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NEAR EAST UNIVERSITY

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FACULTY OF ECONOMICS AND ADMINISTRATION

BUSINESS DEPARTMENT

Turkish Bank

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I. INTRODUCTION

This project is about the research of the first private bank of Turkish Cypriots. Turkish Bank is the first private bank of Cyprus. It was established in 1901 for small savings. Today it is operating in TRNC, Turkey and UK. It has become a truly international bank. It is the biggest private bank of TRNC.

Establishment of Turkish Bank was a historical event in Cyprus. It was onliest financial institution to support Turkish Cypriot business to compete with the dominant Greek Cypriot business. Turkish Bank has done this very successfully. Today it grew into a real international bank operating successfully in three different countries.

Turkish Bank is the first bank in TRNC which started international activities in real sense. First thing to talk about is the establishment of Turkish Bank in other countries.

Turkish Bank opened a branch in London in 1975. Their objectives were to serve Turkish Cypriot living in London. They could also use this branch to invest their deposits in international markets that London is the center of international finance.

Turkish Bank in London became very successful and it opened another two branches in the next few years. To operate more freely and give banking services as an ordinary bank of UK it needed to register as local bank. This was a big and difficult thing to achieve since the regulations of Bank of England are very strict. After a few years they succeeded. Today Turkish Bank is operating to all their clients just like another bank in UK.

Turkish Bank has opened a branch in Turkey at the mid 1970s. Turkey is the biggest trading partner of TRNC. And the main objective of the bank is to serve the businesses of both countries.

Liberalization of economy in the early 1980 had led to growth in the banking sector. Local Turkish Banks were not much experienced in international arena. Relatively more experienced Turkish Bank did well in these years and became successful. Today like Turkish Bank

UK, Turkish Bank Turkey is operating as a local Bank of Turkey serving in all aspects. Turkish Bank Turkey has five branches in Istanbul, Ankara, Mersin, Izmir and Bursa cities. It is the fastest growing bank of Turkey.

This project will include history of the bank. After an environmental assessment including SWOT analysis, there will be suggestions for growth. The project will finish with a conclusion.

1.1 Aim Of The Study

The aim of the project to prepare a report with suggestions. I will make the project at three levels. The first step is the evaluation of the present situation in the bank. After we understand the situation we have to present the facts in an orderly way. We have to find answers to some questions. So that i can draw a conclusion and develop a strategy for growth. The last part of my project will be to write a detailed report about my findings.

Annual reports of Turkish Bank are my primary sources to make use of while preparing my project. It contained all data that is needed to carry out a detailed search. I also used the textbook and the lecture notes to make the project.

1.2 Background of Turkish Bank

Turkish Bank Group was founded in Nicosia, Cyprus in 1901 as 'Islamic Savings Society'. The Society was established by the merchants and community leaders of the time with the purpose of providing Turkish Cypriots' financial and economic support.

In 1925, Islamic Savings Society became incorporated as the Islamic Savings Bank of Nicosia Ltd. In 1943, it was renamed Nicosia Turkish Bank Ltd. From 1949 to 1959, the bank expanded and branches were opened in all the main cities of Cyprus. In 1973, the name of the bank was changed to Turkish Bank Ltd. to reflect its'

island wide presence. In 1974, Turkish Bank Ltd. established its first overseas branch in London that was followed by a second branch in 1980. On 1st January 1990, UK branches were incorporated as Turkish Bank UK Ltd. with the approval of the Bank of England. A year after the incorporation a third branch was opened in London to meet the demand for the services provided by the bank.

In 1982 the bank established a presence in Turkey by opening a branch in Istanbul. Soon other branches in Izmir, Ankara, Mersin and other commercial centers were also established. On 29th December of 1991, the branches were incorporated as Turkish Bank AŞ with the approval of Turkey's central bank. At the end of 1996, the investment services department of Turkish Bank A.Ş. was established as a separated unit under the name of Turkish Securities AŞ. It is a member of Istanbul Stock Exchange and is authorized to provide stock brokerage services its customers.

From a local bank, today Turkish Bank Group consists of 12 branches in TRNC and the subsidiaries of Turkish Bank AŞ with 14 branches, Turkish Securities AŞ with 9 branches in Turkey and Turkish Bank UK Ltd. with 3 branches.

1.3 Environmental Situation For Banking Business in TRNC

Private and Corporate banks are regulated by Central Bank of TRNC. Central bank of TRNC was established in 1984 to serve and control for local banks. After granting banking licenses to investor both local and foreigners, increasing of banks started. And in 1990, number of banks in TRNC was thirteen including the central bank of TRNC. This increase did not stop. The government continued granting banking licenses up 2000. In 2000, number of banks in the country showed thirty-eight where the law of banking reference 11/1976 of TRNC forces you to put a capital fully paid off minimum 5 milliard TL diverted the investors to apply for license granted to practice on

banking sector increases the number of bankers quickly with offshore banks.

Banking sector has grown over the last years, other types of banking and financing like factoring, leasing, stock marketing and repo and bond marketing has become very attractive and shift the banking sector to enlarge their portfolio of business products attracts people to increase the amount of business. In a country where the population is not over 80.000, you can not say that this is a rich country by looking at the number of banks. But you have to see the paid capitals of the banks and comment on the country.

