funds amounting to US\$ 10 billion. These developments led to decreases in both exchange and interest rates and an increase in the ISE Index.

Foreign Trade (US\$ billions)



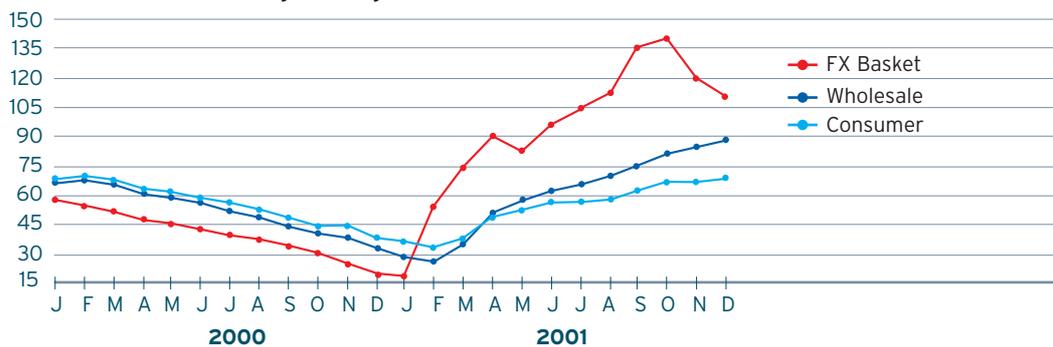
In 2001, while imports dropped by 26.2% to US\$ 39.9 billion, exports reached US\$ 35.1 billion with a 10.9% increase compared to the previous year. Thus, the foreign trade deficit fell to US\$ 4.8 billion as a result of decreased imports due to the weakening currency and shrinking domestic demand despite global economic stagnation, which hindered a substantial increase in exports. As a result of the contracted foreign trade deficit, a surplus of US\$ 3.3 billion was produced in the current account balance during 2001.

In 2001, consolidated budget revenues amounted to TL 51.8 quadrillion while expenditures totaled TL 80.4 quadrillion, including TL 41.1 quadrillion in interest payments. Thus, the budget produced a deficit of TL 26.8 quadrillion, while the primary balance yielded a surplus of TL 12.5 quadrillion. On the other hand, the domestic debt stock increased by 235.5% from TL 36.4 quadrillion at the end of 2000 to TL 122.2 quadrillion, mainly due to special issue bonds given to the state banks and the banks under the management of the Savings Deposit Insurance Fund (SDIF). Foreign debt stock amounted to US\$ 115.1 million at year-end, 3% under the year 2000 figure.

Following the adoption of the floating rate policy after the February 2001 crisis, a rise in foreign currency rates fueled inflation, while the contraction in domestic



**Changes in the Price Indices and FX Rates
(Year-on-Year Percentage Changes)**



13:10 | 13:15 | 13:22



The ISE National-100 Index and Stock Trading Volume



demand restricted the reflection of increases in wholesale prices on retail prices. With the implementation of the new economic program in May, inflation declined but rose again in September and October due to the increase in exchange rates, price hikes on public goods and seasonal factors. In the last two months of the year, the increase in monthly inflation slowed due to lower exchange rates, yet an upward trend was seen on an annual basis. Thus, wholesale and

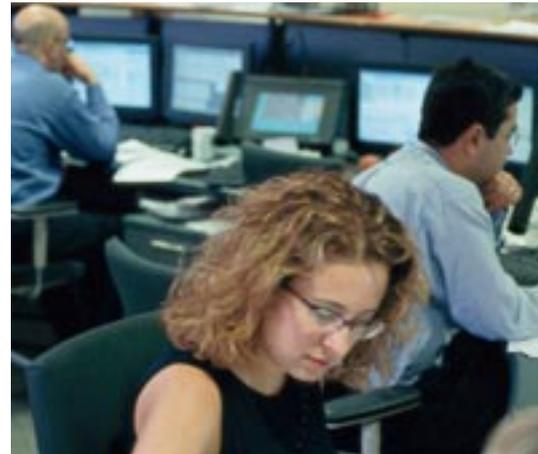
consumer price increases materialized at 88.6% and 68.5% on a year-on-year basis and 61.6% and 54.4% on annual averages, respectively.

As a result of the floating rate policy in 2001, foreign exchange markets moved in line with expectations for economic and political developments. At the end of the year, the US dollar had appreciated by 114.3% to TL 1,439,567; the German mark increased by 105% to TL 648,377; and the foreign exchange basket consisting of US\$ 1 + € 0.77 marked a rise of 110.4% compared to the previous year-end figures.

Following the February crisis that resulted in devaluation, interest rates on government securities jumped to 193.7% in March, then headed downward when the new economic program was announced in May; the average annual rate was realized at 99.1%.

Closing year 2000 at 9,437 points, the ISE National-100 Index exceeded 11,500 points in mid-January, declined considerably due to the crisis to 6,797 points and then rose to 12,363 in line with the announcement of the framework for the new economic program in April. In May and June, the Index floated between 10,000-12,000 points due to the market conditions and low trading volume. During the second half of the year, the Index tended to decrease due to political concerns and increasing FX

13:27...

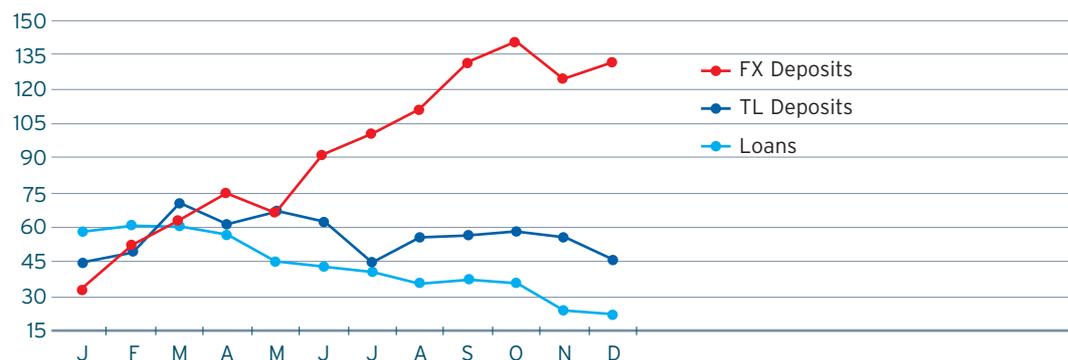


demand in addition to delays in the release of IMF and World Bank loan facilities. Problems common in emerging markets were additional factors, which made the Index fall to 8,689 points and then remain stable until September. Following the September 11th terrorist attacks and the expectations of a global recession, the Index temporarily fell under 7,000 points but recovered again in October and November due to the commitment of additional financial support by the IMF, the positive effect of the structural reforms and the fall in interest and foreign exchange rates. The ISE National-100 Index closed the year at 13,783 points - an increase of 46% compared to year-end 2000 figures.

Developments in the Banking Industry

Following the adoption of the floating rate policy in February 2001, significant devaluation of the Turkish currency, the upward trend in inflation, high interest rates, marked contraction in the real economy, increased non-performing credits and the decrease in capital inflow from abroad adversely affected the Turkish banks, producing losses and leading to a weakening of their financial structure. Within the framework of the Reconstructing Program of the Banking Sector, special bonds were issued for state-owned banks in order to eliminate their so-called duty losses that arose during the normal course of operations and for the banks under the supervision of the SDIF to strengthen their capital structures and improve balance sheets. Short-term liabilities of both state-owned and SDIF-controlled banks were covered by the Central Bank through the release of short-term financing facilities. Private banks, which had to enhance their financial structure, issued letters of commitment for capital increase, provision of funds as capital and restructuring

Changes in Total Deposits and Loans in 2001 (%) (Year-on-Year Percentage Changes)



. 13 : 33 || 13 : 45 || 13 : 52



It is expected that inflation will be reduced around the targeted level of 35% thanks to the stability achieved in foreign exchange and interest rates coupled with tight fiscal and income policies restricting domestic demand.

Turkish economy is expected to display a favorable outlook in 2002 thanks to the declining tendency of the public sector borrowing requirement, increasing consumer confidence and the expectations of recoveries especially in industrial and services sectors parallel to the rehabilitation of the banking sector.

strategies. The enforcement of these commitment letters was strictly monitored. In line with the operational restructuring of state-owned and SDIF banks, Emlak Bank was taken over by Ziraat Bank, inefficient branches were closed and the number of personnel was reduced. In 2001, seven banks were taken over by the SDIF; some merged and were sold to new shareholders while others were liquidated. Consequently, at the end of the year, there were six banks under the supervision of the SDIF; the total number of banks decreased from 79 to 61.

According to weekly provisional data released by the Central Bank, Turkish lira deposits totaled TL 44.9 quadrillion in 2001, an increase of 45.6%, while foreign exchange deposits amounted to TL 58.7 quadrillion, up 131.5% over year 2000 figures. Thus, total deposits, including both Turkish lira and foreign exchange deposits (excluding Interbank deposits), amounted to TL 103.8 quadrillion - an increase of 84.3%, far above the 41.1% rate of growth experienced in the previous year.

Loans extended by deposit-taking banks reached TL 31.7 quadrillion, an increase of 22.1% in 2001, compared to a 63.3% increase during 2000. The downward trend in loans stemmed primarily from the decrease in demand for consumer loans. In 2001, the total credit volume of the banking system, including loans extended by deposit-taking banks, development and investment banks and Central Bank direct credits, amounted to TL 35.9 quadrillion, an increase of 26.6%, below the 55.6% expansion in 2000, due to the crisis.

Expectations

Turkish economy is expected to display a favorable outlook in 2002 thanks to the declining tendency of the public sector borrowing requirement, increasing consumer confidence and the expectations of recoveries especially in industrial and services sectors parallel to the rehabilitation of the banking sector. Moreover, the agricultural production, which receded in 2001, is expected to contribute positively to the economic growth in 2002 while the contribution of the external demand will be limited due to the global stagnation. Within this framework, it is anticipated that economic growth rate will be around 3% in 2002. An additional US\$ 10 billion financing facility from the IMF and the targeted primary balance surplus of US\$ 8.5 billion will help ease domestic debt servicing. Emerging optimism in the markets will lead to a reduction in interest rates and an extension of borrowing maturities. It is expected that inflation will be reduced around the targeted level of 35% thanks to the stability achieved in foreign exchange and interest rates coupled with tight fiscal and income policies restricting domestic demand. It should be noted that the effects of the US policy on the global economy, as it fights terrorism, will play an important role in the realization of expectations.

Business Review



13:55...



Retail Banking

In 2001, 205 branches were included in the "Retail Banking Performance Development Project" initiated on September 1, 1998, to improve İşbank's share and profitability in retail business and to enhance and maintain its leadership. To this end, studies were carried out to implement an approach that is both customer and sales-oriented.

Due to the economic crisis that prevailed in 2001, consumer credits decreased by 66%, compared to the previous year and fell to TL 339,015 billion from TL 994,875 billion; TL 585,000 billion was collected as principal and the year-end balance was TL 330,383 billion, of which TL 290,000 billion will be collected until the end of 2002. The year-end balance consists of 93% Turkish lira and 7% foreign currency credits.

