

**CONVENIENCE TRANSLATION
OF PUBLICLY ANNOUNCED CONSOLIDATED
FINANCIAL STATEMENTS AND
REVIEW REPORT ORIGINALLY ISSUED IN TURKISH,
SEE IN NOTE I. OF SECTION THREE**

TEKFENBANK A.Ş.

**PUBLICLY ANNOUNCED CONSOLIDATED
FINANCIAL STATEMENTS
TOGETHER WITH REVIEW REPORT
AT 30 SEPTEMBER 2007**

**CONVENIENCE TRANSLATION OF
INDEPENDENT AUDITOR'S REVIEW REPORT
ORIGINALLY ISSUED IN TURKISH**

To the Board of Directors of Tekfenbank A.Ş.

We have reviewed the accompanying consolidated balance sheet of Tekfenbank A.Ş. ("the Bank") and its consolidated subsidiary at 30 September 2007 and the related consolidated statements of income, cash flows and changes in shareholders' equity for the period then ended. These consolidated financial statements are the responsibility of the Bank's management. Our responsibility is to issue a report on these financial statements based on our review. The consolidated financial statements of the Bank as at and for the year ended 31 December 2006 were audited by another auditor whose report dated 7 March 2007 expressed a qualified opinion due to not forming an opinion regarding the impairment provision provided for share certificates of a defaulted loan customer of the Bank.

We conducted our review in accordance with the Uniform Chart of Accounts of banks, accounting standards and the independent audit principles in conformity with Banking Law No.5411. Those principles require that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries concerning company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not give a true and fair view of the financial position of Tekfenbank A.Ş. and its consolidated subsidiary at 30 September 2007 and the results of its operations and cash flows for the period then ended in accordance with accounting principles and standards set out by regulations in conformity with articles 37 and 38 of the Banking Law No.5411 and other regulations, interpretations and circulars published by the Banking Regulation and Supervision Agency on accounting and financial reporting standards.

Additional paragraph for convenience translation into English:

As explained in Note I. of Section Three, the effects of differences between accounting principles and standards set out by regulations in conformity with articles 37 and 38 of the Banking Law No. 5411, accounting principles generally accepted in countries in which the accompanying consolidated financial statements are to be distributed and International Financial Reporting Standards (“IFRS”) have not been quantified in the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

Başaran Nas Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik A.Ş.
a member of
PricewaterhouseCoopers

Alper Önder, SMMM
Partner

Istanbul, 21 November 2007

**CONVENIENCE TRANSLATION
OF PUBLICLY ANNOUNCED CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH,
SEE NOTE I. OF SECTION THREE**

**THE CONSOLIDATED INTERIM FINANCIAL REPORT OF
TEKFENBANK A.Ş. AS OF 30 SEPTEMBER 2007**

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The consolidated nine-month financial report includes the following sections in accordance with the “Communiqué on Financial Statements and Related Explanations and Notes that will be Publicly Announced” as sanctioned by the Banking Regulation and Supervision Agency.

- **SECTION ONE** **General Information About The Bank**
- **SECTION TWO** **Consolidated Financial Statements**
- **SECTION THREE** **Explanations on Accounting Policies**
- **SECTION FOUR** **Information Related To Financial Position Of The Bank**
- **SECTION FIVE** **Explanations And Notes Related To Consolidated Financial Statements**
- **SECTION SIX** **Explanations On Review Report**

Investments in associates, subsidiaries and joint ventures whose financial statements have been consolidated in this reporting package are as follows:

Subsidiaries	Investment in Associates	Joint Ventures
1. Tekfen Finansal Kiralama A.Ş.	-	-

The accompanying consolidated financial statements and notes to these financial statements which are expressed, unless otherwise stated, in thousands of New Turkish Lira (“YTL”), have been prepared and presented based on the accounting books of the Bank in accordance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, and related appendices and interpretations of these, and have been independently reviewed.

21 November 2007

M. Ercan KUMCU	Mehmet N. ERTEN	K. Atıl ÖZUS	Ahmet CİĞA
Chairman of the Board of Directors and Head of Audit Committee	Member of the Board of Directors and General Manager	Vice President and Group Head of Financial Controlling and Planning	Head of Accounting, Tax, and Reporting Unit
(Signed in the original Turkish copy)	(Signed in the original Turkish copy)	(Signed in the original Turkish copy)	(Signed in the original Turkish copy)
	Piergiorgio PRADELLI	Paula HADJISOTIRIOU	
	Member of Audit Committee	Member of Audit Committee	
	(Signed in the original Turkish copy)	(Signed in the original Turkish copy)	

Contact information of the personnel in charge of the addressing of questions about this financial report:

Name-Surname / Title : Neşe ÖZ / Manager
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TEKFENBANK A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2007

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

SECTION ONE

GENERAL INFORMATION ABOUT THE GROUP

I. THE PARENT BANK’S FOUNDATION DATE, START-UP STATUTE, HISTORY ABOUT THE CHANGES IN THIS MENTIONED STATUTE:

Tekfen Yatırım ve Finansman Bankası A.Ş. was established as an “investment bank” with the permission of the Council of Ministers No.88/13253 on 26 August 1988 and authorised to conduct finance investment and foreign trade activities. Banking operations commenced on 7 August 1989.

Bank Ekspres A.Ş. (“Bank Ekspres”) was established with the permission of the Council of Ministers in decision No.91/2316 on 22 September 1991; “The Decree of Establishment Permission” was published in the Official Gazette numbered 21017 and dated 10 October 1991. The Articles of Association was published in the Trade Registry Gazette numbered 2969 and dated 18 February 1992. The Turkish Savings Deposit and Insurance Fund (“SDIF”) took over the management of Bank Ekspres A.Ş. due to the poor fiscal structure of the bank on 23 October 1998.

According to the Share Transfer Agreement signed between the SDIF and Tekfen Holding A.Ş. on 30 June 2001, 2.983.800.000 shares with a nominal value of Ykr1 each and which amount to 99,46% of the capital of Bank Ekspres A.Ş. under the control of the SDIF in accordance with Banking Law were transferred to Tekfen Holding A.Ş.. Based on this agreement, the acquisition of Tekfen Yatırım ve Finansman Bankası A.Ş., where Tekfen Holding A.Ş. owns 57,69% of the Bank, by Bank Ekspres A.Ş. was permitted by the Banking Regulation and Supervision Agency’s (“BRSA”) decision numbered 489 dated 18 October 2001. The share transfers were realised on 26 October 2001 and the bank’s name was changed to Tekfenbank Anonim Şirketi (the “Parent Bank”), which had two shareholders: Tekfen Holding A.Ş. 57,30% and TST International S.A. 40,62%.

EFG Eurobank Ergasias S.A. (“Eurobank EFG”) and Tekfen Holding A.Ş. (“Tekfen Group”) signed an agreement as at 8 May 2006, that anticipated Eurobank EFG to purchase Tekfen Group’s 70% share in Tekfenbank and Tekfen Leasing which is fully owned by Tekfenbank; where Tekfen Group retained its strategic partnership by keeping all remaining shares. At 23 February 2007, the sale of Tekfenbank A.Ş. to Eurobank EFG Holding (Luxembourg) S.A. (“Eurobank EFG Holding”) was approved by the BRSA and the sale was completed after the share transfer on 16 March 2007.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2007

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

II. EXPLANATION ABOUT THE PARENT BANK'S CAPITAL STRUCTURE, SHAREHOLDERS OF THE PARENT BANK WHO ARE IN CHARGE OF THE MANAGEMENT AND/OR AUDITING OF THE PARENT BANK DIRECTLY OR INDIRECTLY, CHANGES IN THESE MATTERS (IF ANY) AND THE GROUP THE PARENT BANK BELONGS TO:

Based on the approval notice of the BRSA dated 23 February 2007; 2.630.678.980 registered shares out of the 2.880.538.208 registered shares and 700.000 bonus shares owned by Tekfen Holding A.Ş., and 869.321.020 registered shares of the 2.031.010.000 registered shares owned by TST International Finance S.A. have been transferred to Eurobank EFG Holding.

After the share transfer in 2007, 70% of the Bank's capital is owned by Eurobank EFG Holding, 23,23% by TST International Finance S.A. (a Tekfen Group Company) and the remaining 5,90% by Tekfen Holding A.Ş as of 30 September 2007.

Eurobank EFG, which is a member of EFG Bank European Financial Group, was established in 1990 in Geneva, Switzerland. EFG Group operates in the Greece and Southern Europe Region with 19.000 personnel and 1.300 branches. The bank's operations concentrate on consumer financing, portfolio management, investment banking, security intermediation and the life insurance business.

Tekfen Group, which was established in 1956 as an engineering company, is composed of many companies and subsidiaries operating in domestic and foreign markets, which are gathered under the name Tekfen Holding A.Ş. Tekfen Group companies mainly operate in the construction and commitment services, banking and financial services, business centres and housing construction, international investment advisory services and intermediary services sectors. These companies are grouped under six main categories, namely, "Commitment Group", "Agricultural Industry Group", "Real Estate Improvement Group", "Banking Group", "Investment and Service Group" and "International Investment and Trading Group".

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TEKFENBANK A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2007

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

III. EXPLANATION ON THE BOARD OF DIRECTORS, MEMBERS OF THE AUDIT COMMITTEE, PRESIDENT AND EXECUTIVE VICE PRESIDENTS, CHANGES IN THESE MATTERS (IF ANY) AND SHARES OF THE PARENT BANK THEY POSSESS:

<u>Title</u>	<u>Name</u>	<u>Responsibility</u>	<u>Education</u>
Chairman of the Board of Directors:	Dr. Mehmet Ercan Kumcu	Chairman and Board of Directors Member in Charge of Internal Audit	PhD
Board of Directors Members:	Prof.Dr.Nikolaos Karamouzis	Vice Chairman	PhD
	Piergiorgio Pradelli	Member	Undergraduate
	Evangelos Kavvalos	Member	Graduate
	Paula Hadjisotiriou	Member	Undergraduate
	Georgios Marinos	Member	Graduate
	B.Elif Bilgi Zapparoli	Member	Graduate
	Derya Tamerler	Member	Undergraduate
	Doç.Dr.Osman Reha Yolalan	Member	PhD
	Fedon Hacaki	Member	Graduate
	Mehmet Nazmi Erten	Member and General Manager	Undergraduate
General Manager:	Mehmet Nazmi Erten	Member and General Manager	Undergraduate
Vice General Managers:	Derya Tamerler	Senior Vice General Manager	Undergraduate
	Kemal Yıldız	Loans	Undergraduate
	Berrin Korkmaz	Information Technology	Undergraduate
	Haldun Sevinç	Marketing	Undergraduate
	Fatma Aliye Atalay	Private Banking	Graduate
	Hadiye Rengin Ekmekcioğlu	Factoring	Graduate
	Kemal Atıl Özus	Financial Controlling and Planning	Undergraduate
	Esra Aydın	Operations	Undergraduate
	Mutlu Akpara	Treasury	Graduate
	Hüseyin Cem Öge	Corporate and Structured Finance	Graduate
	Fedon Hacaki	Risk Management	Graduate
Auditors:	Dr.Ahmet İpekçi	Auditor	PhD
	Dr.Ahmet Burak Emel	Auditor	PhD
	Firdevs Sancı	Auditor	Undergraduate
Audit Committee:	Dr. Mehmet Ercan Kumcu	Head of Audit Committee	PhD
	Piergiorgio Pradelli	Member	Undergraduate
	Paula Hadjisotiriou	Member	Undergraduate

The shares of the above individuals are insignificant in the Parent Bank.

IV. INFORMATION ON SHAREHOLDERS HAVING CONTROL SHARES:

<u>Name/Commercial title</u>	<u>Share Amounts (nominal)</u>	<u>Share percentage</u>	<u>Paid-in Capital(nominal)</u>	<u>Unpaid portion</u>
Eurobank EFG Holding (Luxembourg) S.A.	161.000	70,00%	70,00%	-
TST International Finance S.A.	53.438	23,23%	23,23%	-
Tekfen Holding A.Ş.	13.564	5,90%	5,90%	-
Total	228.002	99,13%	99,13%	

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TEKFENBANK A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2007

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

V. EXPLANATION ON THE PARENT BANK’S SERVICE TYPE AND FIELD OF OPERATIONS:

As of 30 September 2007, the Parent Bank has 34 branches operating in Turkey (31 December 2006: 31 branches operating in Turkey). The Parent Bank’s core business activities include corporate and commercial banking, retail banking and banking services in treasury fields. As of 30 September 2007, the Parent Bank has 579 employees (31 December 2006: 567 employees).

SECTION TWO
CONSOLIDATED FINANCIAL STATEMENTS

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED
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TEKFENBANK A.Ş.

CONSOLIDATED BALANCE SHEET AT 30 SEPTEMBER 2007 AND 31 DECEMBER 2006

(Unless otherwise stated amounts are expressed in thousands of New Turkish Lira ("YTL").)