There is a retail banking system in TRNC. The banks are collecting deposits by opening the main and branches through the state, the deposits can be in a foreign currency or TL. The certain amount of the deposits are to be redeposited to the central bank compulsorily for insuring the deposits of the clients and for the legal applications by local banks. The deposits are to be issued as a credit to the clients of the bank at acceptable interest rates in TL or a foreign currency. With the addition of other investments of that bank like the purchase of treasury bills and bonds allows the bank being able to afford the value of holding money of the depositor clients and the clients those ready to get money as a commercial or household loan and therefore manage the circle with protecting the legal desired ratios and the liquidity rules. The deposits are time deposits, demand deposits and saving deposits.

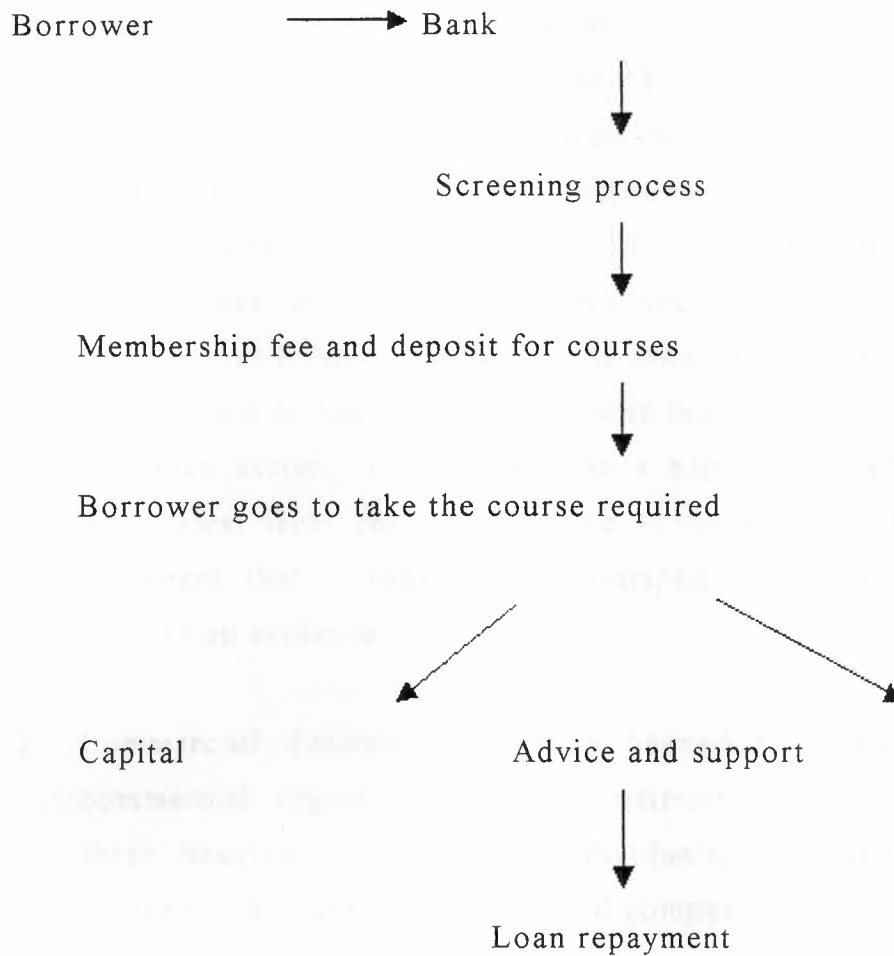
1. 4. The vision of Turkish Bank

It is Turkish Bank's main aim to be responsible towards society. Through the grant of loans, it does not solely aim at making money. It considers knowledge as the most important asset in a society and encourage the receipt of such. IT believes that the advance of loans is not the main cure to economy but the injection of knowledge that the incorporation of new skills with existing knowledge can accelerate the

power to generate wealth. By the same line of reasoning, it is supportive of those who has knowledge but lack the first sum of capital to make their business; because Turkish Bank believes that its knowledge is valuable and should be made use to contribute towards society.

1.5 The Operations of Turkish Bank

The operation of the bank can be summarized as follows. The bank aims at helping people who have little money but possess certain degree of knowledge to make their business. These people, on successfully persuading the bank the feasibility of their proposal, will receive loans on areas that the bank thinks necessary for the successful operation of business. On completion of training, money will then be given to them in various monthly installments. Interests, compounded yearly, begin to accrue after the installments are given to the borrower. The bank works closely with the borrower to monitor the use of the loan and provide advice and technical support. The bank reserves the right to refuse giving out the remaining installments should it discover that the borrower shows signs of default or the money has not been used properly for his business.



Following are The Main Operations of the Turkish Bank

1. Opening accounts and accepting deposits
2. Opening current accounts
3. Opening credit accounts and issuing credits
4. Currency exchange dealings
5. Transfer money within the country and overseas
6. Preparing letter of guarantees
7. Opening letter of credits

DEPOSITS

Deposit accounts are opened by an individual or an organization for a specified or unspecified period with the right of withdrawing the money at any time that had been deposited at the account. Deposit accounts can be in TL or any other foreign currency.