Of the total loans allocated during the year 2001, 31.5% was for vehicles, 3.5% for housing and 65% for cash credits. This composition indicates a considerable development in favor of cash credits. The contraction in the share of vehicle loans, previously constituting a high volume in the consumer credits portfolio, resulted from the decrease caused by the crisis affecting car sales in the domestic market by 72% and from the fact that consumers preferred mostly cash purchases. During the year 2001, a total of 194,449 credits were allocated whereas this figure was 412,540 in 2000.

With a market share of 11.8% and 1,645,314 credit cards, a 9.4% increase over the previous year, İşbank ranked third in issued credit cards. The number of ATM cards increased by 8.5% reaching 4,715,816, while the average credit card balance in Turkish lira terms increased by 77.7% from TL 152.3 trillion to TL 270.7 trillion.

In 2001, the turnover of credit card transactions increased by 53.5% to TL 1,963.1 trillion up from TL 1,279.3 trillion. İşbank ranked second among credit card issuing banks in Turkey in terms of turnover.

Studies for the issuance of co-branded credit cards were accelerated and new cards were issued in collaboration with various establishments, stores and supermarkets. Work on MasterCard Maximum was completed; the card was launched and marketing activities were performed. Customer loyalty program called "İşPuan" that enables credit card holders to earn prizes for purchases made using their credit cards has progressed successfully.



14:01

14:10



Studies for the issuance of co-branded credit cards were accelerated and new cards were issued in collaboration with various establishments, stores and supermarkets.

Newly created ATM cards were introduced to young cardholders opening a 'First Signature Account' and 'Maestro ATM Card with First Signature Account Logo' offering various additional services and advantages was included in the card portfolio. A service package consisting of a specially designed ATM card, a call deposit account, investment account and interactive banking products was launched in November targeting young people between 12-18 years of age.

Due to the adoption of the euro as the single currency among EU member countries, 'Visa Premier-DM' cards were converted into 'Visa Premier-EURO' credit cards and arrangements were completed to track foreign currency credit card accounts in terms of euro. Initiatives to adopt a payment system based on smart cards incorporating a microchip were accelerated and a working committee was established to study this possibility.

The number of contracted merchants, which totaled 51,976 at the end of 2000, increased by 21.3% to reach 63,036 by the end of 2001; in the same period the number of POS machines increased by 19.4%, up from 53,477 in 2000 to 63,861. Total purchases made at contracted merchants utilizing credit and debit cards increased by 80.9% from TL 970.9 trillion to TL 1,756 trillion.

Work on the 'Virtual POS' machine has been completed; Turkish Airlines was the first company to undertake sales via Internet, followed by various other companies.

By the end of 2001, İşbank was handling payroll operations for 10,377 companies, 11% more than in 2000, and disbursing salaries to 1,037,562 people, a 7.6% increase over the previous year.

Alternative Distribution Channels

As a result of work carried out by a separate department established to define the strategies and policies with regard to non-branch service channels in 2001, the number of transactions conducted through the Call Center increased by 1,384%, through Netmatik Kiosks by 83%, through Internet by 50%, through ATMs by 7% and over the telephone by 7% compared to the previous year. Within this framework, the share of in-branch transactions within total transactions fell by 3.2 points during the year, while the share of transactions via Internet increased by 1.2 points. The number of customers using a single customer number for all types of accounts increased by 244% and reached approximately 2.5 million.

At the end of 2001, there were a total of 2,279 ATMs, making İşbank the leading private bank in Turkey in terms of ATM numbers. Non-branch service channels accounted for 53% of all banking transactions, among which ATMs were the most frequently used with a share of 25%.



During 2001, studies to increase the efficiency and quality of non-branch services and the variety of services provided via Internet and the Call Center resulted in a 42% improvement; the number of transactions reached 188.

Share of Transactions by Service Channels (%)

	2000	2001
Branches	50.55	47.35
ATMs	28.26	25.29
Internet	4.75	5.97
Call Center	0.02	0.29
Netmatik Kiosk	0.42	0.65
Telephone	1.91	1.72
POS	5.37	8.81
Others	8.72	9.92
Total	100.00	100.00

During 2001, studies to increase the efficiency and quality of non-branch services and the variety of services provided via Internet and the Call Center resulted in a 42% improvement; the number of transactions reached 188.

All Aria GSM network subscribers are able to monitor real-time İşbank mutual fund prices, repo, Turkish lira and foreign exchange time deposit accounts, consumer credit interest rates and foreign exchange rates through "Aria Infomobil". Interactive banking customers, who are also Aria subscribers, are able to access their Turkish lira and foreign exchange deposit accounts, mutual funds, credit card information and close-to-date payment data using their cellular phones.

Commercial Banking

İşbank has a diversified commercial loan portfolio in terms of both industry and customer exposure. The Bank has long lasting commercial lending relationships with various large-scale companies in Turkey as well as a significant presence in lending to small and medium-size companies.

Due to the economic crisis in 2001, Turkish lira cash loans increased by a mere 8.4% and short-term FX loans by 36.7%. On a consolidated basis, cash loans rose by 35.7%. The target set for commercial loans was realized by 97%.

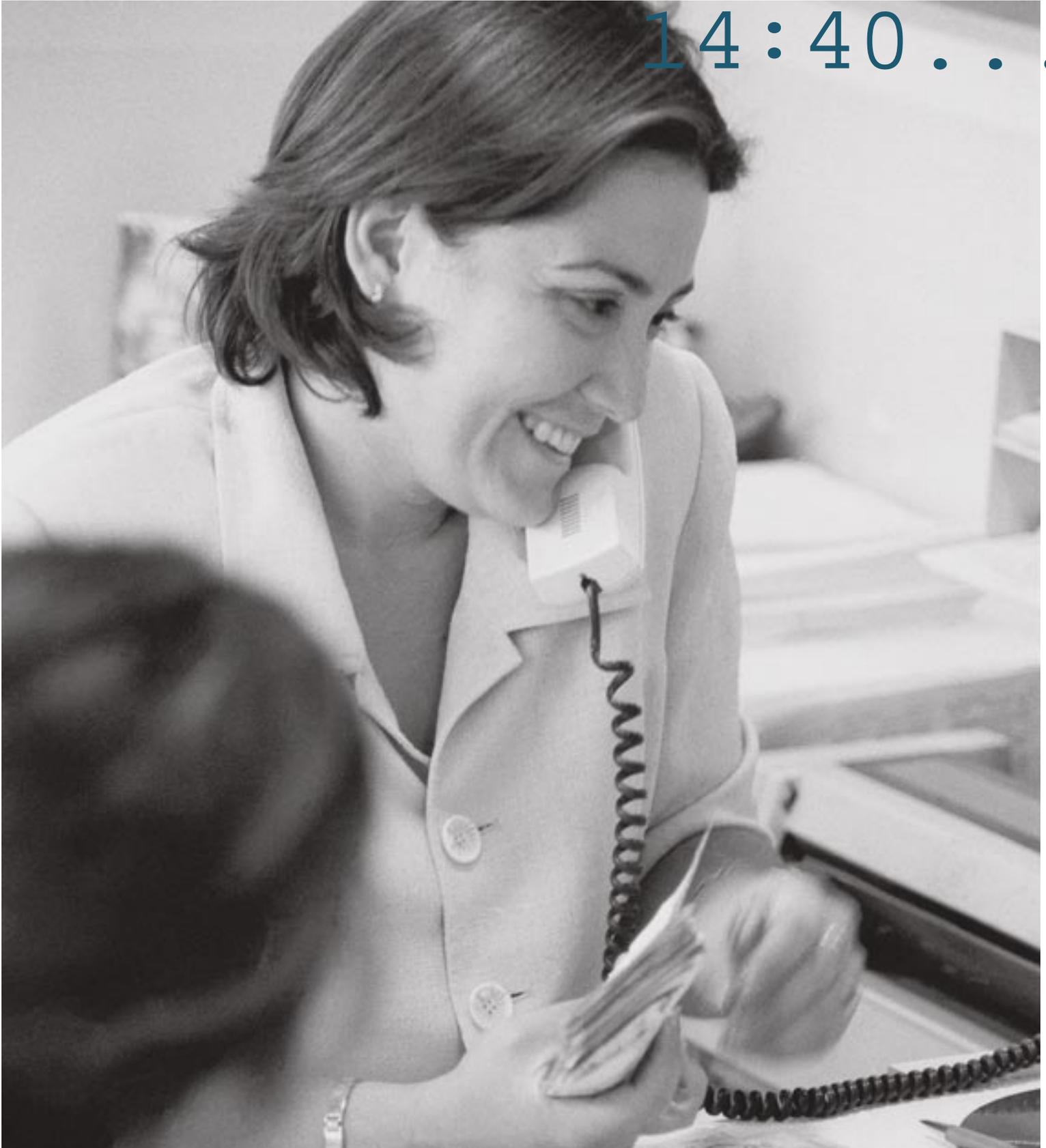
Although the increase in the overall loan volume in the banking sector was limited, İşbank's share of total cash loans in the banking sector increased from 9.7% to 12.2%. The balance of Turkish lira-denominated letters of guarantee was increased satisfactorily by 98.2%, while total non-cash credits increased by 112.6%.

14 : 22 || 14 : 27 || 14 : 34



İşbank has a diversified commercial loan portfolio in terms of both industry and customer exposure.

14:40...



14:44 || 14:50 || 15:00


Outstanding Credits (including transactions abroad)

(TL billions)

TL CASH CREDITS	12/31/2000	12/31/2001	Change (%)
Market + Discount + Redemption	262,768	345,304	31.41
Export	17,096	13,710	(19.81)
Eximbank Credits	21,975	54,895	149.81
Medium and Long-term	118,350	265,168	124.05
Consumer Credits (Short+Medium/Long)	627,404	389,069	(37.99)
Credit Cards	234,595	321,435	37.02
TL TOTAL	1,282,188	1,389,581	8.38
FX CASH CREDITS			
From Bank's Sources - Short-term	1,180,640	1,614,268	36.73
From Bank's Sources - Medium/Long	413,045	830,862	101.16
Eximbank Credits	40,863	123,952	203.34
FX TOTAL	1,634,548	2,569,082	57.17
TOTAL CASH CREDITS	2,916,736	3,958,663	35.72
NON-CASH CREDITS AND COMMISSION INCOME			
FX Letters of Guarantee and Prefinancing Guarantees	1,024,364	2,389,885	133.30
Commission Income on FX Letters of Guarantee	12,953	22,904	76.82
Balance of Acceptance Credits and Non-cash L/Cs	547,960	1,004,586	83.33
Commission Income on Acceptance Credits and on Non-Cash L/Cs	3,880	9,762	151.60
Balance of TL Letters of Guarantee	349,761	693,218	98.20
Commission Income on TL Letters of Guarantee	8,868	14,461	63.07



Breakdown of Cash Credits into Industries - Domestic Credits Only
(As of 12/31/2001)

	TL billions	Share (%)
Manufacturing	1,379,410	38.59
Textile, Leather	512,018	14.32
Metallurgy, Machinery	248,703	6.96
Food	113,573	3.18
Non-Metal Minerals	88,966	2.49
Wood, Paper	74,674	2.09
Petroleum, Chemicals	152,789	4.27
Other Manufacturing	188,687	5.28
Construction	373,839	10.46
Financial Institutions	292,678	8.19
Retailing and Wholesaling	96,395	2.70
Consumer Loans and Credit Cards	710,296	19.87
Others	721,930	20.20
Total	3,574,548	100.00



Large branch network, qualified personnel, wide range of products and superb IT infrastructure give İşbank an advantage in lending to small and medium-size companies as well as to large-scale companies.