I. BALANCE SHEET	Note (Section Five)	(30/09/2007)			(31/12/2006)		
		YTL	FC	Total	YTL	FC	Total
ASSETS							
I. CASH AND BALANCES WITH CENTRAL BANK	I-a	56.811	43.682	100.493	22.609	58.440	81.049
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT or LOSS (Net)	I-b	975	36	1.011	5.420	556	5.976
2.1 Trading Financial Assets		975	-	975	5.415	-	5.415
2.1.1 Government Debt Securities		975	-	975	5.415	-	5.415
2.1.2 Share Certificates		-	-	-	-	-	-
2.1.3 Other Marketable Securities		-	-	-	-	-	-
2.2 Financial Assets Designated at Fair Value through Profit or Loss		-	-	-	-	-	-
2.2.1 Government Debt Securities		-	-	-	-	-	-
2.2.2 Share Certificates		-	-	-	-	-	-
2.2.3 Other Marketable Securities		-	-	-	-	-	-
2.3 Trading Derivative Financial Assets		-	36	36	5	556	561
III. BANKS AND OTHER FINANCIAL INSTITUTIONS	I-c	17.651	67.167	84.818	113.286	115.024	228.310
IV. MONEY MARKETS		60.086	-	60.086	45.935	-	45.935
4.1 Interbank Money Market Placements		60.086	-	60.086	-	-	-
4.2 Receivables from Istanbul Stock Exchange Money Market		-	-	-	45.935	-	45.935
4.3 Receivables from Reverse Repurchase Agreements		-	-	-	-	-	-
V. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)	I-d	215.379	81.221	296.600	90.350	11.096	101.446
5.1 Share Certificates		971	-	971	2.913	-	2.913
5.2 Government Debt Securities		214.408	81.221	295.629	87.437	11.096	98.533
5.3 Other Marketable Securities		-	-	-	-	-	-
VI. LOANS	I-e	517.022	196.249	713.271	427.171	149.669	576.840
6.1 Loans		502.827	196.249	699.076	424.742	149.669	574.411
6.2 Loans under Follow-up		33.229	-	33.229	14.929	-	14.929
6.3 Specific Provisions (-)		19.034	-	19.034	12.500	-	12.500
VII. FACTORING RECEIVABLES	I-e	8.072	-	8.072	-	-	-
VIII. HELD-TO-MATURITY SECURITIES (Net)	I-f	932.961	1.820	934.781	36.866	2.014	38.880
8.1 Government Debt Securities		932.961	1.820	934.781	36.866	2.014	38.880
8.2 Other Marketable Securities		-	-	-	-	-	-
IX. INVESTMENTS IN ASSOCIATES (Net)	I-g	-	-	-	-	-	-
9.1 Consolidated Based on Equity Method		-	-	-	-	-	-
9.2 Consolidated		-	-	-	-	-	-
9.2.1 Financial Investments in Associates		-	-	-	-	-	-
9.2.2 Non-financial Investments in Associates		-	-	-	-	-	-
X. SUBSIDIARIES (Net)	I-h	-	-	-	-	-	-
10.1 Financial Subsidiaries		-	-	-	-	-	-
10.2 Non-financial Subsidiaries		-	-	-	-	-	-
XI. JOINT VENTURES (Net)		-	-	-	-	-	-
11.1 Consolidated Based on Equity Method		-	-	-	-	-	-
11.2 Consolidated		-	-	-	-	-	-
11.2.1 Financial Joint Ventures		-	-	-	-	-	-
11.2.2 Non-financial Joint Ventures		-	-	-	-	-	-
XII. FINANCIAL LEASE RECEIVABLES (Net)	I-i	5.249	14.669	19.918	3.170	9.163	12.333
12.1 Financial Lease Receivables		6.678	16.872	23.550	4.030	10.190	14.220
12.2 Operating Lease Receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned Income (-)		1.429	2.203	3.632	860	1.027	1.887
XIII. HEDGING DERIVATIVE FINANCIAL ASSETS	I-j	-	632	632	-	-	-
13.1 Fair Value Hedge		-	532	532	-	-	-
13.2 Cash Flow Hedge		-	-	-	-	-	-
13.3 Foreign Net Investment Hedge		-	-	-	-	-	-
XIV. PROPERTY AND EQUIPMENT (Net)		23.746	-	23.746	24.317	-	24.317
XV. INTANGIBLE ASSETS (Net)		756	-	756	960	-	960
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		756	-	756	960	-	960
XVI. TAX ASSET		10.374	-	10.374	121	-	121
16.1 Current Tax Asset		3.863	-	3.863	1	-	1
16.2 Deferred Tax Asset	I-k	6.511	-	6.511	120	-	120
XVII. ASSETS HELD FOR RESALE (Net)		1.070	-	1.070	1.088	-	1.088
XVIII. OTHER ASSETS	I-l	4.019	2.525	6.544	2.938	1.124	4.062
TOTAL ASSETS		1.854.171	408.001	2.262.172	774.231	347.086	1.121.317

The accompanying explanations and notes form an integral part of these consolidated financial statements.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
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TEKFENBANK A.Ş.

CONSOLIDATED BALANCE SHEET AT 30 SEPTEMBER 2007 AND 31 DECEMBER 2006

(Unless otherwise stated amounts are expressed in thousands of New Turkish Lira ("YTL").)

I. BALANCE SHEET	Note (Section Five)	(30/09/2007)			(31/12/2006)		
		YTL	FC	Total	YTL	FC	Total
LIABILITIES							
I. DEPOSITS	II-a	377.330	340.723	718.053	413.547	344.812	758.359
II. TRADING DERIVATIVE FINANCIAL LIABILITIES	II-b	10	22	32	3.147	2	3.149
III. BORROWINGS	II-c	975.101	70.994	1.046.095	40.127	103.936	144.063
IV. MONEY MARKETS		125.596	44.687	170.283	70.303	-	70.303
4.1 Funds from Interbank Money Market		-	-	-	-	-	-
4.2 Funds from Istanbul Stock Exchange Money Market		25.473	-	25.473	8.530	-	8.530
4.3 Funds Provided Under Repurchase Agreements		100.123	44.687	144.810	61.773	-	61.773
V. MARKETABLE SECURITIES ISSUED (Net)		-	-	-	-	-	-
5.1 Bills		-	-	-	-	-	-
5.2 Asset Backed Securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	-	-	-
VI. FUNDS		-	-	-	-	-	-
VII. MISCELLANEOUS PAYABLES		4.005	8.425	12.430	5.087	1.188	6.275
VIII. OTHER LIABILITIES	II-d	5.933	2.536	8.469	4.799	1.829	6.628
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. FINANCIAL LEASE PAYABLES (Net)	II-e	-	502	502	-	3.153	3.153
10.1 Financial Lease Payables		-	513	513	-	3.286	3.286
10.2 Operational Lease Payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred Financial Lease Expenses (-)		-	11	11	-	133	133
XI. HEDGING DERIVATIVE FINANCIAL LIABILITIES	II-f	-	11.687	11.687	-	-	-
11.1 Fair Value Hedge		-	11.687	11.687	-	-	-
11.2 Cash Flow Hedge		-	-	-	-	-	-
11.3 Foreign Net Investment Hedge		-	-	-	-	-	-
XII. PROVISIONS	II-g	18.291	2.345	20.636	11.349	-	11.349
12.1 General Loan Loss Provision		3.376	2.345	5.721	3.464	-	3.464
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Reserve for Employee Rights		4.080	-	4.080	3.626	-	3.626
12.4 Insurance Technical Provisions (Net)		-	-	-	-	-	-
12.5 Other Provisions		10.835	-	10.835	4.259	-	4.259
XIII. TAX LIABILITY	II-h	12.008	-	12.008	3.925	-	3.925
13.1 Current Tax Liability		12.008	-	12.008	3.622	-	3.622
13.2 Deferred Tax Liability		-	-	-	303	-	303
XIV. PAYABLES FOR ASSET HELD FOR RESALE		-	-	-	-	-	-
XV. SUBORDINATED LOANS		-	-	-	-	-	-
XVI. SHAREHOLDERS' EQUITY	II-i	261.756	221	261.977	114.113	-	114.113
16.1 Paid-in Capital		229.314	-	229.314	50.000	-	50.000
16.2 Capital Reserves		5.316	221	5.537	40.383	-	40.383
16.2.1 Share Premium		-	-	-	-	-	-
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Marketable Securities Value Increase Fund		621	221	842	250	-	250
16.2.4 Revaluation of Property and Equipment		3.128	-	3.128	3.128	-	3.128
16.2.5 Revaluation of Intangible Fixed Assets		-	-	-	-	-	-
16.2.6 Bonus Shares Obtained from Investments in Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-
16.2.7 Hedging Funds (Effective portion)		-	-	-	-	-	-
16.2.8 Value Increase of Assets Held for Resale		-	-	-	-	-	-
16.2.9 Other Capital Reserves		1.567	-	1.567	37.005	-	37.005
16.3 Profit Reserves		18.457	-	18.457	10.513	-	10.513
16.3.1 Legal Reserves		7.382	-	7.382	7.344	-	7.344
16.3.2 Status Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		11.075	-	11.075	3.169	-	3.169
16.3.4 Other Profit Reserves		-	-	-	-	-	-
16.4 Income or (Loss)		8.669	-	8.669	13.217	-	13.217
16.4.1 Prior Years' Income or (Loss)		(4.289)	-	(4.289)	99	-	99
16.4.2 Current Year Income or (Loss)		12.958	-	12.958	13.118	-	13.118
16.5 Minority interest		-	-	-	-	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1.780.030	482.142	2.262.172	666.397	454.920	1.121.317

The accompanying explanations and notes form an integral part of these consolidated financial statements.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED
IN TURKISH, SEE NOTE I. OF SECTION THREE**

TEKFENBANK A.Ş.

CONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AT 30 SEPTEMBER 2007 AND 31 DECEMBER 2006
(Unless otherwise stated amounts are expressed in thousands of New Turkish Lira ("YTL").)

II.	OFF-BALANCE SHEET COMMITMENTS	Note (Section Five)	(30/09/2007)			(31/12/2006)		
			YTL	FC	Total	YTL	FC	Total
A	OFF-BALANCE SHEET COMMITMENTS (I+II+III)		271.203	498.794	769.997	368.606	399.860	768.466
I.	GUARANTEES AND WARRANTIES	III-a-2,3	208.501	345.804	554.305	189.566	289.549	479.115
1.1	Letters of Guarantee		208.501	77.329	285.830	189.566	106.509	296.075
1.1.1	Guarantees Subject to State Tender Law		21.163	5.406	26.569	22.512	5.032	27.544
1.1.2	Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3	Other Letters of Guarantee		187.338	71.923	259.261	167.054	101.477	268.531
1.2	Bank Acceptances		-	5.022	5.022	-	8.865	8.865
1.2.1	Import Letter of Acceptance		-	5.022	5.022	-	8.865	8.865
1.2.2	Other Bank Acceptances		-	-	-	-	-	-
1.3	Letters of Credit		-	95.036	95.036	-	94.343	94.343
1.3.1	Documentary Letters of Credit		-	95.036	95.036	-	94.343	94.343
1.3.2	Other Letters of Credit		-	-	-	-	-	-
1.4	Prefinancing Given as Guarantee		-	-	-	-	-	-
1.5	Endorsements		-	-	-	-	-	-
1.5.1	Endorsements to the Central Bank of the Republic of Turkey		-	-	-	-	-	-
1.5.2	Other Endorsements		-	-	-	-	-	-
1.6	Securities Issue Purchase Guarantees		-	-	-	-	-	-
1.7	Factoring Guarantees		-	10	10	-	-	-
1.8	Other Guarantees		-	168.407	168.407	-	79.832	79.832
1.9	Other Collaterals		-	-	-	-	-	-
II.	COMMITMENTS	III-a-1	62.435	-	62.435	60.756	-	60.756
2.1	Irrevocable Commitments		62.435	-	62.435	60.756	-	60.756
2.1.1	Asset Purchase Commitments		-	-	-	-	-	-
2.1.2	Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3	Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4	Loan Granting Commitments		-	-	-	-	-	-
2.1.5	Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6	Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7	Commitments for Cheques		45.535	-	45.535	41.780	-	41.780
2.1.8	Tax and Fund Liabilities from Export Commitments		2.667	-	2.667	2.962	-	2.962
2.1.9	Commitments for Credit Card Limits		11.062	-	11.062	10.624	-	10.624
2.1.10	Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.11	Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12	Other Irrevocable Commitments		3.171	-	3.171	5.390	-	5.390
2.2	Revocable Commitments		-	-	-	-	-	-
2.2.1	Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2	Other Revocable Commitments		-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS		267	152.990	153.257	118.284	110.311	228.595
3.1	Hedging Derivative Financial Instruments		-	120.480	120.480	-	-	-
3.1.1	Transactions for Fair Value Hedge		-	120.480	120.480	-	-	-
3.1.2	Transactions for Cash Flow Hedge		-	-	-	-	-	-
3.1.3	Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2	Trading Transactions		267	32.510	32.777	118.284	110.311	228.595
3.2.1	Forward Foreign Currency Buy/Sell Transactions		267	17.538	17.805	862	7.879	8.741
3.2.1.1	Forward Foreign Currency Transactions-Buy		134	8.771	8.905	154	4.220	4.374
3.2.1.2	Forward Foreign Currency Transactions-Sell		133	8.767	8.900	708	3.659	4.367
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rates		-	-	-	106.949	102.432	209.381
3.2.2.1	Foreign Currency Swap-Buy		-	-	-	28.500	74.497	102.997
3.2.2.2	Foreign Currency Swap-Sell		-	-	-	78.449	27.935	106.384
3.2.2.3	Interest Rate Swap-Buy		-	-	-	-	-	-
3.2.2.4	Interest Rate Swap-Sell		-	-	-	-	-	-
3.2.3	Foreign Currency, Interest rate and Securities Options		-	14.972	14.972	-	-	-
3.2.3.1	Foreign Currency Options-Buy		-	-	-	-	-	-
3.2.3.2	Foreign Currency Options-Sell		-	-	-	-	-	-
3.2.3.3	Interest Rate Options-Buy		-	7.486	7.486	-	-	-
3.2.3.4	Interest Rate Options-Sell		-	7.486	7.486	-	-	-
3.2.3.5	Securities Options-Buy		-	-	-	-	-	-
3.2.3.6	Securities Options-Sell		-	-	-	-	-	-
3.2.4	Foreign Currency Futures		-	-	-	-	-	-
3.2.4.1	Foreign Currency Futures-Buy		-	-	-	-	-	-
3.2.4.2	Foreign Currency Futures-Sell		-	-	-	-	-	-
3.2.5	Interest Rate Futures		-	-	-	-	-	-
3.2.5.1	Interest Rate Futures-Buy		-	-	-	-	-	-
3.2.5.2	Interest Rate Futures-Sell		-	-	-	-	-	-
3.2.6	Other		-	-	-	10.473	-	10.473
B.	CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		1.548.616	2.075.485	3.624.101	1.175.128	1.344.782	2.519.910
IV.	ITEMS HELD IN CUSTODY		158.651	101.397	260.048	135.997	99.439	235.436
4.1	Customer Fund and Portfolio Balances		13.315	-	13.315	15.620	-	15.620
4.2	Investment Securities Held in Custody		76.029	11.589	87.618	46.006	13.627	59.633
4.3	Checks Received for Collection		31.058	30.877	61.935	25.904	38.617	64.521
4.4	Commercial Notes Received for Collection		29.431	33.919	63.350	42.985	30.388	73.373
4.5	Other Assets Received for Collection		-	-	-	-	-	-
4.6	Assets Received for Public Offering		-	-	-	-	-	-
4.7	Other Items Under Custody		8.818	25.012	33.830	5.482	16.807	22.289
4.8	Custodians		-	-	-	-	-	-
V.	PLEDGES RECEIVED		1.389.965	1.974.088	3.364.053	1.039.131	1.245.343	2.284.474
5.1	Marketable Securities		3.342	-	3.342	331	-	331
5.2	Guarantee Notes		758.131	1.201.269	1.959.400	560.080	899.872	1.459.952
5.3	Commodity		28.653	3.571	32.224	34.643	-	34.643
5.4	Warranty		-	-	-	-	-	-
5.5	Immovable		557.160	759.191	1.316.351	403.274	337.006	740.280
5.6	Other Pledged Items		42.679	10.057	52.736	40.803	8.465	49.268
5.7	Pledged Items-Depository		-	-	-	-	-	-
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
	TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		1.819.819	2.574.279	4.394.098	1.543.734	1.744.642	3.288.376