There are five types of accounts:

1. *Saving Accounts*: any person over 18 can open a current account. Parents can open accounts for their children under 18 and deposit money at the account. The withdrawal from the account is only possible after the child is over 18. These accounts are usually non-commercial accounts. Current accounts have no time limit. The account holders can deposit or draw money from their account at any time of the day. The account holder is given a little book and each activity is registered on a paper slip. When there is a withdrawal from the account, the account holder has to sign a document that is appropriately stamped. The slip is kept at the bank as an evidence.
2. *Commercial Accounts*: it can be opened to persons as well as commercial organizations. The commercial accounts are under three headings; accounts of individuals, accounts of collective companies and accounts for limited companies.
3. *Official Accounts*: they are opened for state departments.
4. *Interbank Accounts*: they are the accounts that are opened at a bank by another bank.
5. *Other Accounts*: sometimes special accounts for specific needs can be opened for charity organizations, associations and foundations.

Bank accounts differ also according to the time limit:

a. *Account with no time limit*

The account holder can deposit and withdraw from the account at any time it is needed.

b. Account with time limit

Account holder agrees to keep the deposit for a limited time. This can be from one month to three, six and one year periods. The bank has certain interest rates applicable for each set period and the account holder receives these interest rates at the end of the period.

CREDIT

Credits are products of the banks. The bank issues credits to the specific needs of their clients. A credit can be given for a set period, at the end of which both the credit and interest is collected. A credit can be given for commercial reason for ongoing periods against guarantees and collateral.

The bank charges certain amount of interest to certain different credits. The interest rate is the time value of money. Interest of the credits are calculated and added to the account every three months, on 31st March, 30th June, 30th September and 31st December. Special calculation is carried out if the account is to be terminated at any time.

Credits according to the time limit;

- a. *Shortterm reimbursement credits*: these are shortterm credits, which has to be paid back at the most within two years.
- b. *Limited Commercial Overdraft credits*: Client and the bank agree on a limit, up to which the account holder can draw at any time. the bank is usually provided with collateral and other guarantees in case of failure to pay.

Credits according to the types;

There are two types of credits according to the types:

1. *Cash Credits*: These are the credits for set period or overdraft arrangements which are given for interest rates and commissions.

2. *Discount Contract Credits*: The loan is given with a certain period and the commission and interest rates are calculated and added to it. The total is then divided into the agreed period and the amount each month is paid back to the bank.

- *Current credit accounts*: The client can draw money from the account up to an agreed limit
- *Credits with no guarantee*: For this type of credit, the signature of the client is enough. The client signs a contract and receives the credit. The amount of such credit is low since it is very risky.
- *Credits against guarantee*: A person can guarantee the client. A person which is acceptable by the bank, can assume responsibility for the account, who is prepared to pay back the credit if the client fails to do so.
- Credit against collateral;
 - a. Client or a third party may have another account at the same bank. The bank can block this account and hold it as guarantee to the credit account. The banks usually give less credit than the existing account.
 - b. *Credit against immovable property*: client can use their property as collateral to obtain a credit. In case of non-payment the bank can sell the property to obtain their money back. According to banking law in TRNC, banks can not become owners of the property of their clients.
 - c. *Vehicles as collateral*: depending on the amount of credit cards can be accepted as guarantees for repayment. The cards are registered to the banks name and fully insured before the credit is given.

In all cases, the amount of credit given is very much lower than the worth of the collateral. The bank wants to be on the safe side and want to make sure that they get their money back in any case.

EXCHANGE

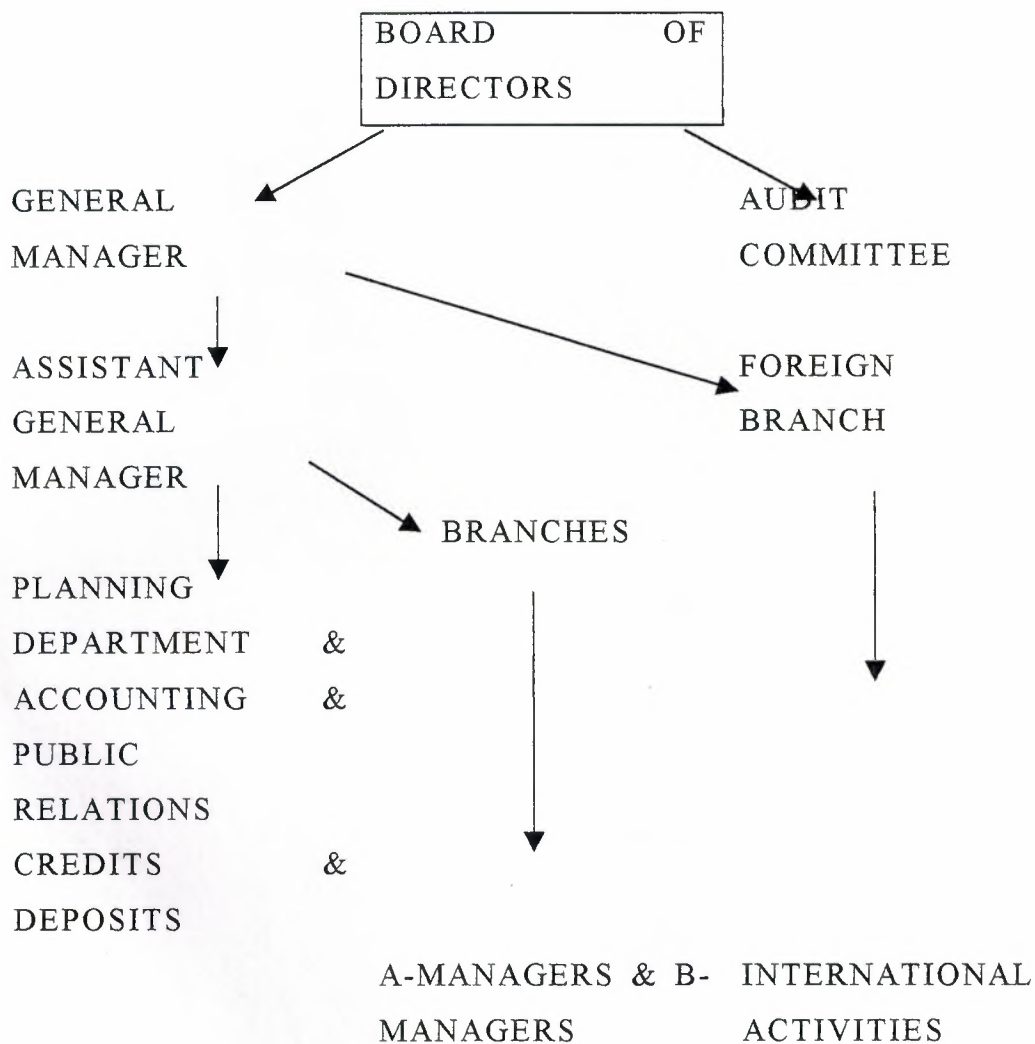
One of the functions of the bank is the currency exchange activity. The bank is authorized to exchange any currency into TL and TL into foreign currency. There are two different types of currency exchanges; one is the effective exchange which is actually the real money and the other is the currency exchange which is the bank cheques traveller cheques, etc.