In 2002, İşbank's traditionally prudent approach will be pursued for the credit allocation process, taking into account the economic crisis that mostly affected manufacturing industries. Although the total credit volume of the Turkish banking industry has increased slightly in 2001, İşbank has managed to increase its share in commercial lending activities. Benefiting from the Bank's competitive edge, attempts will be made to include additional companies, which are leaders in their respective sectors and have maintained their strength, despite the crisis, in the customer portfolio. Any potential increase in credit demand will be watched closely and exploited, all the while adhering to prudent credit policies.

As of December 31, 2001, 80.1% of the total credit risk is on companies that fall under the responsibility of the Corporate Loans Department and 19.9% on companies under the responsibility of the Commercial Loans Department.

15 : 25

Capital Markets

İşbank continued to be a major player in the capital markets during 2001 and increased its share in the sector through substantial increases achieved in equity, bond and bill trading as well as in repo and mutual fund transactions.

Capital Market Transactions

(TL trillions)

	Total Market Volume		Change (%)	İşbank's Volume		Change (%)
	2000	2001		2000	2001	
Equities	222,331	186,238	(16)	8,118*	8,900*	10
Bonds and Bills, Repo	3,020,862	2,400,268	(21)	170,146	227,139	34
- on exchange	1,349,195	1,389,278	3	99,614	112,037	13
- off exchange	1,671,667	1,010,990	(40)	70,532	115,102	63

* İş Investment Securities Inc. (İşbank provides services in the Stock Market as an agent of İş Yatırım Menkul Değerler A.Ş. (İş Investment Securities Inc.))



Large branch network, qualified personnel, wide range of products and superb IT infrastructure give İşbank an advantage in lending to small and medium-size companies as well as to large-scale companies.



The Bank's strength in capital markets reflects its product diversification and competitive pricing policy in addition to its capacity to provide widespread and uninterrupted high-quality services through a large branch network, ATMs, Netmatik Kiosks, Internet and telephone banking. During the year, with the aim to improve both product quality and diversification, İşbank developed and launched Moneybox (Piggy Bank) Fund, the first and only mutual fund developed for children. During the year, the Internet site www.isteyatirim.com became operational offering real time market information for individual investors, equity trading orders began to be transferred to the ISE in a magnetic environment, investors became able to directly participate in Treasury tenders for domestic debt instruments payable in both Turkish lira and foreign currency and trading rooms were opened at three additional branch locations.

İşbank acts as a broker for 38% of the stock market investors in Turkey. Although trading volume in the ISE Stock Market shrank by 16% compared to the previous year, the trading volume of İş Investment, for which the Bank provides agency services under the provisions of applicable regulations, increased by 10%. During 2001, İş Investment's market share increased from 3.7% to 4.8% ranking it second among 126 brokerage houses trading on the ISE.



15 : 36 . . . 15 : 39

İşbank's active role in fixed income securities trading continued in 2001 and accordingly increased the market share of the Bank in Treasury tenders and public offerings. According to ISE statistics for trading volumes in Bonds and Bills and Repo/Reverse Repo Markets, İşbank ranked first in the ISE Outright Sales and Purchases Market, third in the Repo/Reverse Repo Market, second in the Off-Exchange Repo and Reverse Repo transactions and seventh in the Off-Exchange Outright Sales and Purchases transactions.

In 2001, five new A-Type mutual funds, including the Moneybox Fund, were introduced, increasing the total number of İşbank's mutual funds to thirteen. Changes in the fund market were mainly dedicated to the developments in the B-Type funds, especially the liquid funds. Paralleling these market changes, İşbank's mutual funds showed similar growth. Total assets under the management of İşbank mutual funds increased by 118% from TL 404 trillion in 2000 to TL 1,130 trillion; Liquid Fund assets rose by 531% to reach TL 879 trillion. Due to the increase in the portfolio size, the market share of İşbank mutual funds, which was 20.3% at the end of 2000, increased to 21.9% at the end of 2001.

During 2001, the Bank rendered corporate finance services to 29 companies for capital increases in cash and through bonus shares, dividend payments and change of share certificates.

In 2001, the average value of the securities of foreign investors kept under İşbank's custody totaled US\$ 447 million.

During the year, total bullion imported by the Bank reached 12,250 kg (the trading volume on the Istanbul Gold Exchange stood at 21,401 kg), while its share in imports increased from 7.9% to 11.8% and the market share in bullion trading rose from 6.9% to 14.8%.

Treasury

Extraordinary changes in 2001, in both economic and political spheres, were reflected as continued uncertainty and volatility in financial markets. Accordingly, İşbank maintained flexible pricing policies for effective management of assets and liabilities, taking into account the liquidity in the first few months of the year and cost and return factors in the following months.

At the beginning of the year, economic and political developments resulted in the adoption of the floating exchange rate regime; the lack of confidence initiated a rapid currency substitution from weak currency to stronger and a transition from weak financial institutions to stronger and trustworthier ones. This resulted in larger banks gradually improving their liquidity positions, especially in terms of foreign currency. Due to the weak demand for credit, the free-float exchange rate system and banks no longer favoring open FX positions coupled with shallow FX markets and diminishing uncertainties in the markets, this excess liquidity was used to finance the Treasury's relatively longer term issues, especially as from the second half of the year, in an effort to maintain profitability.

With these developments on stage, İşbank's market share in both Turkish lira and foreign exchange deposits increased thanks to its large branch network and wide range of products. The weak loan market and consistent inflow of fresh cash required that





İşbank's market share in both Turkish lira and foreign exchange deposits increased thanks to its large branch network and wide range of products.

15 : 47 | 16 : 01



increased Turkish lira and FX liquidity be used in money markets during the first months of the year and largely in securities markets during the rest of the year.

Within the crisis environment of the year 2001 with utmost volatility in FX and interest rates, İşbank's competitive pricing policy, effective interactive banking and large branch network led to an increase in transaction volume both in terms of FX and Turkish lira. The Treasury Customer Desk achieved a significant increase in the number of customers and transaction volume.

In November 2001, the Bank obtained a syndicated loan of US\$ 350 million with a maturity of one year, which was channeled into financing and refinancing of pre-export related transactions. Despite unfavorable conditions, which emerged specifically after the September 11th terrorist attacks, interest from international markets reassured once more the investor confidence at İşbank. The Bank was able to reimburse US\$ 775 million that was obtained in 2000 under a syndicated deal, with existing liquidity and without affecting the markets and preferred to extend only 45% of the reimbursed syndicated loans due to continuing problems in loan markets and excessive inflow of funds.

In April 2001, İşbank participated as co-arranger with an amount of US\$ 80 million in the financing of the Deriner Dam and Hydroelectric Power Plant project with a total value of US\$ 330 million. Having also participated in project finance projects in secondary markets during 2001, İşbank aims to be an active player in both primary and secondary markets during 2002.

It is anticipated that during 2002 the economy will be revitalized. However, it is expected that the improvement will be limited and the process will take longer than planned due to the problems affecting the entire economy - not only the finance sector - resulting in a vicious circle. Within this context, a substantial increase in demand for commercial and consumer loans and a significant expansion in the credit volume are not expected in the short-term. With a weak demand for loans, Turkish Treasury securities and money market instruments will continue to be attractive for the banks, as was the case in the previous year.

To diversify funding sources, eliminate maturity mismatches between assets and liabilities and integrate deeper into international markets, İşbank aims to benefit from straight bond issuance, commercial paper and securitization schemes by closely monitoring the developments in the domestic and international markets in addition to prospective syndicated facilities.



16:03..

The risk management and internal audit system at İşbank was structured at the end of 2001 in line with the best practices and in accordance with the principles and organizational set-up required by Turkish regulations.

Risk Management and Internal Audit

The risk management and internal audit system at İşbank was structured at the end of 2001 in line with the best practices and in accordance with the principles and organizational set-up required by Turkish regulations. These regulations are continuously upgraded to reach internationally accepted standards for risk management. Consequently, İşbank has proactively adopted the optimum practices, techniques and methodologies for risk management available in international banking spheres.

The risk management and internal audit system at İşbank is made up of the Internal Audit System comprised of the Board of Inspectors, the newly established Internal Control Department and the Risk Management Group. The Board of Inspectors report directly to the Chairman, whereas the Internal Control and Risk Management Departments report directly to the Chief Risk Officer, who also is a member of the Bank's Board of Directors.

Internal Audit System

Internal audit system at İşbank is formed as an integrated process of auditing and controlling.

Performing the audit process, the Board of Inspectors aims to ensure the efficiency and effectiveness of activities, to secure reliability, completeness and timeliness of financial and management information and make sure that the activities of the Bank are fully in compliance with applicable laws and regulations.

The scope of the audit process covers all activities and units of the Bank. Branches are audited periodically and Head Office units are audited if deemed necessary. The audit process includes on-site examination of all material information, accounts and records, documents kept within the Bank and all other factors, which may affect safety of the personnel and the Bank, as well as, off-site examinations; launching an investigation, taking testimonies, asking for defenses, seizing documents and information, and where deemed necessary, suspending responsible personnel until the completion of the examination.

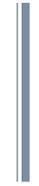
The Board of Inspectors also examines the functioning of the internal control and risk management systems. Investigation, examination or audit reports are directly submitted to the Bank's Board of Directors or to Senior Management for execution of necessary operations, depending on their importance and priority.

With its established traditions and dynamic and highly qualified staff, the Board of Inspectors uses contemporary auditing techniques and functions.

Performing the control process, the Internal Control Department, established in 2001, focuses on the internal auditing of Head Office departments and branches within the framework and principles, which are determined in accordance with international standards for internal auditing.



. 16 : 11



16 : 22



The Internal Control Department, organizes, manages and coordinates the Bank's internal control activities by on-site and ongoing controls performed by internal controllers at Head Office departments and branches, as well as by off-site controls carried at the Department Center. All control activities are implemented with a risk oriented approach to assure compliancy with laws, internal arrangements, limits, authorizations, etc.

Risk Management System

The overall monitoring and evaluation of risk and risk management activities lies within the primary responsibility of the Board of Directors. Chief Risk Officer, nominated member of the Board, heads the Executive Risk Committee that reports directly to the Board of Directors. Other members are the heads of Credit Committee, Assets and Liability Committee, and the Bank-wide Risk Committee and representatives from the Group companies responsible for risk management who participate in the decision-making process on a consolidated basis.

Performing the functions of the Bank-wide Risk Committee as well, the Risk Management Department is made up of groups related to credit, market and operational risks as well as the equity participations group. Main task of the Committee includes the definition, measurement, monitoring and management of risk that emerge during the normal course of operations. Additionally, it makes proposals to the Executive Risk Committee with regard to the determination of risk policies and strategies of the Bank.