The accompanying explanations and notes form an integral part of these consolidated financial statements.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED
IN TURKISH, SEE NOTE I. OF SECTION THREE**

TEKFENBANK A.Ş.

**CONSOLIDATED INCOME STATEMENT FOR THE NINE AND THREE MONTH PERIODS
ENDED 30 SEPTEMBER 2007 AND 30 SEPTEMBER 2006**

(Unless otherwise stated amounts are expressed in thousands of New Turkish Lira (“YTL”).)

III.	INCOME STATEMENT	Note (Section Five)	01/01/2007- 30/09/2007	01/01/2006- 30/09/2006	01/07/2007- 30/09/2007	01/07/2006- 30/09/2006
	INCOME AND EXPENSE ITEMS					
I.	INTEREST INCOME	IV-a	183.658	74.702	81.648	29.972
1.1	Interest on Loans	IV-a-1	81.895	45.348	29.579	18.231
1.2	Interest Received from Reserve Requirements		4.951	1.817	2.321	751
1.3	Interest Received from Banks	IV-a-2	13.767	6.333	2.187	4.033
1.4	Interest Received from Money Market Transactions		2.752	10.199	791	2.854
1.5	Interest Received from Marketable Securities Portfolio		78.337	9.818	46.058	3.668
1.5.1	Trading Financial Assets		250	271	117	203
1.5.2	Financial Assets at Fair Value through Profit or Loss		-	-	-	-
1.5.3	Available-for-sale Financial Assets		19.388	961	10.457	409
1.5.4	Held-to-maturity Investments		58.699	8.586	35.484	3.056
1.6	Financial Lease Income		1.767	1.187	638	531
1.7	Other Interest Income		189	-	74	(96)
II.	INTEREST EXPENSE	IV-b	(136.646)	(52.271)	(60.331)	(20.475)
2.1	Interest on Deposits		(62.860)	(43.703)	(18.466)	(17.044)
2.3	Interest on Funds Borrowed	IV-b-1	(58.604)	(5.294)	(33.998)	(2.098)
2.4	Interest Expense on Money Market Transactions		(15.028)	(2.619)	(7.856)	(921)
2.5	Interest on Securities Issued		-	-	-	-
2.6	Other Interest Expenses		(154)	(655)	(11)	(412)
III.	NET INTEREST INCOME (I + II)		47.012	22.431	21.317	9.497
IV.	NET FEES AND COMMISSIONS INCOME		10.158	7.672	3.969	2.649
4.1	Fees and Commissions Received		10.945	8.469	4.227	2.917
4.1.1	Cash Loans		2.106	1.004	899	329
4.1.2	Non-cash Loans		5.255	3.680	2.106	1.385
4.1.3	Other	IV-h	3.584	3.785	1.222	1.203
4.2	Fees and Commissions Paid		(787)	(797)	(258)	(268)
4.2.1	Cash Loans		-	(64)	-	-
4.2.2	Non-cash Loans		(41)	(42)	(14)	(15)
4.2.3	Other	IV-h	(746)	(691)	(244)	(253)
V.	DIVIDEND INCOME		97	117	-	-
VI.	TRADING INCOME/(LOSS) (Net)	IV-c	2.355	2.929	1.763	2.278
6.1	Trading Gains/(Losses) on Securities		(3.525)	1.915	(1.292)	1.090
6.2	Foreign Exchange Gains/(Losses)		5.880	1.014	3.055	1.188
VII.	OTHER OPERATING INCOME	IV-d	7.163	16.302	1.005	970
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)		66.785	49.451	28.054	15.394
IX.	PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES	IV-e	(11.352)	(3.652)	(2.679)	(1.018)
X.	OTHER OPERATING EXPENSES	IV-f	(40.765)	(33.732)	(12.412)	(10.531)
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		14.668	12.067	12.963	3.845
XII.	EXCESS AMOUNT RECORDED AS INCOME AFTER MERGER		-	-	-	-
XIII.	INCOME/(LOSS) FROM INVESTMENTS IN SUBSIDIARIES CONSOLIDATED BASED ON EQUITY METHOD		-	-	-	-
XIV.	INCOME/(LOSS) ON NET MONETARY POSITION		-	-	-	-
XV.	INCOME/(LOSS) BEFORE INCOME TAXES (XI+XII+XIII+XIV)		14.668	12.067	12.963	3.845
XVI.	PROVISION FOR INCOME TAXES (+)	IV-g	(1.710)	(2.120)	(2.867)	(1.025)
16.1	Current Tax Provision		(8.626)	-	(4.396)	-
16.2	Deferred Tax Provision		6.916	(2.120)	1.529	(1.025)
XVII.	OPERATING INCOME/(LOSS) AFTER TAXES		12.958	9.947	10.096	2.820
17.1	Discontinued Operations		-	-	-	-
17.2	Other		12.958	9.947	10.096	2.820
XVIII.	NET INCOME/(LOSS) (XV+XVI)		12.958	9.947	10.096	2.820
18.1	Income/(loss) of the Group		12.958	9.947	10.096	2.820
18.2	Income/(loss) of the minority interest		-	-	-	-
	Earnings/(Loss) per share (1.000 nominal in YTL full)		1,178	1,047	0,918	0,297

The accompanying explanations and notes form an integral part of these consolidated financial statements.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
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TEKFENBANK A.Ş.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2006

(Unless otherwise stated amounts are expressed in thousands of New Turkish Lira ("YTL").)

IV. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY																	
	PRIOR PERIOD 30/09/2006	Paid-in Capital	Adjustment to Share Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income / (Loss)	Prior Period Net Income/(Loss)	Revaluation Fund	Revaluation Differences	Marketable Securities Value Increase Fund	Total Equity Except Minority Interest	Minority Interest	Total Shareholders' Equity
I. Period Opening Balance		50.000	37.005	-	-	7.330	-	758	-	2.164	(326)	-	-	-	96.931	-	96.931
II. Changes in Accounting Policies according to TAS 8		-	-	-	-	-	-	8	-	-	678	-	-	-	686	-	686
2.1 Effects of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Effects of the Changes in Accounting Policies		-	-	-	-	-	-	8	-	-	678	-	-	-	686	-	686
III. New Balance (I+II)		50.000	37.005	-	-	7.330	-	766	-	2.164	352	-	-	-	97.617	-	97.617
Changes in the Period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Increase/Decrease due to the Merger		-	-	-	-	-	-	-	-	-	-	-	-	(390)	(390)	-	(390)
V. Available-for-sale Investments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Hedging Transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1 Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2 Foreign Investment Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred Amounts		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Available-for-sale Investments		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Hedging Transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.1 Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.2 Foreign Investment Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Net Current Period Income/Loss		-	-	-	-	-	-	-	-	9.947	-	-	-	-	9.947	-	9.947
X. Profit Distribution		-	-	-	-	14	-	2.403	-	(2.164)	(253)	-	-	-	-	-	-
10.1 Dividends Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10.2 Transfers to Reserves		-	-	-	-	14	-	2.403	-	(2.164)	(253)	-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Capital Increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 Value Increase due to Revaluation of Property and Equipment		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.3 Bonus Shares Obtained from Investments in Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.4 Marketable Securities Value Increase Fund		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.5 Adjustment to Share Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.6 Share Premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.7 Foreign Currency Difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.8 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Change due to Disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Changes due to the Reclassification of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Primary Subordinated Borrowings		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Secondary Subordinated Borrowings		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Effects of changes in Equity of Investment in Associates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period End Balance (III+IV+.....+XIV+XV+XVI)		50.000	37.005	-	-	7.344	-	3.169	-	9.947	99	-	-	(390)	107.174	-	107.174

The accompanying explanations and notes form an integral part of these consolidated financial statements.

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
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IN TURKISH, SEE NOTE I. OF SECTION THREE**

TEKFENBANK A.Ş.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2007

(Unless otherwise stated amounts are expressed in thousands of New Turkish Lira ("YTL").)

IV. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY																
CURRENT PERIOD 30/09/2007	Paid-in Capital	Adjustment to Share Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income / (Loss)	Prior Period Net Income/(Loss)	Revaluation Fund	Revaluation Differences	Marketable Securities Value Increase Fund	Total Equity Except Minority Interest	Minority Interest	Total Shareholders' Equity
I. Prior Period End Balance	50.000	37.005	-	-	7.344	-	3.169	-	13.118	99	3.128	-	250	114.113	-	114.113
Changes in the Period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Increase/Decrease due to the Merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Available-for-sale Investments	-	-	-	-	-	-	-	-	-	-	-	-	592	592	-	592
IV. Hedging Transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Cash Flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Foreign Investment Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred Amounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Available-for-Sale Investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Hedging transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1 Cash Flow Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2 Foreign Investment Hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Net Current Period Income/(Loss)	-	-	-	-	-	-	-	-	12.958	-	-	-	-	12.958	-	12.958
VIII. Profit Distribution	-	-	-	-	38	-	7.906	9.562	(13.118)	(4.388)	-	-	-	-	-	-
10.1 Dividends Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10.2 Transfers to Reserves	-	-	-	-	38	-	7.906	9.562	(13.118)	(4.388)	-	-	-	-	-	-
10.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Capital Increase	179.314	(35.438)	-	-	-	-	-	(9.562)	-	-	-	-	-	134.314	-	134.314
9.1 Cash	134.314	-	-	-	-	-	-	-	-	-	-	-	-	134.314	-	134.314
9.2 Value increase due to revaluation of property and equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9.3 Bonus Shares Obtained from Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9.4 Marketable securities value increase fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9.5 Adjustment to share capital	35.438	(35.438)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9.6 Share Premium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9.7 Foreign Currency Difference	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9.8 Other	9.562	-	-	-	-	-	-	(9.562)	-	-	-	-	-	-	-	-
X. Changes due to the disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Changes due to the reclassification of the assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Primary subordinated borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Secondary subordinated borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Effects of changes in equity of investments in associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period End Balance (I+II+.....+XII+XIII+XIV)	229.314	1.567	-	-	7.382	-	11.075	-	12.958	(4.289)	3.128	-	842	261.977	-	261.977

The accompanying explanations and notes form an integral part of these consolidated financial statements.