Central Bank announces 4 types of currency exchange rates for each foreign currency every morning. Buying and selling rate for the effective and buying and selling rate for the currency, non-effective. Another rate, the transfer rate is used for transfers from abroad.

The banks issue two types of cheques for travelling purposes;

1. *Travellers' Cheques*: they are prepared for the name of the buyer, and only the buyer can sign and use these cheques.

Eurocheque: This is a travellers' cheque accompanied by a credit card.



Board of Directors is elected at the general assembly by shareholders. Their main responsibilities are to make strategic decisions, to make profit for the shareholders. They meet regularly at least once a month to evaluate the situation of the bank and make new decisions. All the decisions are written in books.

General manager is the top person in the Managerial hierarchy. He is responsible to the board of directors. He makes sure that the business goes smoothly and the bank is making money. With his

assistant managers, he communicates with the branch managers on daily bases. Branch managers make all the necessary arrangements and report to the general manager at the end of each day.

2.1.1.1. The General Manager

The General Manager is the highest authority in the bank. He is responsible for the overall management and operation of the bank. He is also responsible for the financial performance of the bank. The General Manager is the one who makes the final decisions on all matters relating to the bank. He is also responsible for the recruitment and promotion of staff. The General Manager is the one who represents the bank in all public relations and external affairs. He is also responsible for the development of the bank's business plan and strategy.

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2.1.2. The Assistant Manager

The Assistant Manager is the second highest authority in the bank. He is responsible for the overall management and operation of the bank. He is also responsible for the financial performance of the bank. The Assistant Manager is the one who makes the final decisions on all matters relating to the bank.

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II. STRATEGIC ANALYSIS OF TURKISH BANK

2.1. PEST ANALYSIS

2.1.1 Political Situation

TRNC is a free market economy. There are very flexible rules and regulations in every aspect. In market guided economies, formation and operation of banks are not very difficult. So the first thing one can realize is the high number of banks in operation. This can be easily seen in TRNC. There are many banks operating in such a small country. The real competition is in the interest rates. The banks aim to give high interest as possible as to the depositors and charge the lowest possible to the borrower.

All the banking activities in TRNC are regulated by Central Bank and decision of the Board of Ministers.

There are two main grounds where banks can compete; firstly the interest rates and secondly the quality of service. The image of a bank is very important. Any person who is to choose a bank, first thinks of the safety of their money; specially if they are depositing money. Secondly they look for high interest. Thirdly they look for quality services. In TRNC people are used to personal attention. In many cases trust and good service may attract clients even if the interest rates are slightly lower.

2.1.2 Economic Situation

TRNC economy is under a big recession. In recent months many banks faced difficulties in TRNC. The government had to intervene and take some measures. But there are still problems. Bank failures are not rare. There are thousands of people who had accounts at the bankrupt banks. The problems in Turkey add more difficulties to TRNC economy.

2.1.3 Social Conditions

For many years, banks enjoyed a very profitable business. The majority of Turkish Cypriots are earning money from the state and instead of investing their money into businesses, they rather put their money to the banks and earn high interest rates. This was nice until the banks started to fail. Thousands of people are now “mudi” which is name given for those who have accounts at the failed bank. As a result there is a very big distrust to the whole banking system. Instead of putting their money to the local banks people either deposit their money at Turkey’s banks or use foreign currency as means of safeguarding their savings.

2.1.4 Technology

In today's banking, the rules of the game change every day. What seems good today can be hopelessly bad tomorrow. Nothing is quite so unstable in structure and form as the modern business enterprise. It survives only with constant adaptation and change. Future’s banking will be anytime-anywhere banking. Customers want seamless access to banking services and they do not care whose access channel or software they use. And without exception, they expect instantaneous access to information about all of their relationships.