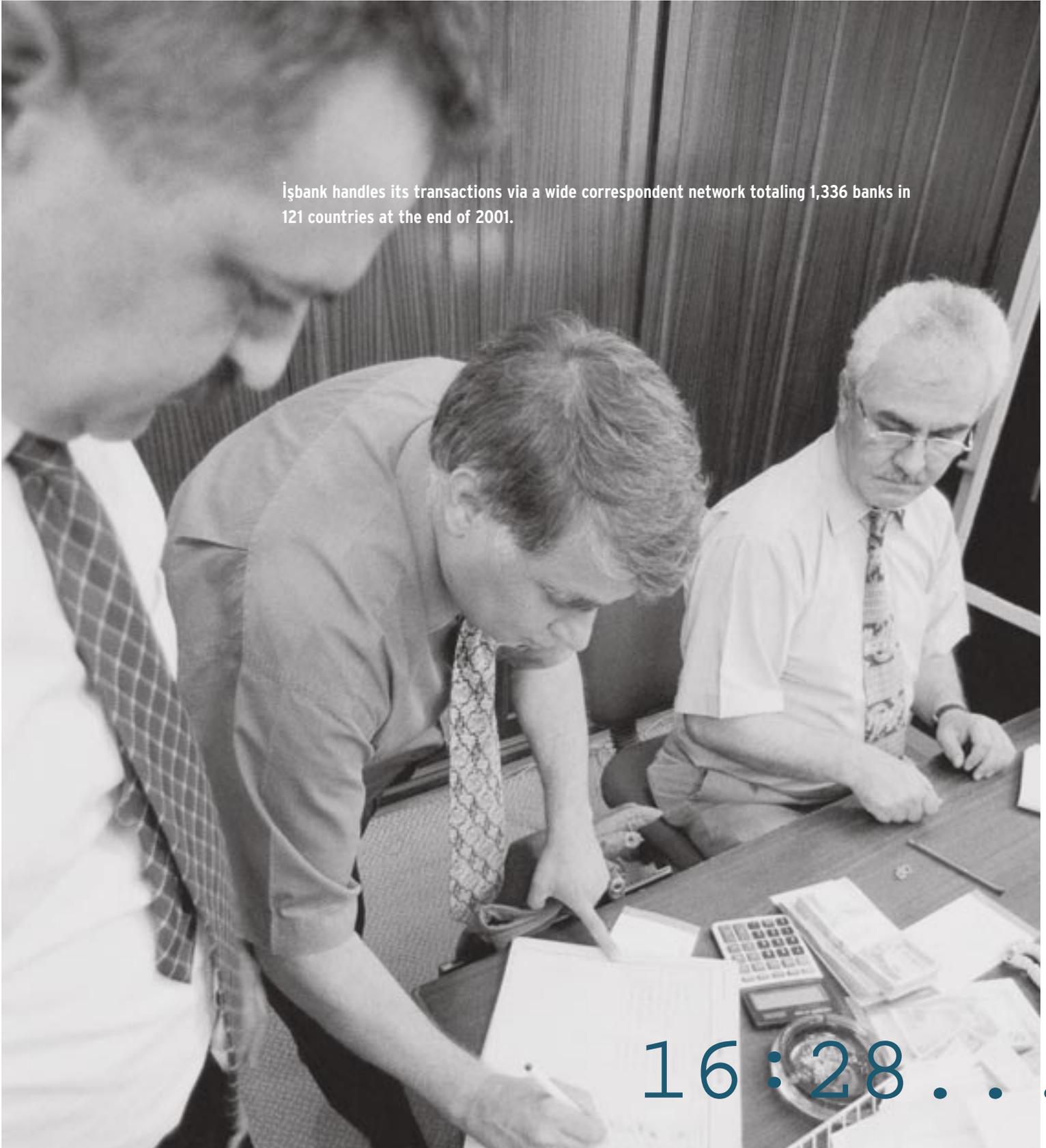
Within this context -

- The Credit Risk Group is involved in the measurement of counter-party risk encountered during credit transactions and monitoring of risks in comparison to legal requirements and Bank limits. The Group studies and follows new techniques and applications with regard to credit risk measurement and control;
- The Market Risk Group is involved in the measurement of Value-at-Risk in the trading of financial instruments resulting from changes in interest and FX rates and equity prices, conducting back-testing and measuring risk using Value-at-Risk (VaR) methodology in addition to the BIS Standard Method and supporting these analyses by stress testing, determination and monitoring of VaR-based risk limits;
- The Operational Risk Group is involved in measuring the impact and likelihood of wide-ranging operational risk, not included within the scope of credit and market risk and the competence of current control practices using self-assessment methodology, improvement of inadequate control mechanisms and the development of new control mechanisms;
- The Equity Participations Risk Group oversees the performance of necessary actions to ensure risk management on a Group basis, of which the Bank is a part.





İşbank handles its transactions via a wide correspondent network totaling 1,336 banks in 121 countries at the end of 2001.





International Banking

Banking operations for international trade activities at İşbank are delivered through 82 fully authorized, numerous partially authorized domestic branches and five free zone branches in Turkey and branches in the United Kingdom and the Turkish Republic of Northern Cyprus, in addition to the international branch network of İşbank GmbH, the German subsidiary. İşbank GmbH operates through twelve branches in Germany, two in the Netherlands, one in France and one in Switzerland.

The expansion of the international network of İşbank continued in 2001 through the establishment of the New York Representative Office on January 2, 2001, the off-shore branch in Bahrain on April 17, 2001, and the KüçükKaymaklı/Nicosia and Güzelyurt Branches in the Turkish Republic of Northern Cyprus on June 18, 2001.

Studies have started to establish a bank in the Netherlands in order to improve the effectiveness of the international network in European countries. It is anticipated that two branches in the Gaziantep and Bursa Free Zones will become operational in 2002.

İşbank handles its transactions via a wide correspondent network totaling 1,336 banks in 121 countries at the end of 2001. With its broad-based network of correspondent banks and vast domestic branch network, the Bank was able to increase incoming foreign currency transfers by 52% to US\$ 10.3 billion and outgoing transfers by 10% to US\$ 13.5 billion.

İşbank increased its market share to 10% with a total international trade volume of US\$ 7 billion in 2001.

Equity Participations

Since its establishment in 1924, İşbank has occupied a very important place not only in the Turkish financial sector but also in manufacturing industries and has pioneered many new areas of business through investments and participations in the industrial and finance sectors. In the 77 years since its foundation, the Bank has invested in the equity of 281 companies and divested shares in 202 of these companies over time. İşbank holds equity in 79 companies operating in telecommunications, petroleum distribution, glass, iron and steel, tire, insurance, investment and development banking, factoring and leasing.

İşbank is proud to be the founder of some of the most important industries in Turkey. In 1925, the Bank established Anadolu Anonim Türk Sigorta Şirketi, currently one of the leading insurance companies in Turkey. In 1935, it established the first glass manufacturing company in Turkey, Türkiye Şişe ve Cam Fabrikaları A.Ş., now the second largest producer of household glass products in Europe, third in the world.

Following the privatization of Petrol Ofisi A.Ş., the largest petroleum products distribution company in Turkey, the reconstruction process to meet the increased customer expectations by adhering to the principle of "unconditional customer

16 : 33 || 16 : 45 || 16 : 50

16:52...



İşbank will continue to adopt innovative IT-based banking applications in the future as it focuses on new projects that will help to maintain its leadership within the sector.

satisfaction" was conducted. Both the sales volume and market share increased substantially as result of the investments made to improve the standards of the station network, the logistic infrastructure and wide range of accessible products.

İşbank Group holds 51% of the total shares of İş-Tim Telekomünikasyon Hizmetleri A.Ş., the third GSM operator in Turkey; Telecom Italia Group holds the remaining 49%. Carrying on with investments to become an effective operator in the sector, the Company achieved coverage of about 50% of the entire population and currently serves its clientele under the "Aria" brand in 199 centers and 340 sales points throughout the country. The Company has signed roaming agreements with 117 international operators in 61 countries.

Information Technology

İşbank maintained its pioneering position in Turkey with regard to IT applications during 2001. The Bank introduced Kasamatik, which can best be described as an online cash deposit machine.

In order to reactivate the central system under extraordinary circumstances, the Disaster Recovery Test, carried out annually on a scheduled basis at the Izmir Disaster Recovery Center (utilized also by various other establishments) on lease from IBM, was successfully performed again in 2001. With the aim of minimizing the effects of extraordinary circumstances (other than system breakdown) on the interbranch communication, the establishment of the Acibadem Telecommunication Center in Istanbul was completed, in addition to the centers established at Ankara, Istanbul and Izmir.

Studies to establish and develop a Data Warehouse were completed; implementation began in a DB/2 environment using consumer banking data. Within this scope, all products used by a client under a single client number, demographic data and transactions were loaded into the data warehouse and a search model to meet the needs of retail banking was developed and introduced.

Within the context of safe interactive cellular phone banking that has been developed using an encoded SIM card supplied by İş-Tim and USSD technology, 17 various data searches via cellular phone can be carried out that include the follow-up of the investment portfolio value, obtaining the account statement, portfolio analysis and examination of orders and equity price changes. In addition, monetary transactions such as placement of buy or sell orders for equities, credit card and utility bill payments can also be performed via cellular phones.

İşbank will continue to adopt innovative IT-based banking applications in the future as it focuses on new projects that will help to maintain its leadership within the sector.

16:59 || 17:05 || 17:20



Pioneering various applications, mainly with regard to electronic banking, İşbank employs a qualified, well educated and highly motivated staff, able to rapidly adopt innovative banking techniques.

Organization and Real Estate & Premises

The 'New Branch Organization Project' was initiated at the end of 1999, reorganizing İşbank branches with functions redefined under a customer-oriented, swift work-flow approach; 122 additional branches were included in the project in 2001, bringing the total number of branches to 202 where new work order and job descriptions are applied.

The Accounting Department was restructured and two new departments were established; Financial Affairs Department and Risk Management Department. The Internal Auditing Department was established, while Administrative Affairs and Supplies Departments were merged under the Support Services and Purchasing Department. The Deposits and Banking Services Department was abolished and its duties were assigned to the Retail Banking Marketing and Deposits Department. The duties of the II. Credits Department were rearranged and the name changed to Non-Performing Credits Department.

A comprehensive study for the improvement of customer service quality was carried out, the project and its aims were introduced by meetings held with Head Office personnel and branch office staff members and made accessible for the employees through various sources on the Intranet.

In 2001, in line with the rapidly changing market conditions and increased competition, a total of 19 new branches were established, two in the Turkish Republic of Northern Cyprus and one in Bahrain. Also during the year, the performance level of the branches, the markets and developments in the banking sector were monitored and an evaluation as to size and efficiency of the branch network was made; consequently 31 branches were closed after merging. At the end of 2001, the total number of domestic branches reached 834 and overseas branches seven.

To aid in the implementation of the awareness of quality philosophy and the importance of customer satisfaction, a new project was initiated. Meetings were held with the entire Head Office staff and the branch managers; distribution of periodical leaflets describing the important subjects of this project has started.