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**CONSOLIDATED CASH FLOW STATEMENT FOR THE NINE MONTH PERIOD
ENDED 30 SEPTEMBER 2007 AND 30 SEPTEMBER 2006**

(Unless otherwise stated amounts are expressed in thousands of New Turkish Lira (“YTL”))

V. STATEMENT OF CASH FLOWS	(30/09/2007)	(30/09/2006)
A. CASH FLOWS FROM BANKING OPERATIONS		
1.1 Operating profit before changes in operating assets and liabilities	4.186	(358)
1.1.1 Interest received	137.999	70.866
1.1.2 Interest paid	(117.777)	(48.759)
1.1.3 Dividend received	97	259
1.1.4 Fees and commissions received	10.158	8.470
1.1.5 Other income	-	10.099
1.1.6 Collections from previously written-off loans and other receivables	2.457	2.450
1.1.7 Payments to personnel and service suppliers	(19.305)	(17.317)
1.1.8 Taxes paid	(4.376)	(1.707)
1.1.9 Other	(5.067)	(24.719)
1.2 Changes in operating assets and liabilities	767.022	(29.800)
1.2.1 Net (increase)/decrease in trading securities	4.324	10.495
1.2.2 Net (increase)/decrease in fair value through profit/loss financial assets	-	-
1.2.3 Net (increase)/decrease in due from banks and other financial institutions	-	(23.100)
1.2.4 Net (increase)/decrease in loans	(153.305)	(189.223)
1.2.5 Net (increase)/decrease in other assets	(35.047)	(517)
1.2.6 Net increase/(decrease) in bank deposits	(4.723)	(27.393)
1.2.7 Net increase/(decrease) in other deposits	(32.591)	119.153
1.2.8 Net increase/(decrease) in funds borrowed	980.152	67.822
1.2.9 Net increase/(decrease) in payables	-	843
1.2.10 Net increase/(decrease) in other liabilities	8.212	12.120
I. Net cash provided from banking operations	771.208	(30.158)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
II. Net cash provided from investing activities	(1.047.254)	2.444
2.1 Cash paid for acquisition of investments, associates and subsidiaries	-	-
2.2 Cash obtained from disposal of investments, associates and subsidiaries	-	8.831
2.3 Purchases of property and equipment	(2.286)	(1.643)
2.4 Disposals of property and equipment	786	14.711
2.5 Cash paid for purchase of investments available-for-sale	-	(19.118)
2.6 Cash obtained from sale of investments available-for-sale	(177.372)	-
2.7 Cash paid for purchase of investment securities	(878.005)	(33.390)
2.8 Cash obtained from sale of investment securities	9.623	33.941
2.9 Other	-	(888)
C. CASH FLOWS FROM FINANCING ACTIVITIES		
III. Net cash provided from financing activities	131.669	(1.812)
3.1 Cash obtained from funds borrowed and securities issued	-	-
3.2 Cash used for repayment of funds borrowed and securities issued	-	-
3.3 Issued capital instruments	-	-
3.4 Dividends paid	-	-
3.5 Payments for finance leases	(2.645)	(1.812)
3.6 Other	134.314	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents	-	6.270
V. Net increase/(decrease) in cash and cash equivalents (I+II+III+IV)	(144.377)	(23.256)
VI. Cash and cash equivalents at beginning of the period	306.856	237.038
VII. Cash and cash equivalents at end of the period	162.479	213.782

The accompanying explanations and notes form an integral part of these consolidated financial statements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2007

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SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES

I. BASIS OF PRESENTATION:

a. The preparation of the consolidated financial statements and related notes and explanations in accordance with the Turkish Accounting Standards and Regulation on the Principles and Procedures Regarding Banks’ Accounting Applications and Safeguarding of Documents:

The Parent Bank maintains its books of accounts in Turkish Lira in accordance with the Banking Act No.5411 (“Banking Act”), which is effective from 1 November 2005, the Turkish Commercial Code and Turkish tax legislation.

The consolidated financial statements are prepared in accordance with the “Regulation on the Principles and Procedures Regarding Banks’ Accounting Applications and Safeguarding of Documents” published in the Official Gazette No.26333 dated 1 November 2006 by the Banking Regulation and Supervision Agency (“BRSA”) which refers to “Turkish Accounting Standards” (“TAS”) and “Turkish Financial Reporting Standards” (“TFRS”) issued by the Turkish Accounting Standards Board (“TASB”) and other decrees, notes and explanations related to the accounting and financial reporting principles (all “Turkish Accounting Standards” or “TAS”) published by the BRSA. The format and the details of the publicly announced financial statements and related disclosures to these statements have been prepared in accordance with the “Communiqués Related to Publicly Announced Financial Statements of Banks and Explanations and Notes Related to these Financial Statements” published in the Official Gazette No.26430 dated 10 February 2007.

The consolidated financial statements have been prepared in YTL, under the historical cost convention as modified in accordance with inflation adjustments until 31 December 2004, except for the financial assets and liabilities which are carried at fair value.

The preparation of consolidated financial statements in conformity with TAS requires the use of certain critical accounting estimates by the Bank management to exercise its judgment on the assets and liabilities of the balance sheet and contingent issues as of the balance sheet date. These estimates are being reviewed regularly and, when necessary, suitable corrections are made and the effects of these corrections are reflected to the income statement.

The accounting policies and valuation principles applied in the preparation of these consolidated financial statements and valuation principles are defined and applied in accordance with TAS. Those accounting policies and valuation principles are explained in Notes II to XXVIII below.

b. Additional paragraph for convenience translation into English:

The differences between accounting principles, as described in the preceding paragraphs and accounting principles generally accepted in countries in which these consolidated financial statements are to be distributed and International Financial Reporting Standards (“IFRS”) have not been quantified in these consolidated financial statements. Accordingly, these consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

c. Explanations on first-time adoption of Turkish Accounting Standards:

The Group has prepared its financial statements in accordance with TAS as of 31 December 2006 for the first time.

According to the “Turkish Financial Reporting Standard Regarding the First-time Adoption of Turkish Financial Reporting Standards” (“TFRS1”), the effects of the adoption of TAS are reflected to the financial statements as of 30 September 2006 that are presented comparative to 30 September 2007 financial statements.

1. Reconciliation of the net income reported under previous accounting principles in the financial statements to the net income under TAS for the same period:

	30 September 2006
Net Income/(Loss) of the Period before TAS Applications	(2.038)
<i>Reserve for Employee Rights</i>	<i>(81)</i>
<i>Correction of the Property and Equipment Valuation and Sale Income</i>	<i>2.566</i>
<i>Correction of the Investment in Associates and Subsidiaries Valuation</i>	<i>9.361</i>
<i>Deferred Tax Effect</i>	<i>139</i>
Total Effect on Profit of Period before the Application of TAS	11.985
Net Income/(Loss) for the Period after TAS Applications	9.947

2. Reconciliation of the shareholders’ equity reported under previous accounting principles to the shareholders’ equity under TAS:

	31 December 2005
Shareholders’ Equity Balance of the period before TAS Applications	96.931
<i>Reserve for Employee Rights</i>	<i>(1.570)</i>
<i>Correction of the Property and Equipment Valuation and Sale Income</i>	<i>2.288</i>
<i>Correction of the Investment in Associates and Subsidiaries Valuation</i>	<i>3.885</i>
<i>Deferred tax effect</i>	<i>(215)</i>
<i>Correction of Consolidated Subsidiaries’ TAS Application</i>	<i>(3.702)</i>
Total Effect on Shareholders’ Equity of the Period before the Application of TAS	686
Shareholders’ Equity Balance of the period after TAS Applications	97.617

3. There are no significant changes in the cash flow statement reported in the financial statements for the period ended 30 September 2006.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

II. EXPLANATIONS ON STRATEGY OF USING FINANCIAL INSTRUMENTS AND FOREIGN CURRENCY TRANSACTIONS:

The general strategy of the Group of using financial instruments is to sustain an optimal balance between the yield of the instruments and their risks. The most important funding source of the Group is deposits. The Group can also sustain a lengthened liability structure by using long-term foreign currency borrowings from foreign financial institutions. Funds obtained from deposits and other sources are invested in high yield and quality financial assets and currency, interest rate and liquidity risks are being kept within the limits following the asset-liability management strategy. The currency, interest and liquidity risks of on-balance sheet and off-balance sheet assets and liabilities are managed accordingly within the risk limits accepted by the Group and the related legal limits. Derivative instruments are mainly utilised for liquidity needs and for mitigating currency and interest rate risks. The position of the Group as a result of foreign currency activities being held at minimum levels and the exposed currency risk is followed within the determined levels by the Board of Directors by considering the limits given by the Banking Law.

Foreign currency denominated monetary assets and liabilities are translated with the Parent Bank’s foreign currency bid rates prevailing at the balance sheet date. Gains and losses arising from such valuations are recognised in the income statement under the account of “Foreign exchange gains or losses”.

III. EXPLANATIONS ON INVESTMENTS IN ASSOCIATES, SUBSIDIARIES AND JOINT VENTURES:

Consolidated financial statements are prepared in accordance with the “Turkish Accounting Standard for Consolidated and Separate Financial Statements” (“TAS 27”).

Consolidation principles for subsidiaries:

Subsidiaries are entities controlled directly or indirectly by the Parent Bank.

Subsidiaries are consolidated using the full consolidation method on the grounds of materiality principle considering their operations, asset and equity sizes. Financial statements of related subsidiaries are consolidated from the date when the control is transferred to the Parent Bank.

Control means, directly or indirectly, holding the majority of the capital of an enterprise or although not having this majority, by holding privileged shares; or based on agreements made with other shareholders, holding the majority of the voting power or somehow having the power of dismissal or appointment of the majority of the members of the board of directors.

In the full consolidation method, 100% of subsidiaries’ assets, liabilities, income, expense and off-balance sheet items are combined with the Parent Bank’s assets, liabilities, income, expense and off-balance sheet items. The carrying amount of the Group’s investment in each subsidiary and the Group’s portion of the cost value of the capital of each subsidiary are eliminated. Intragroup balances and intragroup transactions and resulting unrealized profits and losses are eliminated. Minority interests in the net income of consolidated subsidiaries are identified and adjusted against the income of the Group in order to arrive at the net income attributable to the Group. Minority interests are presented in the consolidated balance sheet, in the shareholder’s equity. Minority interests are presented separately in the Group’s income.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Group has no joint ventures or investment in associates as of 30 September 2007 and 31 December 2006.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

IV. EXPLANATIONS ON FORWARD TRANSACTIONS, OPTIONS AND DERIVATIVE INSTRUMENTS:

Derivative instruments are measured at fair value on initial recognition and subsequently remeasured at their fair values. The accounting method of the income or loss arising from derivative instruments depends on the derivative being used for hedging purposes or not and depends on the type of the item being hedged.

The Group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values of hedged items.

Changes in fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement. If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedge item for which the effective interest method is used is amortised to profit or loss over the period maturity.

Certain derivative transactions, even though they provide effective economic hedges under the Group’s risk management position, do not qualify for hedge accounting under the specific rules in “Turkish Accounting Standard for Financial Instruments: Recognition and Measurement (“TAS 39”)” and are therefore treated as “financial assets at fair value through profit or loss”.

“Financial assets at fair value through profit or loss” are measured at fair value. If the fair value of derivative financial instruments is positive, it is disclosed under the main account “Financial assets at fair value through profit or loss” in “Trading derivative financial instruments” and if the fair value difference is negative, it is disclosed under “Trading derivative financial liabilities”. Differences in the fair value of trading derivative instruments are accounted under “trading income/loss” in the income statement.

The fair values of the derivative financial instruments are calculated by using quoted market prices or by using discounted cash flow models.

Liabilities and receivables arising from the derivative instruments are followed in the off-balance sheet accounts from their contractual values.

V. EXPLANATIONS ON INTEREST INCOME AND EXPENSE:

Interest income and expenses are recognised in the income statement on an accrual basis by using the effective interest method.

The Group ceases accruing interest income on non-performing loans and, any interest income accruals from such loans are being reversed and no income is accounted until the collection is made according to the related regulation.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VI. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSE:

All fees and commissions income/expenses are recognised on an accrual basis, except for certain commission income and fees from various banking services which are recorded as income at the time of collection. Fees and commissions income/expenses received/paid from/to the other institutions are recognised as operational costs and recorded using the effective interest method. Contract-based fees or fees received in return for services such as the purchase and sale of assets on behalf of a third or legal person are recognised as income at the time of collection.

VII. EXPLANATIONS ON FINANCIAL ASSETS:

The Group classifies and accounts its financial assets as “Fair value through profit or loss”, “Available-for-sale”, “Loans and receivables” or “Held-to-maturity”. Sales and purchases of the financial assets mentioned above are recognised at the “settlement dates”. The appropriate classification of financial assets of the Group is determined at the time of purchase by the management, taking into consideration the purpose of holding the investment.

a. Financial assets at fair value through profit or loss:

Financial assets, which are classified as “Financial assets at fair value through profit or loss”, are trading financial assets and are either acquired for generating profit from short-term fluctuations in the price or dealer’s margin, or are the financial assets included in a portfolio in which a pattern of short-term profit making exists independent from the acquisition purpose.

Trading financial assets are initially recognised at fair value and are subsequently re-measured at their fair value. However, if fair values cannot be obtained from the fair market transactions, it is accepted that the fair value cannot be measured reliably and that the financial assets are carried at amortised cost using the “effective interest method”. All gains and losses arising from these evaluations are recognised in the income statement. Interest earned while holding financial assets is reported as interest income and dividends received are included separately in dividend income.

Derivative financial instruments are treated as trading financial assets unless they are not designated as hedge instruments. The principles regarding the accounting of derivative financial instruments are explained in detail in Note IV of Section Three.

b. Held-to-maturity financial assets:

Held-to-maturity financial assets are assets that are not classified under loans and receivables and held-for-trading at the time of acquisition and are not included in available-for-sale financial assets, with fixed maturities and fixed or determinable payments where management has the intent and ability to hold the financial assets to maturity. Held-to-maturity financial assets are initially recognised at cost which is considered as their fair value. The fair values of held-to-maturity financial assets on initial recognition are either the transaction prices at acquisition or the market prices of similar financial instruments. Held-to-maturity securities are carried at “amortised cost” using the “effective interest method” after their recognition. Interest income earned from held-to-maturity financial assets is reflected to the statement of income.

There are no financial assets that were previously classified as held-to-maturity but which cannot be subject to this classification for two years due to the contradiction of classification principles.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

c. Loans and receivables:

Loans and receivables are financial assets which are created by providing money, services or goods to a debtor. Loans and receivables originated by the Bank are carried initially at cost and subsequently recognised at the amortised cost value calculated using the “effective interest method”. The expenses incurred for the assets received as collateral are not considered as transaction costs and are recognised in the expense accounts.

The Group provides general and specific provisions based on the assessments and estimates of the management, by considering the “Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks’ Loans and Other Receivables and the Provision for These Loans and Other Receivables” published in the Official Gazette No.26333 dated 1 November 2006. In this context, the revised credit risk, general structure of the current loan portfolio, financial conditions of the customers, non-financial information and economic conjunction on the basis of the prudence principle are taken into consideration by the Group in determining the estimates.