The highly competitive financial services market is putting pressure on banks of all types and sizes to make optimum use of IT to enhance customer service, reduce costs and improve operational efficiency at both global and local levels. Turkish Bank which has recently signed a major contract to revamp its AS/400 technology.

Turkish Bank is TRNC's biggest bank that carries out both retail and corporate banking; foreign trade transactions and credits are included among its strengths. Developments provided a major boost to IT-based projects. Examples include: ATMs, credit and debit cards, automated voice systems like ALOES and ALO-24; automated payment of electric, natural gas and telephone bills, point of sale installations in retail outlets and call centers. Encouraged to boost its own IT investments and to develop a strong presence in the retail banking sector.

The bank's ATMs are all connected to the Esbank network, and are managed by Arksys ATM software. The bank has one central production system.

As a growing organization and one that is keen to take full advantage of the opportunities being offered by electronic business, Turkish Bank regards the AS/400 upgrade as a key part of its overall business strategy. The original decision to opt for an AS/400 solution was based on:

- ☐ favorable price/performance ratio and cost effectiveness
- ☐ the high security functions offered by the system
- ☐ ease of use and maintainability
- ☐ the wide acceptance of AS/400
- ☐ scalability
- ☐ investment protection
- ☐ availability of advanced applications.

Turkish Bank signed the AS/400 deal with IBM Turk Limited in February with work scheduled to be completed in April. The global objective of the move is to improve the bank's IT processing performance.

Turkish Bank is also continuing to expand its branch network, a factor that places even greater emphasis on the importance of effective

IT management. The bank network was designed on the basis of a semi-distributed architecture. Leased lines are used to connect branches to the host system. To provide backup for these lines, dial backup and satellite connections have been established. One of the main aims of Turkish Bank's IT department is to keep major management informed about the bank's position at any given time. Accordingly, both financial and non-financial transactions effected by each branch are communicated to the host system so as to mirror the relevant branch data. In this way, the bank is able to provide management with a strong MIS utility that can help with decision making.

2.2 SWOT ANALYSIS

2.2.1 Strengths

Good services:elastic and interactivized accounts under many topics like deposit,credit etc.,internationally contactable serv,ce net and ATMs with modern intelligence.

Well known name:it is the first private financial organization of Turkish Cypriots by their ethnic name.And the trustable name after bank failures.

Financial strength:TB is able to benefit from Turkish Cypriot diaspora and Turkey beside TRNC people financially.Also,it has an enough main capital that can balance the credits,beside deposits.

Good managment:TB staffs includes internationally experienced and well educated members of AKBANK in Turkey and personnel from Turkish Cypriot diaspora.

Good marketing strategy:TB has a strong advertisemental power depending on its popular name.TB generally evaluates Turkish diaspora in UK as a potential.MAin target is European markets.

Overseas representation:TB has branches in UK and Turkey.And some commercial represenatives in trade centers in the world.

Effective promotional activities:TB has some advantages for account owners and trust for people afraid of bank failures.

Many branches:People living in major cities of TRNC and Turkey and in London can reach their accounts easily via developed branch net with full activity.

2.2.2 Weaknesses

- There is a need to strengthen the internet web page.
- It has become very big and most of the services are not tailor made.
- Major competitors are far more accessible in terms of distance, time and ease of booking and cost.

2.2.3 Opportunities

Improving economic conditions and increased ability of the people to spare more money for their savings is the overall opportunity for the bank. In the short time period, the real opportunity is from the clients of the uncertain banks. As bank failures are within possibilities clients look for more secure banks. And Turkish bank is considered as one of the most secure banks.

2.2.4 Threats

Bank failures both in Turkey and TRNC may lead to clients top take their money to the foreign banks. Government regulations are also creating a threat since they are becoming very bureaucratic and it leaves no flexibility for the bank.

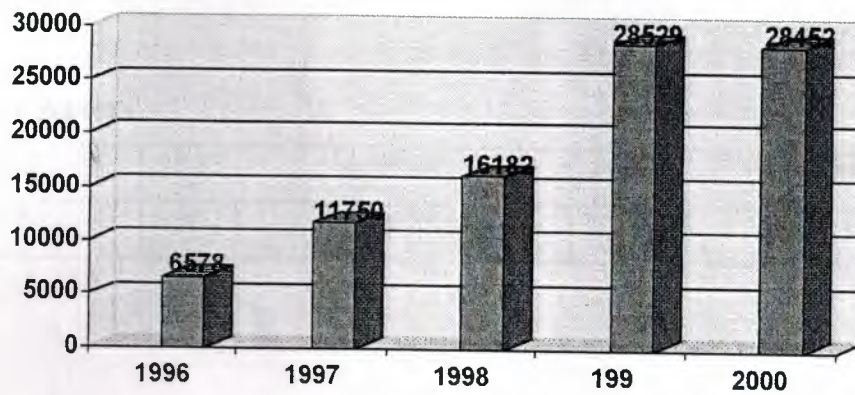
2.3. Financial Situation

Turkish Bank is one of the healthiest banks in TRNC. With its three bases in TRNC, Turkey and England; it is able to compete with

all the competitors. As well as serving to their customers with minimum costs they also have the ability to shift from one market to the other whenever necessary.