Human Resources and Training

The competitive environment has produced new market conditions, which include rapidly changing technology and modification to the supply-demand structure in order to cope with more conscientious customers that use e-trade facilities. These changes have necessitated the implementation of a more customer-oriented service approach. Pioneering various applications, mainly with regard to electronic banking, İşbank employs a qualified, well educated and highly motivated staff, able to rapidly adopt innovative banking techniques.



As a major employer in Turkey, İşbank had 15,945 personnel at the end of 2000; at the end of 2001, this number was reduced by 200. Adhering to İşbank's high standards, during the year, a total of 892 officers and 89 specialists were recruited.

Work that began in collaboration with Andersen Business Consulting in October 1999 to review the human resources policy and its adaptation to other changing processes within the Bank and to redesign Human Resources and Training Departments continued during 2001. Within this project, all human resources applications were reviewed and matters that needed improvement in line with other changing schemes were determined by proposals and suggestions from the employees. A new model was designed to handle all human resource activities as a whole while primarily aiming to achieve employee satisfaction. The design process was completed in May 2002.

As an organizational policy, vacant managerial positions are filled by promotions from within the lower ranks of the Bank. For this reason, İşbank gives great significance to the training needs of its employees and offers training and internship opportunities both within Turkey and abroad. Depending upon each employee's professional field of interest, career planning and position and the needs of the organization, in-house and on-the-job training programs are conducted at the Bank's training centers in Istanbul, Ankara and Izmir, as well as other locations.

During 2001, a total of 13,375 staff members attended training programs. The number of participants in programs held for upper management levels increased by 188% to 1,808.

The number of branches included in the New Branch Organization and Retail Banking Performance Development Project increased rapidly during 2001. Training in these fields was emphasized and a total of 896 employees were trained for their new positions within the Bank. Special training programs and conferences were also held within the new project, which was started in the fourth quarter of 2001 to increase service quality and customer satisfaction.

17 : 23 . . .

Contribution to **Culture and the Arts**



İş Sanat Cultural Center, opened on November 4, 2000, within the İş Towers Complex, has quickly become one of the most distinguished art complexes - not only in Istanbul - but also across the country.

A Giant Mark in Culture and the Arts

Since its establishment by Atatürk in 1924, İşbank has adhered to its principle of contributing to the country's economic, social, cultural and artistic life. In addition to its various publications, art galleries, collections and diverse exhibitions, the Bank continues to organize cultural activities, including concerts, films and poetry readings at the İş Sanat Cultural Center. This Center, opened on November 4, 2000, within the İş Towers Complex, has quickly become one of the most distinguished art complexes - not only in Istanbul - but also across the country, due to its technical features and annual schedule.

İşbank plays a leading role in enriching the contributions of other distinguished corporations toward Turkish cultural life. The Bank sponsored various important events during 2000, but in 2001, it excelled in the organization of high profile cultural activities.

- 'The Nutcracker' - the last ballet by the legendary composer Tchaikovsky, was performed during the 2001 season by the Istanbul State Opera and Ballet Company under İşbank sponsorship.
- Early in the year, the Kibele Art Gallery, located within the İş Sanat Cultural Center was opened featuring an exhibition organized to honor the 100th year of birth of the famous Russian painter Ivan Aivazovski. This exhibition brought together a number of distinguished international collections. Retrospectives featuring works of world-famous Turkish and foreign artists plus an exhibition of selected work from among İşbank collections were also held during 2001.
- İş Sanat Istanbul Hall continues to introduce world famous artists such as Cesoria Evora, Al di Meola, Yo-yo Ma, Charlie Haden, Gonzalo Rubalcaba, Dee Dee Bridgewater, Dane Brubeck, BBC Philharmonic Orchestra and St. Petersburg Philharmonic Orchestra to Istanbul audiences.

17:28 17:30 . . .



17:32... 17:45 18:03

As we leave another busy day behind,
İşbank is ready for tomorrow... for the future...





Financial Statements and Notes to Financial Statements

TÜRKİYE İŞ BANKASI A.Ş.

INFLATION ADJUSTED BALANCE SHEET

(Amounts are stated in TL billion and with the purchasing power of TL as of 12.31.2001)

	12.31.2001
Cash and equivalents	317,542
Cash balances - Turkish Lira	90,315
Cash balances - Foreign Currency	224,592
Others	2,635
Banks 641,931	
Due from the Central Bank	47,854
Due from banks	594,077
- Domestic banks	69
- Foreign banks	594,008
Other financial institutions	0
Interbank funds sold	968,415
Marketable securities (Net)	2,432,041
Government bonds and treasury bills	2,227,932
Other bonds	0
Equity shares	761
Other marketable securities	203,348
Loans	3,958,663
Short-term	2,406,691
Medium and long-term	1,551,972
Loans in arrears (Net)	1,109,990
Loans with limited recovery (Net)	275,117
- Gross receivables	296,405
- Provision for loan losses (-)	21,288
Loans with doubtful recovery (Net)	396,264
- Gross receivables	474,788
- Provision for loan losses (-)	78,524
Loans considered as loss (Net)	438,609
- Gross receivables	778,747
- Provision for loan losses (-)	340,138
Interest & other income accruals	936,267
Loans	538,264
Marketable securities	346,224
Other	51,779
Leasing receivables (Net)	0
Leasing receivables	0
Unearned income (-)	0
Reserve deposits at the Central Bank	1,021,360
Miscellaneous receivables	32,389
Participations (Net)	389,107
Financial services	37,185
Others	351,922
Subsidiaries (Net)	1,742,696
Financial services	565,825
Other	1,176,871
Long-term securities (Net)	1,489,292
Equities	24,554
Other long-term securities	1,464,738
Fixed assets (Net)	1,319,947
Book value	4,037,852
Accumulated depreciation (-)	2,717,905
Other assets	33,100

TOTAL ASSETS

16,392,740

TÜRKİYE İŞ BANKASI A.Ş.

INFLATION ADJUSTED BALANCE SHEET

(Amounts are stated in TL billion and with the purchasing power of TL as of 12.31.2001)

	12.31.2001
Deposits	11,432,358
Savings deposits	2,111,490
Certificates of deposits	0
Government deposits	19,090
Commercial deposits	601,949
Other deposits	246,668
Bank deposits	254,569
Deposits in foreign currencies	8,198,592
Gold deposit accounts	0
Interbank funds borrowed	0
Funds borrowed	1,259,223
The Central Bank funds borrowed	0
Other funds borrowed	1,259,223
- Domestic banks and other institutions	248,412
- Foreign banks, institutions and funds	1,010,811
- Subordinated debts	0
Funds	0
Securities issued (Net)	0
Bonds	0
Asset-backed securities	0
Bills	0
Interest & other expense accruals	149,803
Deposits	115,283
Funds borrowed	18,875
Other	15,645
Leasing payables (Net)	4,410
Leasing payables	4,410
Deferred leasing expenses (-)	0
Taxes, duties and fees payable	39,014
Import transfer orders	180,227
Miscellaneous payables	63,846
Provisions	203,813
Prov. for end-of-service benefits	18,100
General provision for loan losses	31,827
Provision for taxes	836
Other provisions	153,050
Other liabilities	153,822
Shareholders' equity	2,906,224
Paid-in share capital	810,573
- Registered share capital	810,573
- Unpaid capital (-)	0
Legal reserves	492,573
- I. and II. legal reserves	488,696
- Share premiums	0
- Other legal reserves	3,877
Optional reserves	683,469
Capital reserves due to inflation adjustment	1,308,652
Revaluation surplus	472,805
Revaluation differences	409,304
Loss	1,271,152
- Current period loss	762,047
- Previous years' losses	509,105
Profit	0
Current period profit	0
Previous years' profits	0
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	16,392,740
CONTINGENCIES & COMMITMENTS	
Guarantees	4,090,107
Commitments	1,581,086
Derivatives	486,317
TOTAL	6,157,510

TÜRKİYE İŞ BANKASI A.Ş.

INFLATION ADJUSTED INCOME STATEMENT

(Amounts are stated in TL billion and with the purchasing power of TL as of 12.31.2001)

12.31.2001

I- INTEREST INCOME	3,158,464
Interest income on loans	1,782,739
Interest income on loans - Turkish Lira	1,320,878
- Short-term	833,889
- Medium and long-term	486,989
Interest income on loans - Foreign currency	440,507
- Short-term	296,504
- Medium and long-term	144,003
Interest income on loans in arrears	21,354
Interest difference for the state backed loans	0
Interest income on reserve deposits at the Central Bank	19,551
Interest income received from banks	53,517
The Central Bank	14
Domestic banks	11,740
Foreign banks	41,763
Interest income on interbank operations	271,399
Interest income on marketable securities	1,005,209
Government Bond and Treasury Bills	913,748
Other marketable securities	91,461
Other interest income	26,049
II- INTEREST EXPENSES	2,018,979
Interest paid for deposits	1,856,487
Savings deposits	1,051,637
Certificates of deposit	0
Government deposits	243
Commercial deposits	131,916
Other deposits	97,812
Bank deposits	148,711
Deposits in foreign currencies	426,168
Gold deposit accounts	0
Interest paid for interbank operations	5,078
Interest paid for funds borrowed	141,870
To the Central Bank	0
To domestic banks	34,471
To foreign banks	107,382
Other	17
Interest paid for securities issued	0
Other interest expenses	15,544
III. NET INTEREST INCOME (I-II)	1,139,485
IV- OPERATING INCOME	19,128,818
Fees and commissions received	387,744
Loans	50,901
Contingent liabilities	70,952
Other	265,891
Income on capital market operations	168,421
Income on foreign exchange operations	18,183,985
Dividend from participations and subsidiaries	96,268
Extraordinary income	11,382
Other operating income	281,018
V- OPERATING EXPENSES	20,825,154
Fees and commissions paid	102,628
Loans	11,568
Contingent liabilities	3
Other	91,057
Loss on capital market operations	233,549
Loss on foreign exchange operations	18,823,856
Personnel expenses	436,698
Provision for end-of-service benefits	7,100
Rental expenses	25,117
Depreciation expenses	76,665
Taxes and duties	71,709
Extraordinary expenses	0
Provision for loans in arrears	414,707
Other provisions	279,812
Other operating expenses	353,313
VI- NET OPERATING INCOME (IV-V)	(1,696,336)
VII- PROFIT/LOSS BEFORE TAX (III+VI)	(556,851)
VIII- PROVISION FOR TAX	836
IX- GAIN/LOSS ON NET MONETARY POSITION	(204,360)
IX- NET PROFIT/LOSS (VII-VIII-IX)	(762,047)

NOTES TO THE BALANCE SHEET

LIABILITIES

Shareholders' Equity

Shareholders' equity, consisting of paid-in capital, legal and optional reserves, revaluation fund and inflation adjustments to share capital is given below:

(TL billions)	2001
Paid-in Capital	810,573
Legal Reserves	492,573
Optional Reserves	683,469
Revaluation Fund	882,109
Inflation Adjustment to Share Capital	1,308,652
Inflation Adjusted Loss	(1,271,152)
- Current Period Loss	(762,047)
- Previous Years' Losses	(509,105)
Shareholders' Equity	2,906,224

Legal and optional reserve funds together totaled TL 1,176,042 billion.