Provision expenses are deducted from the net income of the year. If there is a subsequent collection from a receivable that was already provisioned in the previous years, the recovery amount is classified under “Other Operating Income”. If a receivable is collected which is provisioned in the same year, it is deducted from the “Provisions for loan losses and other receivables”. Uncollectible receivables are written-off after all the legal procedures have been finalised.

d. Available-for-sale financial assets:

Available-for-sale financial assets are defined as financial assets other than the ones classified as “Loans and receivables”, “Held-to-maturity assets” or “Financial asset at fair value through profit or loss”.

Available-for-sale financial assets are subsequently re-measured at fair value. When fair value calculations, based on market prices, cannot be obtained reliably, the available-for-sale financial assets are carried at amortised cost using the effective interest method. “Unrealised gains and losses” arising from changes in the fair value of financial assets classified as available-for-sale are recognised in the shareholders’ equity as “Marketable Securities Value Increase Fund”, until there is a permanent decline in the fair values of such assets or they are disposed of. When these financial assets are disposed of or impaired, the related fair value differences accumulated in the shareholders’ equity are transferred to the income statement.

VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS:

Where the estimated recoverable amount of the financial asset, being the present value of the expected future cash flows discounted based on the effective interest method, or the fair value if one exists is lower than its carrying value, then it is concluded that the asset under consideration is impaired. A provision is made for the diminution in value of the impaired financial asset and it is charged against the income for the year.

The principles for the accounting of provisions for loans are explained in detail in Note VII of this Section.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

IX. EXPLANATIONS ON OFFSETTING FINANCIAL ASSETS:

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when the Group has a legally enforceable right to offset the recognised amounts and there is an intention to collect/pay related financial assets and liabilities on a net basis, or to realise the asset and settle the liability simultaneously.

X. EXPLANATIONS ON SALES AND REPURCHASE AGREEMENTS AND SECURITIES LENDING TRANSACTIONS:

Securities subject to repurchase agreements (“repo”) are classified as “Financial assets at fair value through profit or loss”, “Available-for-sale” and “Held-to-maturity” according to the investment purposes of the Group and measured according to the portfolio to which they belong. Funds obtained from repurchase agreements are accounted under “Funds Provided under Repurchase Agreements” in liabilities and the difference between the sale and repurchase price is accrued over the life of repurchase agreements using the “effective interest method”.

Funds given against securities purchased under agreements (“reverse repo”) to resell are accounted under “Receivables from Reverse Repurchase Agreements” on the balance sheet. The difference between the purchase and determined resell price is accrued over the life of repurchase agreements using the “effective interest method”.

XI. INFORMATION ON ASSETS HELD FOR RESALE AND DISCONTINUED OPERATIONS:

Assets held-for-resale consist of tangible assets that were acquired due to non-performing receivables, and are accounted in the financial statements in accordance with the “Communiqué Regarding the Principles and Procedures for the Disposals of Immovables and Commodities Acquired due to Receivables and for Trading of Precious Metal” published in the Official Gazette dated 1 November 2006, No.26333.

The Group has no discontinued operations.

XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS:

a. Goodwill

The excess of the cost of an acquisition over the fair value of the Group’s share of the identifiable assets, liabilities or contingent liabilities of the acquired subsidiary at the date of acquisition of the control is recorded as goodwill and represents a payment made by the acquirer in anticipation of future economic benefits from assets that are not capable of being individually identified and separately recognised. The acquirer also recognises assets that are capable of being individually identified and separately recognised, intangible assets (i.e. trademarks) and contingent liabilities at fair value, irrespective of whether the asset had been recognised by the acquiree before the business combination; if it can be distinguished from the goodwill and if the asset’s fair value can be measured reliably.

As of 30 September 2007 and 31 December 2006, the Group has no goodwill.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

b. Other intangible assets

Intangible assets are measured at cost on initial recognition and any directly attributable costs of setting the asset to work for its intended use are included in the initial measurement. Subsequently, intangible assets are carried at historical costs after the deduction of accumulated depreciation and the provision for value decreases, if any.

Intangibles are amortised over their estimated useful lives using the straight-line method. The useful life of the asset is determined by assessing the expected useful life of the asset, technical, technological and other kinds of obsolescence and all required maintenance expenses necessary to utilise the economic benefit of the asset.

XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT:

Property and equipment is measured at its cost when initially recognised and any directly attributable costs of setting the asset in working order for its intended use are included in the initial measurement. Subsequently, property and equipment are carried at cost less accumulated depreciation and provision for value decrease, if any.

As of 31 December 2006, the Group has changed its accounting policy and has adopted the “revaluation method” in accordance with the “Communiqué Regarding the Principles and Procedures for the Tangible Assets (“TAS 16”)” for its buildings. Updated independent expert appraisal values are presented in the financial statements. However, the revaluation amount of the building acquired within the extent of the financial lease agreement explained in detail in Note V.4 of Section Five is presented in the financial statements by considering the sales option regarding the share transfer of the Group. The gross effect of the revaluation of the building at an expertise amount is YTL3.910 (net amount after tax is YTL3.128).

Depreciation is calculated over the cost of property and equipment using the straight-line method. The expected useful lives are stated below:

Buildings	2%
Movables, Movables Acquired by Financial Leasing	5-50%
Special Costs (*)	Amortised over the lease period

(*) Special costs include the expenditures for the leased immovables and are amortised over the lease period if the lease period is less than the useful life and over useful life (five years) if the lease period is greater than the useful life.

The depreciation charge for items remaining in property and equipment for less than an accounting period at the balance sheet date is calculated in proportion to the period the item remained in property and equipment.

Where the carrying amount of an asset is greater than its estimated “recoverable amount”, it is written down to its “recoverable amount” and the provision for the diminution in value is charged to the income statement.

Gains and losses on the disposal of property and equipment are determined by deducting the net book value of the property and equipment from its sales revenue.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

Expenditures for the repair and renewal of property and equipment are recognised as expense. The capital expenditures made in order to increase the capacity of the tangible asset or to increase its future benefits are capitalised on the cost of the tangible asset. The capital expenditures include the cost components which are used either to increase the useful life or the capacity of the asset, or the quality of the product or to decrease the costs.

XIV. EXPLANATIONS ON LEASING TRANSACTIONS:

Assets acquired under finance lease agreements are capitalised at the inception of the lease at the “lower of the fair value of the leased asset or the present value of the amount of cash consideration given for the leased asset”. In the prior period, the Group has implemented an accounting policy change and has adopted the “revaluation method” in accordance with the “Communiqué Regarding the Principles and Procedures for the Tangible Assets (“TAS 16”)” while revaluating the buildings. The revaluation amount of the building acquired within the extent of financial lease agreement is presented in the financial statements by considering the sales commitment regarding the share transfer of the Parent Bank.

Leased assets are included in the property and equipment and depreciation is charged on a straight-line basis over the useful life of the asset. If there is any diminution in value of the leased asset, a “provision for value decrease” is recognised. Liabilities arising from the leasing transactions are included in “Financial Lease Payables” on the balance sheet. Interest and foreign exchange expenses regarding lease transactions are charged to the income statement. The Group conducts financial leasing operations with the title of “leaser” by its subsidiary Tekfen Finansal Kiralama A.Ş. which is concluded in the consolidation. Asset subject to financial leasing is classified as receivable equal to the net amount in the balance sheet. Interest income is calculated by using the net investment method to create a seasonal fixed income rate and the amount which is not subject to the related period is held in the unearned interest income account.

Transactions regarding operational lease agreements are accounted on an accrual basis in accordance with the terms of the related contracts.

XV. EXPLANATIONS ON PROVISIONS AND CONTINGENT COMMITMENTS:

Provisions and contingent liabilities except for the specific and general provisions recognised for loans and other receivables are accounted in accordance with the “Turkish Accounting Standard for Provisions, Contingent Liabilities and Contingent Assets” (“TAS 37”).

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. The provision for contingent liabilities arising from past events should be recognised in the same period of occurrence in accordance with the “matching principle”. When the amount of the obligation cannot be estimated and there is no possibility of an outflow of resources from the Group, it is considered that a “contingent” liability exists and it is disclosed in the related notes to the financial statements.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVI. EXPLANATIONS ON CONTINGENT ASSETS:

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. Contingent assets are disclosed where an inflow of economic benefits is probable. Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognised in the financial statements in which the change occurs.

XVII. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS:

Obligations related to employee termination and vacation rights are accounted for in accordance with “Turkish Accounting Standard for Employee Rights” (“TAS 19”) and are classified under “Reserve for Employee Rights” account in the balance sheet.

Under the Turkish Labour Law, the Group is required to pay a specific amount to the employees who have retired or whose employment is terminated other than the reasons specified in the Turkish Labour Law. The reserve for employment termination benefits represents the present value of the estimated total reserve for the future probable obligation of the Group arising from this liability.

XVIII. EXPLANATIONS ON TAXATION:

a. Current tax:

“Corporate Tax Law”(“New Tax Law”) No.5520 was taken into effect after being published in the Official Gazette dated 21 June 2006 No.26205. Many clauses of the “New Tax Law” are effective from 1 January 2006. According to the New Tax Law, the corporate tax rate in Turkey is payable at the rate of 20% for 2007 (2006: 20%). The corporate tax rate is calculated on the total income of the Bank after adjusting for certain disallowable expenses, exempt income and other allowances. No further tax is payable unless the profit is distributed.

Dividends paid to non-resident corporations, which have a place of business in Turkey or to resident corporations, are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as profit distribution and thus does not incur withholding tax.

Corporations are required to pay advance corporate tax quarterly at a rate of 20% on their corporate income. Advance tax is declared by the 14th and paid by the 17th day of the second month following each calendar quarter end. Advance tax paid by corporations which is for the current period is credited against the annual corporation tax calculated on their annual corporate income in the following year. Despite the offset, if there is temporary prepaid tax remaining, this balance can be refunded or used to offset any other financial liabilities to the government.

A 75% portion of the capital gains derived from the sale of equity investments and immovable properties held for at least two years is tax exempt, if such gains are added to paid-in capital or held in a special fund account under liability for five years.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

Under the Turkish Corporate Tax Law, losses can be carried forward to offset against future taxable income for up to five years. Losses cannot be carried back to offset profits from previous periods.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Tax returns are required to be filled and delivered to the related tax office until the evening of the 25th of the fourth month following the balance sheet date. Tax returns are open for five years from the beginning of the year following the date of filing during which period the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

b. Deferred tax:

The Group calculates and accounts for deferred income taxes for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in these financial statements in accordance with “Turkish Accounting Standard for Income Taxes” (“TAS 12”) and the related decrees of the BRSA concerning income taxes. In the deferred tax calculation, the enacted tax rate, in accordance with the tax legislation, is used as of the balance sheet date.

The calculated deferred tax asset and deferred tax liability are presented as net in these financial statements.

XIX. EXPLANATIONS ON BORROWINGS:

Trading and derivative financial liabilities are valued with their fair values and the other financial liabilities are carried at “amortised cost” using the effective interest method.

The Group utilises various hedging techniques to minimise the currency, interest rate and liquidity risks of its financial liabilities. No convertible bonds have been issued by the Group.

XX. EXPLANATIONS ON ISSUANCE OF SHARE CERTIFICATES:

Transaction costs regarding the issuance of share certificates are accounted under shareholders’ equity after eliminating the tax effects.

XXI. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES:

Avalized drafts and acceptances shown as liabilities against assets are included in the “Off-balance sheet commitments”.

XXII. EXPLANATIONS ON GOVERNMENT GRANTS:

As of 30 September 2007 and 31 December 2006, the Group has no government grants.

XXIII. EXPLANATIONS ON PROFIT RESERVES AND PROFIT DISTRIBUTION:

Retained earnings as per the statutory financial statements other than legal reserves are available for distribution, subject to the legal reserve requirement referred to below.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

Under the Turkish Commercial Code (“TCC”) the legal reserves are composed of first and second reserves. The TCC requires first reserves to be 5% of the profit until the total reserve is equal to 20% of issued and fully paid-in share capital. Second reserves are required to be 10% of all cash profit distributions that are in excess of 5% of the issued and fully paid-in share capital. However holding companies are exempt from this application. According to the Turkish Commercial Code, legal reserves can only be used to compensate accumulated losses and cannot be used for other purposes unless they exceed 50% of paid-in capital.

XXIV. EXPLANATIONS ON EARNINGS PER SHARE:

Earnings per share disclosed in the income statement are calculated by dividing net profit for the year to the weighted average number of shares outstanding during the period concerned.

	30 September 2007	30 September 2006
Net Income / (Loss) Distributable to Ordinary Shareholders	12.958	9.947
Weighted Average Number of Issued Ordinary Shares (Thousand)	11.000.000	9.500.000
Earnings Per Share (Disclosed as 1.000 nominal in full YTL)	1,178	1,047

In Turkey, companies can increase their share capital by making a pro-rata distribution of shares (“bonus shares”) to existing shareholders from retained earnings. For the purpose of earnings per share computations, the weighted average number of shares outstanding during the year has been adjusted in respect of bonus shares issued without a corresponding change in resources by giving them a retroactive effect for the year in which they were issued and for each earlier period.

XXV. EXPLANATIONS ON RELATED PARTIES:

For the purpose of these financial statements, shareholders, key management personnel and board members together with their families and companies controlled by/affiliated with them, and associated companies are considered and referred to as related parties in accordance with “Turkish Accounting Standard for Related Parties” (“TAS 24”). The transactions with related parties are disclosed in detail in Note V of Section Five.