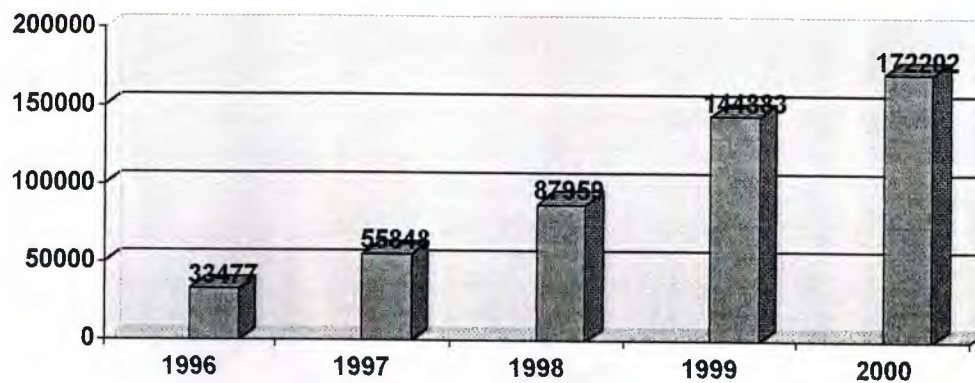
Advances (milliard TL)

1996	1997	1998	1999	2000
6578	11750	16182	28529	28452



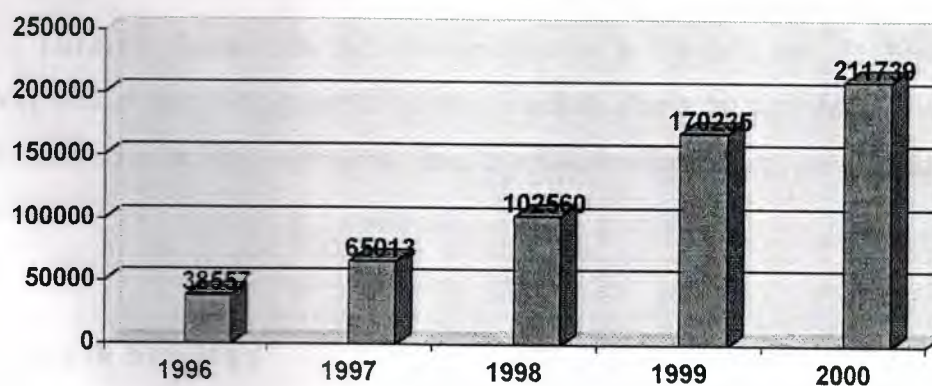
Deposits (Billion TL)

1996	1997	1998	1999	2000
33477	55848	87959	144883	172202



Total Assets

1996	1997	1998	1999	2000
38557	65013	102560	170235	211739



Referance : Annual Report 2000

2.3 Boston Matrix

RELATIVE MARKET SHARE

STARS	QUESTION MARKS
CASH COWS	DOGS

Market

Growth

Turkish Bank can be considered as a Cash Cow. It has a big market share but the growth in the market share is not very high. The bank has to use its revenues and profits to improve its product and services.

2.4 Growth Strategy

Turkish Bank is very classical with its marketing. They are not open for changes. When the direct marketing and internet banking has started; they did not estimate the success. The alternative marketing strategies can be suggested using the Ansoff Matrix.

PRODUCT MARKET	EXISTING PRODUCT		NEW PRODUCT
	Consolidat ion	Market penetration	PRODUCT DEVELOPMENT
NEW MARKETS	MARKET DEVELOPMENT		DIVERSIFICATION

The bank can use the existing products at the existing market and improve their position by consolidation and market penetration. A massive promotional activity may supplement this effort.

The bank can use the existing product and try to market it in new markets. It can make a research in the geographic regions that they are not very successful and concentrate in these markets.

Another choice is to introduce new products to the present market. This needs product development. Present, the product of the bank is more expensive than the competitors since it is marketed in a classical manner. The competitors have the advantage of direct marketing. The bank should also consider direct marketing and also introduced new kinds of insurance policies.

If Turkish Bank enters into direct marketing and internet banking the competitors may put up a competition and reduce the cost of their services to avoid them. They can even introduce even newer products so that they will always be ahead of them.

2.4.1 The Corporate objective and the proposal for marketing strategy

The corporate objective of the Turkish Bank is to

- retain and enhance their customer base
- expand their ability to cross-sell
- add real and genuine value to their customers

- extend the penetration of their existing products and services
- develop at least one conspicuously different new product/service each year
- continue their emphasis on cost efficiency

2.4.2 Proposed Marketing Strategy

Before proposing any strategy a marketing research must be brought. There are a few specific issues need to be addressed. Research should be made to realize the tendencies of the consumers. A segmentation work must be done. On one hand account owners are increasingly making bank transactions over the telephone or via internet; on the other hand there are people who are still using the classical methods. The company should identify the characteristics of the consumers that use the two different systems. My proposition is that:

- They should enhance their customer base by promotional activities. Identify the needs and make appropriate services to the clients.
- They should develop more variety and alternatives available. They should try to sell direct as well but they must be careful not to harm their existing system.
- The magic in this sector is the cost efficiency. The bank must make substantial efforts to decrease the cost of the services.
- They should also look into the upper end of the market. They should introduce premium-gold or silver customer system. They must make promotional activities to make special accounts for special people. As it is evident from the case economy is not the most important thing for everybody.