Total revaluation funds consisting of the difference between the expert valuation and indexed cost for the real estate whose expert valuation is greater than its indexed acquisition cost and, the revaluation of the shares of total participations that are traded on the Stock Exchange, stood at TL 882,109 billion.

Reserves stemming from the inflation adjustment to share capital totaled TL 1,308,652 billion.

Balance sheet loss figure, composed of TL 762,047 billion of current period loss and TL 509,105 billion of previous years' losses, totaled TL 1,271,152 billion after inflationary adjustments.

Thus, as of the end of 2001, shareholders' equity stood at TL 2,906,224 billion after the deduction of TL 1,271,152 billion, which is the sum of current period loss and previous years' losses.

EXTERNAL FUNDING

Deposits

Total deposits stood at TL 11,432,358 billion and the main groups of deposit accounts are given in the table below:

(TL billions)	2001
Savings Deposits	2,111,490
Government, Commercial and Other Deposits	867,707
- Government	19,090
- Commercial	601,949
- Other	246,668
Deposits in Foreign Currencies	8,198,592
Bank Deposits	254,569
Total Deposits	11,432,358

Savings deposits amounted to TL 2,111,490 billion.

Government deposits, constituting an insignificant part of total deposits, stood at TL 19,090 billion, commercial deposits stood at TL 601,949 billion and other deposits stood at TL 246,668 billion.

While foreign exchange deposits amounted to TL 8,198,592 billion, bank deposits amounted to TL 254,569 billion.

NOTES TO THE BALANCE SHEET continued

The table showing the distribution of deposit accounts, as demand and time deposits, is given below:

(TL billions)

	2001
Time	8,861,858
Demand	2,570,500
Total	11,432,358

Interbank Funds Borrowed

This account, which is composed of funds borrowed from the interbank market, showed no balance as of 12.31.2001.

Central Bank Loans

This account showed no balance for 2001, since no loans were obtained from the Central Bank during the year.

Other Funds Borrowed

The amount of loans provided by other sources, mainly corresponding to foreign borrowings totalled TL 1,259,223 billion.

Interest and Expense Accruals

Accrual accounts, composed mostly (76.96%) of accrued interest payable on time deposits and on funds borrowed from domestic and foreign institutions, which are not due yet, repo and forward transactions accruals, amounted to TL 149,803 billion.

Taxes, Duties, Fees and Premiums Payable

The balance of this account, at the end of 2001, stood at TL 39,014 billion.

Import Transfer Orders

The year-end balance of this account, covering the transfer orders regarding import activities from the Bank's FX positions, is TL 180,227 billion.

Miscellaneous Payables

The year-end balance of this account, consisting of cash guarantees received, blocked accounts, deductions from funds payable to the Central Bank of Turkey, is TL 63,846 billion.

Other Liabilities

The transfer orders waiting for the application of the beneficiaries, and other provisional accounts constitute this group.

ASSETS

Cash and Equivalents

Cash amounts, mostly consisting of Turkish and foreign currency, stood at TL 317,542 billion.

Due from Banks

The Bank's cash, deposited at the Central Bank, mostly in Turkish currency, totaled TL 47,854 billion. Deposits with other banks totaled TL 594,077 billion.

Interbank Funds Sold

This account, with a balance of TL 968,415 billion, shows deposits in the Interbank Market as of the end of 2001.

Liquidity Position

Liquid assets, 5.90% of which is held in cash, constitute 32.83% of total assets and correspond to 47.07% of total deposits. The composition of liquid assets is given below:

(TL billions)

	2001
Cash and Equivalents	317,542
Due from the Central Bank	47,854
Interbank Funds Sold	968,415
Due from Banks	594,077
Marketable Securities	2,432,041
Reserve Deposits at the Central Bank	1,021,360
Total	5,381,289

Throughout the year, maximum attention has been paid to keep the liquid assets at a level sufficient to meet the Bank's commitments at any time.

Placements

Total placements amounted to TL 8,876,802 billion. Loans and financial placements are shown below:

(TL billions)

	2001
Loans	3,958,663
Financial Placements	4,918,139
Total	8,876,802

Loans

Loan portfolio amounted to TL 3,958,663 billion.

The principles of safety, liquidity, repayment and profitability have been emphasized in lending activities. As always, great attention was paid to monitoring customers in order to further increase the quality of the portfolio and medium and long-term credits were not extended, except for experienced and well-known companies. A balanced geographical diversification was maintained, risk concentrations were not allowed and legal action in problem cases were immediately applied for.

The distribution of loans, according to their maturity on short and medium-long term basis, is given below:

(TL billions)

	2001
Short-term Loans	2,406,691
Medium and Long-term Loans	1,551,972
Total	3,958,663

NOTES TO THE BALANCE SHEET continued

The ratio of short-term loans to total loans was 60.80% in 2001;
- short-term loans stood at TL 2,406,691 billion,
- medium and long-term loans stood at TL 1,551,972 billion.

Financial Placements

Composition of the Bank's financial placements is shown below:

(TL billions)

	2001
Reserve Deposits at the Central Bank	1,021,360
Marketable Securities	2,432,041
Long-term Securities	1,464,738
Total	4,918,139

Reserve Deposits at the Central Bank

Reserve deposits at the Central Bank stood at TL 1,021,360 billion.

Of this total amount, TL 902,113 billion, equivalent to US\$ 643 million, are in foreign currency, and TL 119,247 billion is in Turkish currency.

Marketable Securities

Securities portfolio amounted to TL 2,432,041 billion.

The amount of Government Bonds and Treasury Bills in the Bank's portfolio is above the legally required levels.

Loans in Arrears

In the year 2001, provisions for non-performing loans were set aside at ratios stipulated by the Provisioning Regulation.

Other Receivables

This account, under which receivables other than credit transactions are recorded, stood at TL 32,389 billion for 2001.

Subsidiaries, Participations and Long-Term Securities

The value of the Bank's subsidiaries and participations, either indexed or marked to market, are shown below on sectoral basis:

a) Subsidiaries

(TL billions)

	2001
Manufacturing Sector	438,332
Service Sector	1,304,364
- Financial Companies	565,825
- Other Companies	738,539
Total	1,742,696

During the year, for its subsidiaries, İşbank participated in a capital increase of TL 321,411 billion, including the receipt of bonus shares amounting to TL 93,703 billion; TL 4,502 billion is paid to acquire more shares in two existing companies. In 2001, İşbank divested all its shares in one company and part of its shares in four companies for TL 3,735 billion.

b) Participations

(TL billions)

	2001
Manufacturing Sector	75,879
Service Sector	313,228
- Financial Companies	37,185
- Other Companies	276,043
Total	389,107

During the year, for its participations, İşbank participated in a capital increase of TL 22,583 billion, including the receipt of bonus shares amounting to TL 10,930 billion. In 2001, İşbank divested all its shares in a participation for TL 2 billion.

c) Long-Term Securities

The value of long-term securities, either indexed or calculated according to prices at stock exchange market, amounted to TL 24,554 billion. During the year, İşbank participated in a capital increase of TL 9,570 billion including the receipt of bonus shares valued at TL 8,338 billion.

In 2001, the number of participations declined from 81 to 79 as a result of the sale of the Bank's shares in two companies.

d) Other Long-Term Securities

Shares given as collateral to enable the Bank to trade on markets organized by some governmental financial institutions, provided that the ownership will be preserved by the Bank, and securities not traded within the last 12 months are kept under this account, the balance of which was TL 1,464,738 billion at the end of the year.

A table giving the sectoral distribution of the Subsidiaries, Participations and Long-Term Securities, and a report containing general information about subsidiaries and participations can be found at the end of this Annual Report.

Fixed Assets

The total amount of net book values of land and buildings, fixtures and leasehold improvements after deduction of accumulated depreciation and total indexed value of foreclosures stood at TL 1,319,947 billion.

(TL billions)

	2001
Equipment and Fixtures	81,371
Land and Buildings	999,154
Leasehold Improvements	9,020
Foreclosures	230,402
Total	1,319,947

Other Assets

Other assets included in the balance sheet cover the provisional accounts of debtors and other provisional accounts.

NOTES TO THE INCOME STATEMENT

Revenues

Revenues stood at TL 22,287,282 billion.

(TL billions)

	2001
Interest Income	3,158,464
Operating Income	19,128,818
Total	22,287,282

Of the interest income;

- TL 1,782,739 billion (56,44%) has been generated by loans,
- TL 1,005,209 billion (31,83%) by the securities portfolio,
- TL 370,516 billion (11,73%) from banks and other interest bearing transactions.

Total non-interest income was TL 19,128,818 billion.

Commission income included in operating income was TL 387,744 billion.

Profit from capital market transactions was TL 168,421 billion.

Dividend income from participations was TL 96,268 billion, extraordinary income and other non-interest income reached a total of TL 292,400 billion and the foreign currency gains amounted to TL 18,183,985 billion.

Expenses

The breakdown of interest expenses, which sums up to TL 23,049,329 billion, is given below:

(TL billions)

	2001
Interest Expenses	2,018,979
Operating Expenses	20,825,990
Net Loss on Monetary Position	204,360
Total	23,049,329

Interest expenses constitute 8.76% of total expenses.

The amount of interest paid on the deposit accounts is TL 1,856,487 billion and constitutes 91.95% of total interest expenses whereas the amount of TL 141,870 billion paid on loans taken constitutes 7.03% of total interest expenses.

Personnel expenses are TL 436,698 billion and constitute 1.89% of total expenses.

Loss on net monetary position arising from the inflation adjustment of balance sheet and profit/loss items amounts to TL 204,360 billion.

Tax and duty expenses, operating expenses and other expenses increased in line with the expansion of the Bank's business volume and price increases.