XXVI. EXPLANATIONS ON CASH AND CASH EQUIVALENTS:

For the purposes of the cash flow statement, cash includes cash, effectives, cash in transit, purchased cheques and demand deposits including balances with the Central Bank; and cash equivalents include interbank money market placements and time deposits at banks with original maturity periods of less than three months.

XXVII. EXPLANATIONS ON OPERATING SEGMENTS:

Operational field is distinguishable section of the Bank that has different characteristics from other operational fields per earning and conducts the presentation of service group, associated bank products or an unique product. Operating segments are disclosed in Note VII in Section Four.

XXVIII. RECLASSIFICATIONS:

Reclassifications have been made on comparative 31 December 2006 and 30 September 2006 consolidated figures, to conform to changes in presentation of 30 September 2007 consolidated financial statements.

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SECTION FOUR

INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP

I. EXPLANATIONS ON CONSOLIDATED CAPITAL ADEQUACY RATIO:

- a. As of 30 September 2007, the consolidated capital adequacy ratio of the Group is 28,47% (31 December 2006: 16,59%) which satisfies the requirement of being above both the minimum ratio of 8% stated in the related legislation and above the 12% stated in the Bank’s risk parameters.
- b. The capital adequacy ratio of the Group is calculated in accordance with the “Regulation Regarding the Measurement and Evaluation of Banks’ Capital Adequacy Ratio” and “Regulation Regarding Banks’ Shareholders’ Equity” (together referred as “Regulation Regarding Capital Adequacy”) published as of 1 November 2006. The following tables show the details of “Risk weighted assets” and the calculation of “Shareholders’ Equity” for the capital adequacy ratio calculation.
- c. **Information related to consolidated capital adequacy ratio:**

	Risk Weights							
	Parent Bank				Consolidated			
	0%	20%	50%	100%	0%	20%	50%	100%
Amount subject to credit risk								
Balance sheet items (Net)	1.438.320	85.889	220.262	496.335	1.439.175	85.889	221.521	510.297
Cash	7.188	-	-	-	7.188	-	-	-
Matured marketable securities	-	-	-	-	-	-	-	-
The Central Bank of the Republic of Turkey	10.533	-	-	-	10.533	-	-	-
Domestic, foreign banks, foreign head offices and branches	-	84.156	-	602	-	84.156	-	602
Interbank money market	60.000	-	-	-	60.000	-	-	-
Receivables from reverse repurchase transactions	-	-	-	-	-	-	-	-
Reserve requirements with the Central Bank of the Republic of Turkey	80.485	-	-	-	80.485	-	-	-
Loans	36.784	1.673	216.890	442.347	36.784	1.673	216.890	442.347
Non-performing receivables (Net)	-	-	-	14.105	-	-	-	14.195
Lease receivables	-	-	-	-	426	-	1.259	18.092
Available-for-sale financial assets	276.224	-	-	950	276.224	-	-	962
Held-to-maturity investments	903.962	-	-	-	904.260	-	-	-
Receivables from the disposal of assets	-	-	-	-	-	-	-	-
Miscellaneous receivables	-	-	-	339	-	-	-	541
Interest and income accruals	52.793	60	3.372	5.609	52.813	60	3.372	5.759
Investments in associates, subsidiaries and joint ventures (Net)	-	-	-	9.462	-	-	-	-
Fixed assets	-	-	-	22.855	-	-	-	22.855
Other assets	10.351	-	-	66	10.462	-	-	4.944
Off-balance sheet items	12.242	118.040	127.365	99.118	12.242	118.040	127.365	99.118
Non-cash loans and commitments	12.242	114.247	127.365	99.115	12.242	114.247	127.365	99.115
Derivative financial instruments	-	3.793	-	3	-	3.793	-	3
Non-risk weighted accounts	-	-	-	-	-	-	-	-
Total Risk Weighted Assets	1.450.562	203.929	347.627	595.453	1.451.417	203.929	348.886	609.415

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d. Summary information about consolidated capital adequacy ratio (“CAR”) :

	Parent Bank		Consolidated	
	30 September 2007	31 December 2006	30 September 2007	31 December 2006
Amount subject to credit risk “ASCR”	810.052	676.044	824.644	671.082
Amount subject to market risk “ASMR”	19.938	22.350	18.275	22.700
Amount subject to operational risk “ASOR” (*)	75.399	-	76.721	-
Shareholders’ equity	263.975	118.044	261.867	115.105
Shareholders’ equity/(ASCR+ASMR+ASOR) *100	29,16%	16,90%	28,47%	16,59%

(*) Amount subject to operational risk is effective from 1 June 2007 regarding the “Regulation Regarding Measurement and Evaluation of Banks’ Capital Adequacy Ratio” published in the Official Gazette No. 26333 dated 1 November 2006, and it has been calculated for the first time as of 30 June 2007.

e. Information about shareholders’ equity items:

	30 September 2007	31 December 2006
CORE CAPITAL		
Paid-in capital	229.314	50.000
Nominal capital	229.314	50.000
Capital commitments (-)	-	-
Inflation adjustment to share capital	1.567	37.005
Share premium	-	-
Share cancellation profits	-	-
Legal reserves	7.382	7.344
First legal reserve (Turkish Commercial Code 466/1)	3.440	3.439
Second legal reserve (Turkish Commercial Code 466/2)	3.942	3.905
Other legal reserve per special legislation	-	-
Status reserves	-	-
Extraordinary reserves	11.075	3.169
Reserves allocated by the General Assembly	11.075	3.169
Retained earnings	-	-
Accumulated loss	-	-
Foreign currency share capital exchange difference	-	-
Inflation adjustment of legal reserves, status reserves and extraordinary reserves	-	-
Profit	12.958	13.217
Net current period profit	12.958	13.118
Prior period profit	-	99
Provisions for possible risks (up to 25% of core capital)	-	3.450
Profit on disposal of associates, subsidiaries and immovables to be transferred to share capital	-	-
Primary subordinated loans (up to 15% of core capital)	-	-
Uncovered portion of loss with reserves (-)	4.289	-
Net current period loss (-)	-	-
Prior period loss (-)	4.289	-
Leasehold improvements (-)	1.509	1.268
Prepaid expenses (-)	903	1.369
Intangible assets (-)	756	960
Deferred tax asset amount exceeding 10% of core capital (-)	-	-
Limit exceeding amount regarding the third clause of the article 56 of the Law (-)	-	-
Consolidation goodwill net (-)	-	-
Total Core Capital	258.007	114.185

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SUPPLEMENTARY CAPITAL	30 September 2007	31 December 2006
General provisions	5.721	3.464
45% of the movables revaluation fund	-	-
45% of the immovables revaluation fund	1.408	1.408
Bonus shares of investment in associates, subsidiaries and joint ventures	-	-
Primary subordinated loans that are not considered in the calculation of core capital	-	-
Secondary subordinated loans	-	-
45% of marketable securities valuation fund	378	113
From investments in associates and subsidiaries	-	-
From available-for-sale financial assets	378	113
Inflation adjustment of capital reserve, profit reserve and prior years' income or loss (except inflation adjustment of legal reserves, status reserves and extraordinary reserves)	-	-
Total Supplementary Capital	7.507	4.985
TIER III CAPITAL		-
CAPITAL	265.514	119.170
DEDUCTIONS FROM THE CAPITAL (*)	3.647	4.065
Shares in consolidated banks and financial institutions	-	-
The secondary subordinated loans extended to banks, financial institutions (domestic or foreign) or significant shareholders of the bank and the debt instruments of a primary or secondary subordinated loan nature purchased from them	-	-
Shares of banks and financial institutions final equity method applied but assets and liabilities are not consolidated	-	-
Loans extended as contradictory to the articles 50 and 51 of the Law (**)	27	-
The net book value of bank's immovables that are over 50% of shareholders' equity and immovables or commodities that are received on behalf of the receivables from customers and are to be disposed of according to banking law article 57 as they have been held for more than five years from the acquisition date	452	468
Other	-	-
TOTAL SHAREHOLDERS' EQUITY	261.867	115.105

(*) According to the temporary article 1. of the “Regulation Regarding Capital Adequacy”; “Special Costs”, “Prepaid Expenses”, “Intangible Assets” and “Amount of deferred tax exceeding 10% of core capital” which are presented under “Core Capital” will be considered as “Deductions from the Capital” until 1 January 2009.

(**) The amount exceeding the limits is due to a single transaction and is almost fully recovered at the date of this report.

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II. EXPLANATIONS ON CONSOLIDATED MARKET RISK:

Risk calculations are performed both with the standard method and the internal method. Regular legal reporting is performed on a weekly and monthly basis with the standard method whereas risk calculations can be performed daily with the internal method. Fluctuations in risks are actively followed and are communicated with the top management. The Market Risk Committee reports legally on a consolidated basis quarterly. Additionally, there are also a series of limitations on the available-for-sale and trading portfolio in the risk parameters section of the budget approved by the Board of Directors.

The below table represents the details of the market risk calculation in accordance with the “Regulation Regarding Measurement and Evaluation of Banks’ Capital Adequacy Ratio” published in the Official Gazette No.26333 dated 1 November 2006, namely “Calculation of Market Risk with Standard Method”.

Information on Consolidated Market Risk:

	Balance
(I) Capital to be Employed for General Market Risk - Standard Method	1.024
(II) Capital to be Employed for Specific Risk -Standard Method	-
(III) Capital to be Employed for Currency Risk - Standard Method	438
(IV)Capital to be Employed for Commodity Risk - Standard Method	-
(V) Capital to be Employed for Exchange Risk-Standard Method	-
(VI) Capital to be Employed for Market Risk Due to Options-Standard Method	-
(VII) Total Capital to be Employed for Market Risk for Banks Applying Risk Measurement Model	-
(VIII) Total Capital to be Employed for Market Risk (I+II+III+IV+V+VI)	1.462
(IX) Amount Subject to Market Risk (12,5xVIII) or (12,5xVII)	18.275

III. EXPLANATIONS ON CONSOLIDATED OPERATIONAL RISK:

As of 30 September 2007, the Group calculates the amount subject to operational risk based on “Basic Indicator Method” by using 2006, 2005 and 2004 year-end gross income balances of the Group, in accordance with Regulation Regarding Measurement and Evaluation of Banks’ Capital Adequacy Ratio.

IV. EXPLANATIONS ON CONSOLIDATED CURRENCY RISK:

The difference between the Group’s foreign currency denominated and foreign currency indexed on- and off-balance sheet assets and liabilities is defined as the “Net Foreign Currency Position” and it is the basis of currency risk. Another important dimension of the currency risk is the change in the exchange rates of different foreign currencies in “Net Foreign Currency Position” (Cross Currency Risk).

A series of limits for the tenure of spot and forward foreign exchange positions is set in the risk parameters section of the budget approved by the Board of Directors annually. There is a conservative foreign currency position management policy in the Group due to the free floating currency regime.

The Group does not use derivative instruments to hedge its foreign currency debt.

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The Parent Bank’s publicly announced foreign exchange bid rates as of the date of the financial statements and for the last five days prior to that date:

	<u>Euro</u>		<u>USD</u>		<u>100 Japanese Yen</u>	
	<u>30 September 2007</u>	<u>31 December 2006</u>	<u>30 September 2007</u>	<u>31 December 2006</u>	<u>30 September 2007</u>	<u>31 December 2006</u>
30 September 2007/31 December 2006 bid rate	YTL1,7086	YTL1,8515	YTL1,2048	YTL1,4056	YTL1,0431	YTL1,1797
1. Day bid rate	YTL1,7086	YTL1,8515	YTL1,2048	YTL1,4056	YTL1,0431	YTL1,1797
2. Day bid rate	YTL1,7129	YTL1,8668	YTL1,2100	YTL1,4192	YTL1,0456	YTL1,1937
3. Day bid rate	YTL1,7190	YTL1,8650	YTL1,2167	YTL1,4198	YTL1,0544	YTL1,1919
4. Day bid rate	YTL1,7301	YTL1,8686	YTL1,2278	YTL1,4222	YTL1,0699	YTL1,1952
5. Day bid rate	YTL1,7197	YTL1,8725	YTL1,2186	YTL1,4186	YTL1,0582	YTL1,1958

The simple arithmetic average of the Parent Bank’s foreign exchange bid rates for the last thirty days preceding the balance sheet date for major foreign currencies are shown below:

	<u>Euro</u>		<u>USD</u>		<u>100 Japanese Yen</u>	
	<u>30 September 2007</u>	<u>31 December 2006</u>	<u>30 September 2007</u>	<u>31 December 2006</u>	<u>30 September 2007</u>	<u>31 December 2006</u>
Arithmetic average -30 days	YTL1,7444	YTL1,8820	YTL1,2558	YTL1,4245	YTL1,0886	YTL1,2100

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Information on currency risk of the Group:

The Group’s real foreign currency position, both in financial and economic terms, is presented in the table below:

	EURO	USD	Yen	Other FC	Total
30 September 2007					
Assets					
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	30.888	12.508	1	285	43.682
Due From Banks and Other Financial Institutions	6.558	59.582	10	1.017	67.167
Financial Assets at Fair Value Through Profit or Loss	11	7	-	-	18
Interbank Money Market Placements	-	-	-	-	-
Available-for-sale Financial Assets	-	81.221	-	-	81.221
Loans (*)	119.114	153.528	-	-	272.642
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-	-
Held-to-maturity Investments	1.820	-	-	-	1.820
Hedging Derivative Financial Assets	-	632	-	-	632
Tangible Assets	-	-	-	-	-
Intangible Assets	-	-	-	-	-
Other Assets	13.517	3.677	-	-	17.194
Total Assets (*)	171.908	311.155	11	1.302	484.376
Liabilities					
Bank Deposits	16	142	-	3	161
Foreign Currency Deposits	113.606	225.408	1	1.547	340.562
Funds From Interbank Money Market	-	44.687	-	-	44.687
Funds Borrowed From Other Financial Institutions	52.878	18.116	-	-	70.994
Marketable Securities Issued	-	-	-	-	-
Miscellaneous Payables	1.386	7.039	-	-	8.425
Hedging Derivative Financial Liabilities	-	11.687	-	-	11.687
Other Liabilities	1.443	1.482	-	131	3.056
Total Liabilities (*)	169.329	308.561	1	1.681	479.572
Net On-balance Sheet Position	2.579	2.594	10	(379)	4.804
Net Off-balance Sheet Position	(1.794)	1.774	-	24	4
Financial Derivative Assets	3.417	5.330	-	24	8.771
Financial Derivative Liabilities	5.211	3.556	-	-	8.767
Non-Cash Loans (**)	167.454	171.253	200	6.897	345.804
31 December 2006					
Total Assets (*)	178.539	227.517	366	1.143	407.565
Total Liabilities (*)	175.820	277.423	3	1.672	454.918
Net On-balance Sheet Position	2.719	(49.906)	363	(529)	(47.353)
Net Off-balance Sheet Position	(2.407)	49.530	-	-	47.123
Financial Derivative Assets	555	78.162	-	-	78.717
Financial Derivative Liabilities	2.962	28.632	-	-	31.594
Non-Cash Loans (**)	130.879	155.970	142	2.558	289.549

(*) The above table shows the Group’s foreign currency net position based on main currencies. Foreign currency indexed assets, classified as Turkish Lira assets in the financial statements according to the Uniform Chart of Accounts, are considered as foreign currency assets for the calculation of Net Foreign Currency Position. Due to this, foreign currency indexed loans amounting to YTL76.393 (31 December 2006:YTL61.035) classified as Turkish Lira assets in the 30 September 2007 financial statements are added to the table above. Besides this, in assets “Income Accruals of Derivative Financial Instruments” amounting to YTL18 (31 December 2006:YTL556), in liabilities “Expense Accruals of Derivative Financial Instruments” amounting to YTL4 (31 December 2006:YTL2), “General Provisions” amounting to YTL2.345 (31 December 2006: None) and “Marketable Securities Value Increase Fund” amounting to YTL221 (31 December 2006: None) are not included in the table above.

(**) Non cash loans are not included in the total of “Net Off-Balance Sheet Position”.

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V. EXPLANATIONS ON CONSOLIDATED INTEREST RATE RISK:

Interest rate risk is the risk that expresses the effects of fluctuations in the market interest rates on the value increase/decrease of the Group’s interest rate sensitive assets and liabilities. The interest sensitivity of risks regarding the interest rate both on the on-balance sheet and off-balance sheet are monitored following several analyses and are discussed in Asset and Liability Committee weekly.

The Group’s Asset and Liability Committee determines the assets and liability management policy by assessing the relationship between market rates and net interest income due to repricing characteristics of interest-earning assets and interest-bearing liabilities.

The maturity of the placements are attempted to hold short in order to minimise the risk due to the short maturity of liability in the balance sheet. Liquidity is the prior issue in the combination of investments, available-for-sale assets and the commercial portfolio. Using these precautions, the possible loss effects on the shareholders’ equity due to both credit risk and interest risk during crisis are minimised.

a. Interest rate sensitivity of assets, liabilities and off-balance sheet items based on repricing dates:

30 September 2007	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Non Interest Bearing	Total
Assets							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	93.228	-	-	-	-	7.265	100.493
Due From Banks and Other Financial Institutions	81.100	-	-	-	-	3.718	84.818
Financial Assets at Fair Value Through Profit/Loss	87	120	139	235	430	-	1.011
Interbank Money Market Placements	60.086	-	-	-	-	-	60.086
Available-for-Sale Financial Assets	70.434	26	51.214	63.116	110.839	971	296.600
Loans	375.744	150.411	93.832	50.607	36.555	14.194	721.343
Held-to-Maturity Investments	2.088	12.143	2.138	4.353	914.059	-	934.781
Other Assets	1.026	1.641	2.273	4.117	11.493	42.490	63.040
Total Assets	683.793	164.341	149.596	122.428	1.073.376	68.638	2.262.172
Liabilities							
Bank Deposits	-	-	-	-	-	452	452
Other Deposits	433.316	171.877	27.719	3.682	-	81.007	717.601
Funds From Interbank Money Market	170.283	-	-	-	-	-	170.283
Miscellaneous Payables	-	-	-	-	-	12.430	12.430
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	12.665	26.808	75.455	17.859	913.308	-	1.046.095
Other Liabilities and Shareholders’ Equity	248	255	-	-	11.687	303.121	315.311
Total Liabilities	616.512	198.940	103.174	21.541	924.995	397.010	2.262.172
Balance Sheet Long Position	67.281	-	46.422	100.887	148.381	-	362.971
Balance Sheet Short Position	-	(34.599)	-	-	-	(328.372)	(362.971)
Off-balance Sheet Long Position	36.148	1	24.096	-	-	-	60.245
Off-balance Sheet Short Position	-	-	-	-	(60.240)	-	(60.240)
Total Position	103.429	(34.598)	70.518	100.887	88.141	(328.372)	5

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31 December 2006	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Non Interest Bearing	Total
Assets							
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	72.222	-	-	-	-	8.827	81.049
Due From Banks and Other Financial Institutions	223.052	-	-	-	-	5.258	228.310
Financial Assets at Fair Value Through Profit/Loss	2.447	2.803	256	216	254	-	5.976
Interbank Money Market Placements	45.935	-	-	-	-	-	45.935
Available-for-Sale Financial Assets	4.213	7.518	1.867	19.471	65.472	2.905	101.446
Loans	316.197	103.616	84.305	41.614	24.562	6.546	576.840
Held-to-maturity Investments	5.535	-	7.678	20.049	5.618	-	38.880
Other Assets	959	1.445	1.836	3.082	5.106	30.453	42.881
Total Assets	670.560	115.382	95.942	84.432	101.012	53.989	1.121.317
Liabilities							
Bank Deposits	5.031	-	-	-	-	175	5.206
Other Deposits	447.064	174.211	22.688	5.681	-	103.509	753.153
Funds From Interbank Money Market	70.303	-	-	-	-	-	70.303
Miscellaneous Payables	561	-	-	-	-	5.714	6.275
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	13.881	65.673	54.039	7.331	3.139	-	144.063
Other Liabilities and Shareholders' Equity	3.427	559	853	1.464	-	136.014	142.317
Total Liabilities	540.267	240.443	77.580	14.476	3.139	245.412	1.121.317
Balance Sheet Long Position	130.293	-	18.362	69.956	97.873	-	316.484
Balance Sheet Short Position	-	(125.061)	-	-	-	(191.423)	(316.484)
Off-balance Sheet Long Position	-	-	-	-	-	-	-
Off-balance Sheet Short Position	-	-	-	-	-	-	-
Total Position	130.293	(125.061)	18.362	69.956	97.873	(191.423)	-

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b. Average interest rates for monetary financial instruments:

Average interest rates in the below tables are the weighted average rates of the related balance sheet items.

30 September 2007	EURO	USD	Yen	YTL
	%	%	%	%
Assets				
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	1,70	2,33	-	12,93
Due From Banks and Other Financial Institutions	4,06	5,12	-	17,49
Financial Assets at Fair Value Through Profit/Loss	-	-	-	17,00
Interbank Money Market Placements	-	-	-	17,25
Available-for-sale Financial Assets	-	8,71	-	18,34
Loans	6,55	7,82	-	22,91
Held-to-maturity Investments	10,33	-	-	18,10
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits (*)	2,89	4,71	-	17,35
Funds From Interbank Money Market	-	5,92	-	17,23
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	6,00	6,35	-	15,49

31 December 2006	EURO	USD	Yen	YTL
	%	%	%	%
Assets				
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	1,73	2,52	-	13,12
Due From Banks and Other Financial Institutions	3,69	5,23	-	18,51
Financial Assets at Fair Value Through Profit/Loss	-	-	-	20,63
Interbank Money Market Placements	-	-	-	18,44
Available-for-sale Financial Assets	-	6,98	-	19,09
Loans	6,24	8,23	-	23,66
Held-to-maturity Investments	10,33	-	-	18,19
Liabilities				
Bank Deposits	-	-	-	18,90
Other Deposits (*)	2,74	4,49	-	18,18
Funds From Interbank Money Market	-	-	-	18,04
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	5,08	6,51	-	16,19

(*) Demand deposits are included in the calculation of the weighted average interest rates.

VI. EXPLANATIONS ON CONSOLIDATED LIQUIDITY RISK:

Liquidity risk is the risk arising from not having adequate cash or not having adequate cash inflows to fund cash outflows on time due to the imbalance of cash flows. This risk is eliminated by having banks and placements with short-term maturities, liquid and saleable marketable securities portfolios and equity structures, and unused borrowing resources. When volatility in the markets arises, the Board of Directors can decrease the limits of all existing placements without considering the credit worthiness.

The Bank’s management and Asset Liability Committee follow-up the interest margin on the diversified maturities between assets and liabilities, and monitor the model studies to measure the possible margin cost of the payments and sudden outflows in the scope of scenario analyses.

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When the foreign markets are appropriate, the Bank periodically uses long-term borrowings in terms of foreign currency for its long-term liquidity requirement. The Central Bank, IMKB Repo Market, Interbank Money Market and banks’ transaction limits which can be used for sudden outflows in the short-term are utilised at a minimum level. The Bank does not need these funds due to the existing liquidity position but utilises the funds for the opportunities of short-term transactions.

Excess funds arising as a result of cash flows are assessed by considering the balance of risk-yield and on these assessments, the risk criteria which is approved with the budget as Cash + Banks / Total Assets ratio not to fall below 10% restriction is carefully observed.

Breakdown of assets and liabilities according to their outstanding maturities:

30 September 2007	Demand	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Unclassified (*)	Total
Assets								
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	7.265	93.228	-	-	-	-	-	100.493
Due From Banks and Other Financial Institutions	3.718	80.498	-	-	-	-	602	84.818
Financial Assets at Fair Value Through Profit or Loss	-	87	120	-	235	569	-	1.011
Interbank Money Market Placements	-	60.086	-	-	-	-	-	60.086
Available-for-Sale Financial Assets	-	-	26	-	133.549	162.054	971	296.600
Loans	-	184.588	234.425	158.233	92.294	37.609	14.194	721.343
Held-to-maturity Investments	-	-	12.143	2.138	6.441	914.059	-	934.781
Other Assets (*)	-	6.599	5.701	2.284	4.800	18.005	25.651	63.040
Total Assets	10.983	425.086	252.415	162.655	237.319	1.132.296	41.418	2.262.172
Liabilities								
Bank Deposits	452	-	-	-	-	-	-	452
Other Deposits	81.007	433.316	171.877	27.719	3.682	-	-	717.601
Funds Borrowed From Other Financial Institutions	-	12.665	21.845	25.885	25.325	960.375	-	1.046.095
Funds From Interbank Money Market	-	170.283	-	-	-	-	-	170.283
Marketable Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	-	5.287	339	91	-	-	6.713	12.430
Other Liabilities (**)	-	12.129	8.881	-	-	11.687	282.614	315.311
Total Liabilities	81.459	633.680	202.942	53.695	29.007	972.062	289.327	2.262.172
Net Liquidity Gap	(70.476)	(208.594)	49.473	108.960	208.312	160.234	(247.909)	-
31 December 2006								
Total Assets	44.930	514.266	154.323	145.014	102.266	128.583	31.935	1.121.317
Total Liabilities	109.006	546.177	204.982	71.005	15.497	44.492	130.158	1.121.317
Net Liquidity Gap	(64.076)	(31.911)	(50.659)	74.009	86.769	84.091	(98.223)	-

(*) Assets that are necessary for banking activities and that cannot be liquidated in the short-term, such as fixed and intangible assets, stationary stocks, prepaid expenses and loans under follow-up, are classified in this column.

(**) Shareholders’ equity is presented under “Other liabilities” item in the “Unclassified” column.

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VII. EXPLANATIONS ON OPERATING SEGMENTS:

The Parent Bank manages its banking operations through three main commercial business units: retail banking, corporate banking and treasury.

Retail banking provides products and services to individual and small business customers. Products and services include primarily deposit, loan, credit card, automatic payment services, internet banking and other various banking services.

Corporate banking provides loan, deposit, cash management products, foreign trade products, non-cash loans, foreign currency transaction services and other corporate banking services to corporate clients.

Treasury transactions include fixed income security investments, fund management, foreign currency transactions, money market transactions, derivative transactions and other related services.

Stated balance sheet and income statement items based on operating segments:

30 September 2007	Retail Banking	Corporate Banking	Treasury	Other(*)	Total Operations of the Group
Segment revenue	17.354	29.583	18.379	1.372	66.688
Unallocated costs	-	-	-	(389)	(52.117)
Net Operating Profit	17.354	29.583	18.379	983	14.571
Dividend income	-	-	-	-	97
Profit before tax	-	-	-	-	14.668
Tax Expense	-	-	-	(108)	(1.710)
Net Profit	-	-	-	-	12.958
Segment assets	119.967	632.536	1.446.832	25.551	2.224.886
Investments in associates, subsidiaries and joint ventures	-	-	-	-	-
Unallocated assets	-	-	-	-	37.286
Total Assets	119.967	632.536	1.446.832	25.551	2.262.172
Segment liabilities	405.844	326.928	1.210.457	18.195	1.961.424
Unallocated liabilities	-	-	-	-	300.748
Total liabilities	405.844	326.928	1.210.457	18.195	2.262.172

(*) Other activities include the leasing activities performed by Tekfen Leasing which is a consolidated subsidiary of the Parent Bank.