The bank has to make a vital research to understand and evaluate the present trend in the market. Customer behavior has to be analyzed. The bank is not good at research and analyzing of the customer is needed now. This is evident from the fact that the bank could not estimate the importance of the direct marketing at the beginning.

2.5 Five Forces Model

Rivalry

Turkish Bank is one of the oldest banks in the TRNC markets. Since from the beginning one of the most important rivals of the bank was İşBank which is Turkey's bank and the second rival is the Cooperative Central Bank. These banks watch Turkish bank very closely and adjust their services accordingly.

New Entries

There are no possibilities for new entries in the market. Since the collapse of some banks, the state has made strict regulations in the banking sector. Just the opposite the state is trying to influence the smaller banks to persuade the smaller banks to merge.

Substitutes

Many smaller banks are trying to give similar services as Turkish bank. But they can not compete with Turkish Bank since they do not have bases in the foreign countries. So Turkish bank offers one of the best rates for international trade.

Power of Buyers

Since there are many banks competing in the same market the buyers have great power. As well as the local banks, the buyers can also open accounts at the subsidiary of Turkish banks. Apart the banks there are also many saving banks and cooperatives that the customers can deposit their money and also borrow money.

2.6 Value Chain

Value chain of Turkish Bank consist of many divisions in the bank. The first step is taking deposit from the customers. The money is deposited at saving accounts. The bank then uses these deposits and supplies the investors with the necessary capital. The bank charges higher interest rate for the credits than they pay for the deposits. The bank also makes money from international transactions like Letter of Credits. Another loop of the chain is the currency exchanges.

2.7 Critical Success Factor

Critical success factor of Turkish bank is the margin between the loan credits and deposit credits. A successful bank gives highest possible interest to the deposit accounts and charges lowest possible interest to the loan credits. Turkish Bank is successful in achieving this since the margin between two interest rates are low.

III. CONCLUSION AND RECOMMENDATIONS

Banking, like any other business, can change. Advanced technology and new systems may become part of the business. The only aspect which will not change is the human aspect. At the back of a counter or at the end of a telephone line or at the end of the computer line; there is a human being who has to be satisfied. The future of banking therefore must address the needs of the people. These needs can not just be met by making the service faster or more technological. Traditional skills in banking enabled bankers to make some judgment of the client from the personal contact. Some bankers found it easier to persuade people or give them confidence through personal relations. Today the bank personnel must learn the new communication skills over telephone and computers. All the promotion and personal relations must be changed.

In short, while advancing the technology in banking in respect of equipment, the human relations aspect also should be advanced.

Laws and regulations that attempt to "wall off" certain business lines from others in the same corporate entity create strong reactions in the marketplace. Unregulated competitors rush to fill the void and the regulated firms attempt to avoid the regulatory barriers by creating new products that offer their clients the desired functionality. Even if regulatory barriers initially can be justified due to some threats to financial stability, the justification may become outmoded over time.

Mainly, the greatest disaster would not be a world without banks or bank regulators, uncomfortable as that transition might be. Rather, it would be a drastic failure of innovation.

Turkish Bank has developed itself as an international bank. It is a pioneer in the banking sector and is a candidate of success in the foreign countries. Turkish Bank, with its branches and establishments in three countries, is able to maximize its activities both in services and profits. As the interest rates, inflation and devaluation varies from

country to country, Turkish Bank can use these variations as a tool to generate profit. They can invest their deposits in any of the three countries for better income.

Apart from the services described above, Turkish Bank is involved in different international activities.

Turkish Bank has branches and representative offices at main financial centers of the world.

One of the main activities of Turkish Bank is in foreign currency dealings. In accordance with the rules and regulations of Central Bank, it buys and sells foreign currencies; they receive payments from importers of the other countries, against the exports from Turkey.

Author	Editor	Period	Year
Reha Emiso	Personel	1991	1991
Thomas C. Klonear & John	McGraw-Hill Inc	1991	1991
TURKISH BANK, ANNUAL		1991	1991
TURKISH BANK, ANNUAL		1992	1992
TURKISH BANK, ANNUAL		1993	1993
TURKISH BANK, ANNUAL		1994	1994
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TURKISH BANK, ANNUAL		2004	2004
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TURKISH BANK, ANNUAL		2007	2007
TURKISH BANK, ANNUAL		2008	2008
TURKISH BANK, ANNUAL		2009	2009
TURKISH BANK, ANNUAL		2010	2010
TURKISH BANK, ANNUAL		2011	2011
TURKISH BANK, ANNUAL		2012	2012
TURKISH BANK, ANNUAL		2013	2013
TURKISH BANK, ANNUAL		2014	2014
TURKISH BANK, ANNUAL		2015	2015
TURKISH BANK, ANNUAL		2016	2016
TURKISH BANK, ANNUAL		2017	2017
TURKISH BANK, ANNUAL		2018	2018
TURKISH BANK, ANNUAL		2019	2019
TURKISH BANK, ANNUAL		2020	2020
TURKISH BANK, ANNUAL		2021	2021
TURKISH BANK, ANNUAL		2022	2022
TURKISH BANK, ANNUAL		2023	2023
TURKISH BANK, ANNUAL		2024	2024
TURKISH BANK, ANNUAL		2025	2025
TURKISH BANK, ANNUAL		2026	2026
TURKISH BANK, ANNUAL		2027	2027
TURKISH BANK, ANNUAL		2028	2028
TURKISH BANK, ANNUAL		2029	2029
TURKISH BANK, ANNUAL		2030	2030

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APPENDIX I

At present the following banks are active in TRNC:

Central Bank of the Turkish Republic of Northern Cyprus

T.C Ziraat Bankası

Turkish Bank L.T.D

Turkiye İş Bankası A.Ş.