The Bank's net loss on foreign exchange of TL 639,871 billion is calculated by deducting losses on foreign exchange of TL 18,823,856 billion from foreign exchange profits of TL 18,183,985 billion. This loss, arising from

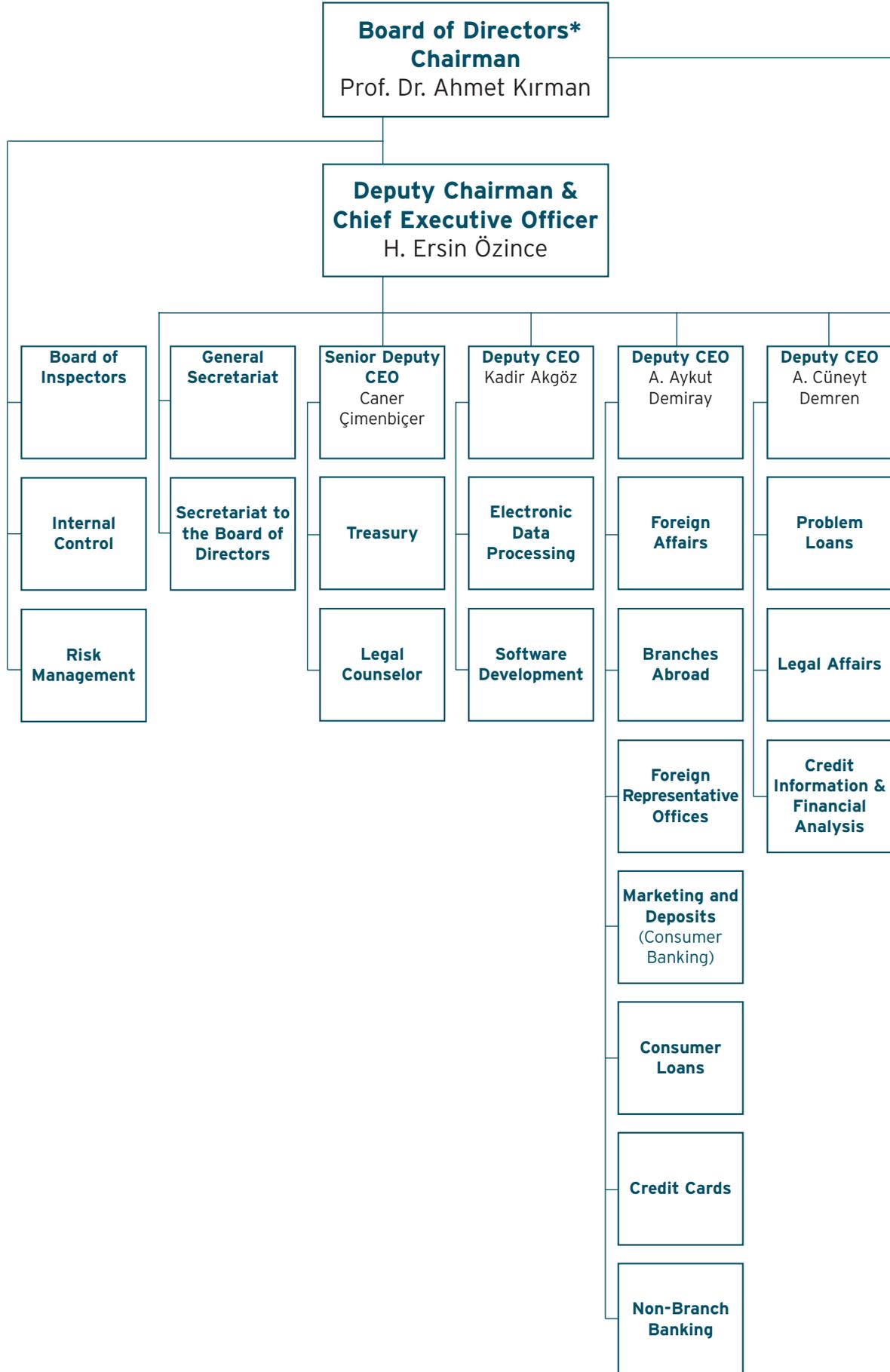
the open position, which had been taken during 2001, has been more than compensated by the Turkish currency income generated by carrying an open position.

Profit/Loss

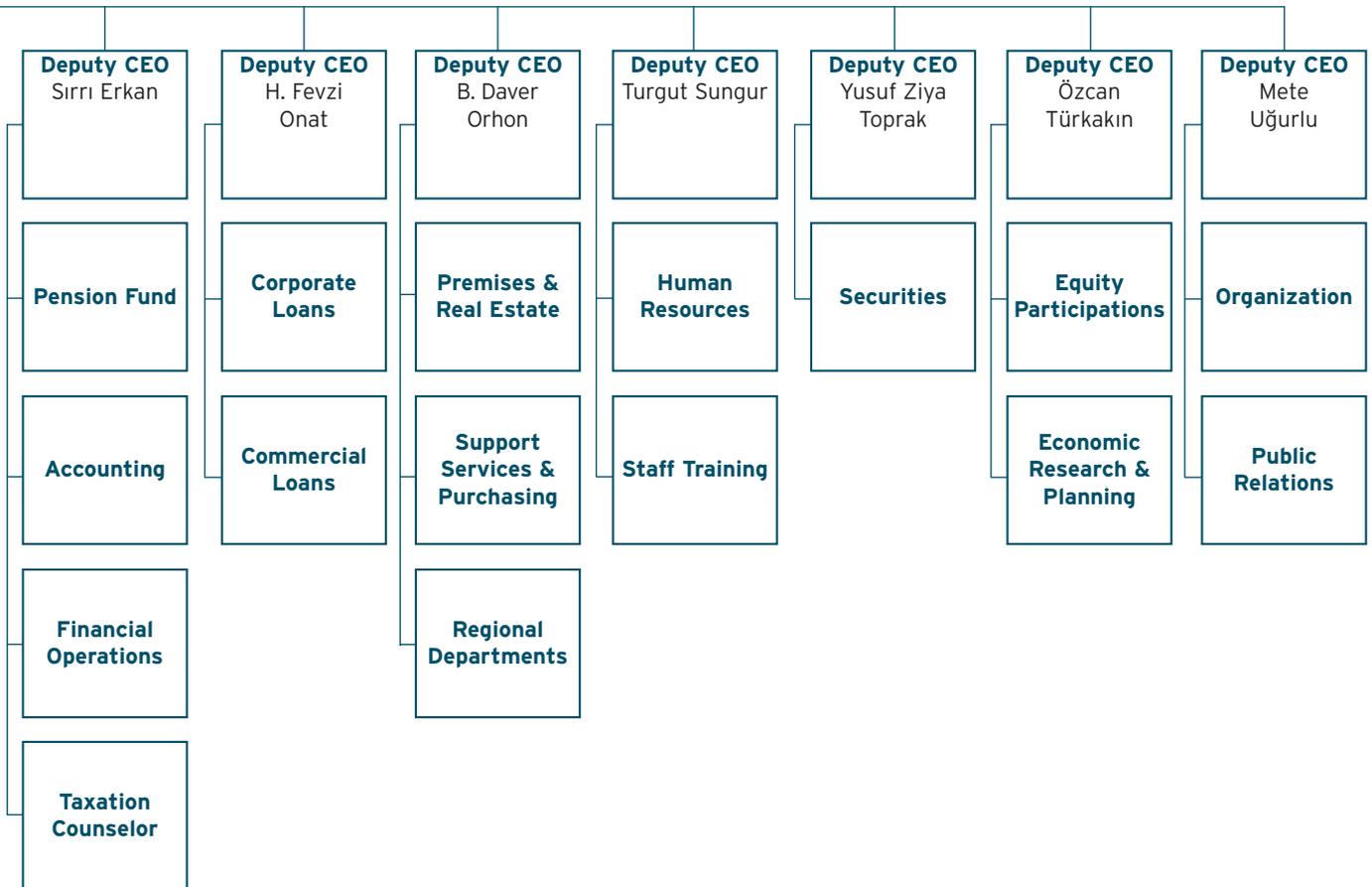
(TL billions)	2001
Total Income	22,287,282
Total Expenses	23,049,329
Net Loss	762,047

After allocation of interest and non-interest expenses, provisions and the deduction of the net monetary position loss, which arises from the adjustment of income/expense figures according to inflation, TL 762,047 billion loss has been posted as a result of year 2001 activities.

ORGANIZATIONAL CHART



Deputy Chairman & CEO H. Ersin Özince
Director Prof. Dr. Toker Dereli
Director Kemal Kılıçdaroğlu
Director Ethem Öz
Director H. Arslan Sarsar
Director M. Cevdet Selvi
Director Bahtiyar Sönmez
Director Bülent H. Tanla
Director Prof. Dr. M. Baran Tuncer
Director M. Nail Yağcı
Auditor Nilgün Erkan
Auditor Volkan Taşkın



* New Board of Directors appointed at Annual Meeting held on July 12, 2002
 Executive Committee as of August, 2002

DEPARTMENT MANAGERS

As of September 2002

Halil Oğuz Su	Board of Inspectors
Kemal Ađanođlu	Credit Information & Financial Analysis
Necati Aksoyođlu	Legal Affairs Counselor
Vasfi Amcaođlu	Procurement & Supplies
A. Erdal Aral	Treasury
M. Turgay Atalay	Consumer Loans
Cana Atınç	Public Relations
Tölin Aykın	Human Resources
İbrahim Babayıđit	Accounting
A. Taciser Bayer	Secretariat to the Board of Directors
Hasan Budda	Staff Training
Hasan Candan	Risk Management
Ömer Çelebi	Economic Research & Planning
Uđur Çelebiođlu	Credit Cards
M. Fikret Çelik	Premises & Real Estate
Neşe Demir	Foreign Affairs
H. Ahmet Ergenekon	Marketing & Deposits (Consumer Banking)
Mehmet Esen	Electronic Data Processing
İbrahim Hızlıkan	Pension Fund
Buket Himmetođlu	Legal Adviser
Bölent Naci İnan	Non-Branch Banking
Suat İnce	Corporate Loans
Söleyman Kalkan	Problem Loans
Rıza Kutlusoy	Securities
M. Ali Madendere	Internal Control
Mahmut Magemizođlu	Equity Participations
Seyhan Odabaşı	Commercial Loans
H. Belhi Sarı	General Secretariat
O. Haluk Solak	Financial Operations
A. Sedat Tosyalı	Organization
E. Murat Yüksel	Software Development

MAJOR EQUITY PARTICIPATIONS AND THEIR OPERATIONS IN 2001

	Paid-in Capital (TL millions)	İşbank Share (%)	Group Share (%)
GLASS INDUSTRY			
ANADOLU CAM SANAYİİ A.Ş. Manufactures glass packaging	70,634,000	33.16	81.93
CAM ELYAF SANAYİİ A.Ş. Manufactures felt and roving made of glass fiber, polyester and glass reinforced plastic goods	12,240,000	48.78	99.32
CAMIŞ AMBALAJ SANAYİİ A.Ş. Manufactures paper packaging	26,000,000	4.42	100.00
CAMIŞ MADENCİLİK A.Ş. Supplies raw material for glass producing Group companies	30,893,500	78.46	100.00
ÇAYIROVA CAM SANAYİİ A.Ş. Manufactures colored and white figured glass, coated glass, tempered glass and double-glazing unit	19,515,000	31.57	100.00
PAŞABAHÇE CAM SANAYİİ VE TİCARET A.Ş. Manufactures automatic household glassware using soda and borosilicate glass	106,068,000	33.20	99.41
TRAKYA CAM SANAYİİ A.Ş. Manufactures flat glass, automotive glass, mirror and laminated glass using 'Float' technology	97,550,000	15.94	68.50
TÜRKİYE ŞİŞE VE CAM FABRİKALARI A.Ş. The holding company for the Glass Group of companies	84,106,000	66.11	72.49
METAL MANUFACTURING AND MACHINERY INDUSTRIES			
ASMAŞ AĞIR SANAYİ MAKİNALARI A.Ş. Manufactures various machinery and equipment, establishes turnkey industrial plants	6,600,000	86.54	97.53
CAMIŞ MAKİNA VE KALIP SANAYİİ A.Ş. Manufactures various moulds and spare parts	14,947,262	0.00001	100.00
ETİTAŞ ELEKTRİK TEÇHİZATI İMALATI TESİSATI A.Ş. Manufactures transformers and capacitors	6,047,630	29.34	29.34
METALLURGY			
FERRO DÖKÜM SANAYİİ VE TİCARET A.Ş. Involved in iron casting	11,185,000	0.000002	99.99
İZMİR DEMİR ÇELİK SANAYİ A.Ş. Manufactures billets and construction steel bars using scrap iron	62,250,000	56.86	56.86

MAJOR EQUITY PARTICIPATIONS AND THEIR OPERATIONS IN 2001 continued

AUTOMOTIVE AND TIRE INDUSTRIES

ÇELİKORD A.Ş. Manufactures steel cord for vehicle tires and steel wire for pressure resistant pipes	12,100,000	48.00	49.00
TÜRK PIRELLİ LASTİKLERİ A.Ş. Manufactures inner and outer tires for motor vehicles	59,000,000	25.75	25.75
İSTANBUL FRUEHAUF TAŞIT ARAÇLARI SAN. VE TİC. A.Ş. Manufactures all kinds of trailers for land transportation	1,000,000	25.00	25.00

CHEMICAL INDUSTRY

SODA SANAYİİ A.Ş. Manufactures soda ash, soda derivatives and chromium compounds	48,867,000	33.64	88.09
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DISTRIBUTION OF ELECTRICITY

BATI KARADENİZ ELEKTRİK DAĞITIM VE TİCARET A.Ş. Distribution of electricity for the Bartın-Zonguldak-Çankırı-Karabük region	1,000,000	65.00	65.00
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FOOD

ANTGIDA GIDA TARIM TURİZM ENERJİ VE DEMİR ÇELİK SAN. TİC. A.Ş. Olive Processing	30,000,000	99.89	99.99
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INSURANCE

ANADOLU ANONİM TÜRK SİGORTA ŞİRKETİ Insurance Company	50,000,000	37.00	67.34
ANADOLU HAYAT SİGORTA A.Ş. Life Insurance Company	35,000,000	62.00	86.95
CAMIŞ SİGORTA HİZMETLERİ A.Ş. Insurance Brokerage Services	608,000	0.002	100.00
DESTEK REASÜRANS T.A.Ş. Reinsurance Company	8,000,000	98.23	100.00
MİLLİ REASÜRANS T.A.Ş. Reinsurance Company	22,275,000	75.37	75.37

BANKING

ARAP-TÜRK BANKASI A.Ş. Commercial Bank	19,000,000	20.00	20.00
SINAI YATIRIM BANKASI A.Ş. Investment Bank	40,000,000	48.00	53.35
TÜRKİYE SINAI KALKINMA BANKASI A.Ş. Investment Bank	38,500,000	37.00	53.10
İŞBANK GmbH Commercial Bank	DM 100 million	100.00	100.00

FINANCIAL SERVICES

İŞ GENEL FİNANSAL KİRALAMA A.Ş. Financial Leasing Services	17,000,000	35.29	70.59
İŞ FACTORİNG FİNANSMAN HİZMETLERİ A.Ş. Factoring Services	16,000,000	70.42	100.00
İŞ GAYRİMENKUL YATIRIM ORTAKLIĞI A.Ş. Real Estate Investment Company	235,690,000	66.65	74.89
İŞ RİSK SERMAYESİ YATIRIM ORTAKLIĞI A.Ş. Risk Capital Investment Trust	20,000,000	40.00	87.50
YATIRIM FİNANSMAN MENKUL DEĞERLER A.Ş. Capital Markets Investment and Brokerage Services	4,400,000	33.74	90.00
İŞ YATIRIM MENKUL DEĞERLER A.Ş. Capital Markets Investment and Brokerage Services	17,000,000	92.00	100.00
İŞ YATIRIM ORTAKLIĞI A.Ş. Investment Trust	30,000,000	10.00	28.08
İŞ PORTFÖY YÖNETİMİ A.Ş. Asset Management Company	1,000,000	50.00	100.00
İŞ DUBLIN FINANCIAL SERVICES Plc Trade Finance Services	€ 125,000	99.995	100.00

DOMESTIC AND FOREIGN TRADE

CAM PAZARLAMA A.Ş. Glass Group Foreign Trade Marketing Company	20,087,000	0.05	100.00
CAMSAR SANAYİ ARA MALLARI PAZARLAMA A.Ş. Marketing of raw materials and semi-finished goods in domestic and foreign markets	9,107,000	0.002	100.00
CAMTAŞ DÜZCAM PAZARLAMA A.Ş. Marketing of flat glass and glass containers in Domestic and foreign markets	20,677,000	0.64	100.00
PAŞABAHÇE MAĞAZALARI A.Ş. Retailing Services	5,500,000	0.01	100.00
ZEPİ TARİMSAL HAYVANSAL VE SİNİİ ÜRÜNLER ÜRETİM VE PAZARLAMA A.Ş. Olive Marketing	500,000	5.53	99.13

TOURISM

TÜTAŞ TÜRK TURİZM A.Ş. Owner and operator of Talya Hotel at Antalya	4,300,000	23.23	23.28
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MAJOR EQUITY PARTICIPATIONS AND THEIR OPERATIONS IN 2001 continued

OTHERS

BAYEK TEDAVİ SAĞLIK HİZMETLERİ VE İŞLETMECİLİĞİ A.Ş. Health Care Services	14,000,000	54.33	62.26
İŞ-KORAY ORMANCILIK MADENCİLİK İNŞAAT TAAHHÜT VE TİCARET A.Ş. Land Development and Construction	1,500,000	49.97	50.00
İŞ NET ELEKTRONİK BİLGİ ÜRETİM DAĞITIM TİCARET VE İLETİŞİM HİZMETLERİ A.Ş. Internet Service Provider	7,600,000	95.00	100.00
İŞ DOĞAN PETROL YATIRIMLARI A.Ş. Petroleum and Derivatives Distribution	315,000,000	40.00	50.00
CAMIŞ YATIRIM HOLDİNG A.Ş. Participation in capital and management of all types of domestic and foreign companies	16,105,000	99.97	100.00
İŞ-TİM TELEKOMÜNİKASYON HİZMETLERİ A.Ş. Establishment and operation of a GSM 1800 digital cellular mobile telephone system	545,000,000	14.00	51.00
TRAKYA YATIRIM HOLDİNG A.Ş. Participation in capital and management of all types of domestic and foreign companies	137,005,000	65.34	100.00
HİZMET İŞLERİ LTD. ŞTİ. Service Company	500	75.00	100.00
İŞ MERKEZLERİ YÖNETİM VE İŞLETİM A.Ş. Service Company	300,000	84.67	100.00
KÜLTÜR YAYINLARI İŞ-TÜRK LTD. ŞTİ. Arts and Culture Publications	475,000	99.17	100.00
NEMTAŞ NEMRUT LİMAN İŞLETMELERİ A.Ş. Port and Sea Vessels Administration	19,000,000	73.35	99.99

BRANCHES AUTHORIZED TO HANDLE INTERNATIONAL TRANSACTIONS

	Fax Number		Fax Number
Adana		Istanbul	
Main	0 322 351 20 30	Kışla Caddesi-Rami/Istanbul	0 212 567 36 00
Kuruköprü/Adana	0 322 351 20 25	Kozyatağı/Istanbul	0 216 416 55 20
Adapazarı	0 264 277 43 43	Kurtköy/Istanbul	0 216 378 28 26
Ankara		Levent/Istanbul	0 212 278 86 33
Main	0 312 311 36 60	Maslak/Istanbul	0 212 285 44 37
Başkent/Ankara	0 312 413 90 89	Mecidiyeköy/Istanbul	0 212 274 61 43
Kavaklıdere/Ankara	0 312 467 29 31	Merter Tekstil Main	0 212 637 12 91
Kızılay/Ankara	0 312 417 23 18	Nişantaşı/Istanbul	0 212 241 13 44
Ostim/Ankara	0 312 354 09 69	Otosanayi-Levent/Istanbul	0 212 283 80 11
Yenişehir/Ankara	0 312 433 35 78	Pangaltı/Istanbul	0 212 232 19 07
Yıldız/Ankara	0 312 441 66 15	Rıhtım-Kadıköy/Istanbul	0 216 337 59 58
Antalya	0 242 241 20 35	Sefaköy/Istanbul	0 212 580 43 02
Bursa		Selamiçeşme/Istanbul	0 216 360 91 85
Main	0 224 224 16 78	Sirkeci/Istanbul	0 212 520 82 58
Buttim/Bursa	0 224 211 13 09	Sultanhamam/Istanbul	0 212 519 07 51
Denizli	0 258 263 00 71	Şişli/Istanbul	0 212 246 06 21
Diyarbakır	0 412 223 18 47	Taksim/Istanbul	0 212 255 03 18
Eskişehir	0 222 221 97 67	Tuzla Deri Sanayi/Istanbul	0 216 394 25 19
Gaziantep	0 342 231 79 07	Ümraniye/Istanbul	0 216 344 01 65
Hatay		Yedpa/Istanbul	0 216 471 10 59
Antakya	0 326 212 30 25	Yenicami/Istanbul	0 212 519 06 85
Iskenderun	0 326 614 01 65	Yıldız Posta Cad./Istanbul	0 212 272 62 27
Istanbul		Zincirlikuyu/Istanbul	0 212 272 86 11
Main	0 212 316 08 48	Izmir	
Altunizade/Istanbul	0 216 651 07 91	Main	0 232 483 45 93
Arapcamii/Istanbul	0 212 237 94 75	Atatürk Org. San. Böl./Izmir	0 232 376 76 97
Avcılar/Istanbul	0 212 591 18 12	Bornova/Izmir	0 232 388 74 10
Bakırköy/Istanbul	0 212 542 28 73	Karabağlar/Izmir	0 232 237 12 84
Balmumcu/Istanbul	0 212 267 03 12	Yeniğün/Izmir	0 232 425 95 38
Bayrampaşa/Istanbul	0 212 567 47 58	Izmit/Kocaeli	
Beşiktaş/Istanbul	0 212 236 45 67	Main	0 262 321 68 46
Beyazıt/Istanbul	0 212 517 08 12	Gebze/Kocaeli	0 262 641 27 97
Beylikdüzü/Istanbul	0 212 852 39 36	Kahramanmaraş	0 344 221 25 09
Beyoğlu/Istanbul	0 212 244 55 32	Kayseri	
Bostancı/Istanbul	0 216 361 33 05	Main	0 352 222 64 22
Cağaloğlu/Istanbul	0 212 513 68 09	Sanayi/Kayseri	0 352 336 42 42
Dudullu Sanayi/Istanbul	0 216 364 81 42	Konya	
Galata/Istanbul	0 212 249 53 80	Main	0 332 353 40 05
Gayrettepe/Istanbul	0 212 216 82 15	Karatay Sanayi Sitesi/Konya	0 332 235 19 62
Güneşli/Istanbul	0 212 471 20 93	Malatya	0 422 325 34 33
İkitelli Sanayi/Istanbul	0 212 549 10 69	Mersin	0 324 232 64 70
Kabataş/Istanbul	0 212 243 22 76	Samsun	0 362 431 54 74
Karaköy/Istanbul	0 212 243 61 12	Trabzon	0 462 326 63 13
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A day in the life of İşbank

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