Cyprus Turkish Cooperative Central Bank L.T.D

Turkiye Halk Bankası AŞ

Cyprus Vakıflar Bank L.T.D

Cyprus Commercial Bank L.T.D

Industrial Bank of Kıbrıs L.T.D

Faisal İslamic Bank Of Kıbrıs L.T.D

Asbank L.T.D. (Started operations as from June 1986)

Mediterranean Guarantee Bank L.T.D. (Started operations as from March 1989)

Cyprus Economy Bank L.T.D. (Started operations as from December 1990)

Cyprus Liberal Bank L.T.D. (Started operations as from January 1993)

Rumeli Bank L.T.D. (Started operations as from January 1993)

Cyprus Eurobank L.T.D. (Started operations as from February 1993)

Artam Bank L.T.D. (Formerly Finba Finansal Bank L.T.D.) (Started operations as from April 1993)

Everest Bank L.T.D. /Started operations as from April 1993)

Limasol Turkish Cooperative Bank L.T.D. (As from July 1993, it has been authorised to carry on business under the Banking law in the same manner as the Cyprus Turkish Cooperative Central Bank L.T.D.)

K.Yurtbank L.T.D. (Formerly K.Tunca Bank L.T.D. Started operations as from March 1994)

K.Altınbaş Bank L.T.D. (Started operations as from May 1994)

Denizbank L.T.D. (Started operations as from July 1994)

Near East Bank L.T.D. (Started operations as from March 1996)

Yasabank L.T.D. (Started operations as from June 1996)
Med Bank L.T.D. (Started operations as from January 1997)
Cyprus Finance Bank L.T.D. (Started operations as from May 1997)
Hamza Bank L.T.D. (Started operations as from July 1997)
Erbank L.T.D. (Started operations as from August 1997)
Akfinans Bank L.T.D. (Started operations as from August 1997)
Yeşilada Bank L.T.D. (Started operations as from November 1997)
Kıbrıs Continental Bank L.T.D. (Started operations as from January 1998)
Viyabank L.T.D. (Started operations as from September 1998)
Universal Bank L.T.D. (Started operations as from September 1998)
Asia Bank L.T.D. (Started operations as from November 1998)
Demirbank Türk Anonim Şirketi (Started operations as from March 1999)
Tilmo Bank L.T.D. (Started operations as from November 1999)
Türkiye Emlak Bankası A.Ş. (Started operations as from February 2000)

APPENDIX II

BALANCE SHEET

ASSETS	1999 (million TL)	1998 (million TL)	1997 (million TL)
Cash & balances at central banks	15,992,157	9,451,636	5,995,961
Balances with banks	41,274,562	23,318,537	15,343,702
Security portfolio	1,190,804	763,143	363,434
Loans & advances to customers	5,816,245	3,511,663	2,361,366
Other assets	45,827	38,567	69,431
Prepayments & accrued income	1,713,104	854,857	667,667
Investment in subsidiary companies	11,105,088	7,495,139	5,067,868
Tangible fixed assets	2,434,304	1,476,825	814,101
TOTAL ASSETS	78,775,101	46,760,417	30,681,929

LIABILITIES			
Customer accounts	81,475,637	36,055,964	28,738,168
Deposits by banks	127,262	598,692	482,137
Other liabilities	404,036	238,041	520,867
Taxation	39,625	10,256	8,945
Accruals & deferred income	1,902,481	1,035,196	667,883
Paid Up Share Capital	7,000,136	4,000,077	2,000,038
Reserves	7,815,324	4,762,200	3,788,751
Shareholders funds	14,815,068	8,762,277	5,768,043
TOTAL LIABILITIES	78,775,101	46,760,417	30,681,929
COMMITMENTS AND CONTINGENT LIABILITIES			
Guarantees and acceptances	756,426	441,060	208,556
Documentary credits	960,364	660,396	626,016
TOTAL	1,716,790	1,101,356	829,572

INCOME STATEMENT

	1999	1998	1997
	(million TL)	(million TL)	(million TL)
Interest & Commission Income	6,191,812	4,826,309	2,970,883
Interest & Commission Expense	6,180,689	3,784,991	2,514,547
Other Income	589,556	315,210	378,771
Total Income	959,016	575,445	315,788
Staff Expenses	841,786	571,310	306,294
Operating Expenses	107,218	23,090	5,455
Depreciation	693,659	180,743	207,630
Net Profit Before Taxation	346,449	0	0
Taxation	347,210	180,743	207,630
Profit after Taxation	134,463	13,476	80,855
Transfer to statutory reserve	22,000	6,000	15,000
Transfer to revenue reserve	180,000	40,000	110,000
Transfer to reserves	10,747	4,267	1,775

Referance : Annual Report 2000