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SECTION FIVE

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS

I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS

a. Information related to cash and the account of The Central Bank of the Republic of Turkey (the “CBRT”):

1. Information on cash and the account of the CBRT:

	30 September 2007		31 December 2006	
	YTL	FC	YTL	FC
Cash/Foreign currency	3.058	4.130	2.930	5.874
CBRT	53.753	39.552	19.679	52.555
Other	-	-	-	11
Total	56.811	43.682	22.609	58.440

2. Information on the account of the CBRT:

	30 September 2007		31 December 2006	
	YTL	FC	YTL	FC
Demand Unrestricted Amount	53.753	10.503	19.679	24.187
Time Unrestricted Amount	-	-	-	-
Reserve Requirement	-	29.049	-	28.368
Total	53.753	39.552	19.679	52.555

3. Information on reserve requirements:

In accordance with the “Communiqué Regarding the Reserve Requirements” numbered 2005/1, issued by the CBRT, banks operating in Turkey are supposed to place reserves in the CBRT at a rate of 6% for their YTL liabilities and 11% as USD and/or EUR for their foreign currency liabilities. The CBRT makes quarterly interest payments over the reserve requirements based on the interest rates set. As of 30 September 2007 the corresponding interest rates are 12,93% for YTL, 2,33% for USD and 1,70% for EUR reserves.

b. Information on financial assets at fair value through profit or loss:

- As of 30 September 2007, financial assets at fair value through profit or loss subject to repo transactions amounted to YTL61 (31 December 2006:YTL3.346).
- Positive differences related to trading derivative financial assets:

	30 September 2007		31 December 2006	
	YTL	FC	YTL	FC
Forward Transactions	-	18	-	12
Swap Transactions	-	-	-	544
Futures Transactions	-	-	-	-
Options	-	18	-	-
Other	-	-	5	-
Total	-	36	5	556

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c. Information on banks and other financial institutions:

1. Information on banks and other financial institutions:

	30 September 2007		31 December 2006	
	YTL	FC	YTL	FC
Banks	17.651	67.167	113.286	115.024
Domestic	17.651	603	113.286	67.912
Foreign	-	66.564	-	47.112
Headquarters and Branches Abroad	-	-	-	-
Other Financial Institutions	-	-	-	-
Total	17.651	67.167	113.286	115.024

d. Information on available-for-sale financial assets:

1. Characteristics and carrying values of available-for-sale financial assets given as collateral:

As of 30 September 2007, available-for-sale financial assets given as collateral/blocked amounted to YTL1.412 (31 December 2006: YTL12) and those subject to repurchase agreements amounted to YTL117.238 (31 December 2006: YTL59.980).

2. Information on available-for-sale financial assets:

	30 September 2007	31 December 2006
Debt Securities	295.655	98.533
Quoted on Stock Exchange	214.434	87.437
Not Quoted (*)	81.221	11.096
Share Certificates	971	7.116
Quoted on Stock Exchange	16	6.161
Not Quoted	955	955
Impairment Provision (-)	26	4.203
Total	296.600	101.446

(*) Eurobonds are classified as “Not Quoted” debt securities.

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e. Explanations on loans:

1. Information on all types of loan or advance balances given to shareholders and employees of the Bank :

	30 September 2007		31 December 2006	
	Cash	Non-cash	Cash	Non-cash
Direct Loans Granted To Shareholders	-	-	-	-
Corporate Shareholders	-	-	-	-
Real Person Shareholders	-	-	-	-
Indirect Loans Granted To Shareholders	167	23.104	1.977	24.432
Loans Granted To Employees	715	-	742	45
Total	882	23.104	2.719	24.477

2. Information on the first and second group loans, other receivables and loans that have been restructured or rescheduled and other receivables :

	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Cash Loans				
Non-Specialised Loans	701.578	-	5.380	190
Discount and Purchase Notes	7.618	-	-	-
Export Loans	156.324	-	619	-
Import Loans	-	-	-	-
Loans Granted to Financial Sector	41.941	-	-	-
Foreign Loans	-	-	-	-
Consumer Loans	11.552	-	2.336	-
Credit Cards	3.150	-	10	-
Precious Metal Loans	-	-	-	-
Other	480.993	-	2.415	190
Specialised Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	701.578	-	5.380	190

(*) Factoring receivables amounting to YTL8.072 are included in other non-specialised loans.

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(Continued)**

3. Information on consumer loans, individual credit cards, personnel loans and personnel credit cards:

	Short-term	Medium and Long-term	Total
Consumer Loans-YTL	3.413	8.550	11.963
Real estate loans		842	842
Automotive loans	88	3.695	3.783
Consumer loans	3.325	3.994	7.319
Other		19	19
Consumer Loans-FC Indexed			-
Real estate loans			-
Automotive loans			-
Consumer loans			-
Other			-
Consumer Loans-FC			-
Real estate loans			-
Automotive loans			-
Consumer loans			-
Other			-
Individual Credit Cards-YTL	1.884		1.884
With instalments			-
Without instalments	1.884		1.884
Individual Credit Cards- FC	59		59
With instalments			-
Without instalments	59		59
Personnel Loans-YTL	324	336	660
Real estate loans			-
Automotive loans		26	26
Consumer loans	324	310	634
Other			-
Personnel Loans-FC Indexed			-
Real estate loans			-
Automotive loans			-
Consumer loans			-
Other			-
Personnel Loans-FC			-
Real estate loans			-
Automotive loans			-
Consumer loans			-
Other			-
Personnel Credit Cards-YTL	53		53
With instalments			-
Without instalments	53		53
Personnel Credit Cards-FC	2		2
With instalments			-
Without instalments	2		2
Credit Deposit Account-YTL (Real Person)	1.265		1.265
Credit Deposit Account-FC (Real Person)			-
Total	7.000	8.886	15.886

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4. Information on commercial instalment loans and corporate credit cards :

	Short-term	Medium and long-term	Total
Commercial Instalments Loans-YTL	12.428	28.297	40.725
Real Estate Loans	-	-	-
Automotive Loans	355	12.012	12.367
Consumer Loans	12.073	16.285	28.358
Other	-	-	-
Commercial Instalments Loans-FC Indexed	-	47	47
Real Estate Loans	-	-	-
Automotive Loans	-	47	47
Consumer Loans	-	-	-
Other	-	-	-
Commercial Instalments Loans-FC	-	-	-
Real Estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Corporate Credit Cards-YTL	1.066	-	1.066
With instalment	-	-	-
Without instalment	1.066	-	1.066
Corporate Credit Cards-FC	96	-	96
With instalment	-	-	-
Without instalment	96	-	96
Credit Deposit Account-YTL (Legal Person)	1.430	-	1.430
Credit Deposit Account-FC (Legal Person)	-	-	-
Total	15.020	28.344	43.364

5. Distribution of domestic and foreign loans:

	30 September 2007	31 December 2006
Domestic Loans	706.036	573.000
Foreign Loans	1.112	1.411
Total	707.148	574.411

6. Loans granted to investments in associates and subsidiaries:

None (31 December 2006: None).

7. Specific provisions provided against loans:

	30 September 2007	31 December 2006
Loans and Other Receivables with Limited Collectibility	274	165
Loans and Other Receivables with Doubtful Collectibility	1.124	419
Uncollectible Loans and Other Receivables	17.636	11.916
Total	19.034	12.500

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8. Information on non-performing loans (Net):

8(i). Information on non-performing loans restructured or rescheduled and other receivables:

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectibility	Loans and other receivables with doubtful collectibility	Uncollectible loans and other receivables
30 September 2007	-	-	-
(Gross amounts before the Specific Reserves)	-	-	-
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	-	330	6.667
31 December 2006	-	-	-
(Gross amounts before the Specific Reserves)	-	-	-
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	-	203	1.774

8(ii). Information on the movement of total non-performing loans:

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectibility	Loans and other receivables with doubtful collectibility	Uncollectible loans and other receivables
Prior period-end balance	1.200	1.186	12.543
Additions (+)	8.206	85	12.466
Transfers from Other Categories of Non-performing Loans (+)	-	7.551	1.866
Transfers to Other Categories of Non-performing Loans (-)	7.551	1.866	-
Collections (-)	300	520	1.637
Write-offs (-)	-	-	-
Period-end balance	1.555	6.436	25.238
Special Provision (-)	274	1.124	17.636
Net Balance on Balance Sheet	1.281	5.312	7.602

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8(iii). Information on non-performing loans granted as foreign currency loans:

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectibility	Loans and other receivables with doubtful collectibility	Uncollectible loans and other receivables
30 September 2007			
Period-End Balance	-	861	4.822
Special Provision (-)	-	108	4.822
Net Balance on balance sheet	-	753	-
31 December 2006			
Period-End Balance	-	-	3.700
Special Provision (-)	-	-	3.700
Net Balance on balance sheet	-	-	-

f. Information on held-to-maturity investments:

1. Information on held-to-maturity financial assets subject to repurchase agreements:

	30 September 2007		31 December 2006	
	YTL	FC	YTL	FC
Bill	-	-	-	-
Bond and Similar Securities	33.423	-	-	-
Other	-	-	-	-
Total	33.423	-	-	-

2. Information on held-to-maturity financial assets given as collateral/blocked:

	30 September 2007		31 December 2006	
	YTL	FC	YTL	FC
Bill	-	-	-	-
Bond and Similar Securities	49.360	-	5.278	-
Other	-	-	-	-
Total	49.360	-	5.278	-

3. Information on government debt securities held-to-maturity:

	30 September 2007	31 December 2006
Government Bond (*)	934.781	35.851
Treasury Bill	-	3.029
Other Debt Securities	-	-
Total	934.781	38.880

(*) As of 30 September 2007, Government bonds include Turkish Eurobonds amounting to YTL1.820 (31 December 2006: YTL2.014).

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4. Information on investment securities held-to-maturity:

	30 September 2007	31 December 2006
Debt Securities	934.781	38.880
Quoted	932.961	36.866
Not Quoted (*)	1.820	2.014
Impairment Provision (-)		-
Total	934.781	38.880

(*) Eurobonds are classified as “Not Quoted” debt securities.

5. Movement of held-to-maturity investments within the period:

	30 September 2007	31 December 2006
Beginning Balance	35.878	72.330
Foreign Currency Differences on Monetary Assets	(142)	259
Purchases During Year	912.521	33.390
Disposals through Sales and Redemptions	(43.997)	(70.101)
Impairment Provision (-)		-
Period End Balance	904.260	35.878

g. Information on investments in associates (Net):

None.

h. Information on subsidiaries (Net):

1. Information on consolidated subsidiaries :

None.

2. Main financial figures of the consolidated subsidiaries in order of the above table:

None.

3. Information on consolidated subsidiaries:

	Title	Address (City/ Country)	Bank’s share percentage if different voting percentage (%)	Other shareholders’ share percentage(%)	Consolidation method
1	Tekfen Finansal Kiralama A.Ş.	Istanbul/Turkey	99,99	0,01	Full Consolidation

4. Main financial figures of the consolidated subsidiaries in the order of the above table:

	Total Assets	Shareholders’ Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit / Loss	Prior Period Profit / Loss	Fair value
1	27.657	7.367	2	2.026	40	875	515	-

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5. Movement schedules of subsidiaries:

	30 September 2007	31 December 2006
Balance at the beginning of the Period	9.462	9.462
Movements during the Period		
Purchases	-	-
Bonus Shares Obtained	-	-
Dividends from Current Year Income	-	-
Sales	-	-
Revaluation Increase	-	-
Impairment Provision	-	-
Balance at the end of the Period	9.462	9.462
Capital Commitments	-	-
Share Percentage at the end of the Period (%)	%99,99	%99,99

6. Sectoral information on consolidated financial subsidiaries and the related carrying amounts:

Subsidiaries	30 September 2007	31 December 2006
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	9.462	9.462
Finance Companies	-	-
Other Financial Subsidiaries	-	-

7. Subsidiaries quoted on stock exchange:

None.

i. Information on leasing transactions:

	30 September 2007		31 December 2006	
	Gross	Net	Gross	Net
Less than 1 year	11.000	9.058	8.498	7.227
Between 1-4 years	11.699	10.068	5.722	5.106
More than 4 years	851	792	-	-
Total	23.550	19.918	14.220	12.333

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j. Information on hedging derivative financial assets:

	30 September 2007		31 December 2006	
	YTL	FC	YTL	FC
Fair value hedge	-	632	-	-
Cash flow hedge	-	-	-	-
Net foreign investment hedge	-	-	-	-
Total	-	632	-	-

The Parent Bank hedged against the possible fair value effects of changes in market rates on its Eurobonds with a nominal of USD 40 million maturing at 15 January 2014 and a nominal of USD 10 million maturing at 14 January 2013 by swap transactions with nominal value of USD 50 million. In determining the effectiveness; changes in the fair values of the Eurobonds subject to hedging and the hedging instruments were used and it has been concluded that the related transaction has been an effective hedge.

k. Information on deferred tax asset:

As of 30 September 2007, the Group has calculated deferred tax asset of YTL8.109 (31 December 2006: YTL1.363) and deferred tax liability of YTL1.598 (31 December 2006: YTL1.546) in accordance with “TAS 12” and recorded in the financial statements. The Group has no deferred tax amount calculated on carry-forward losses (31 December 2006: None).

l. Information on other assets:

As of 30 September 2007, other assets amount to YTL6.544 (31 December 2006: YTL4.062) and do not exceed 10% of the total assets excluding off-balance sheet commitments.

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II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED LIABILITIES

a. Information on deposits:

1. Information on maturity structure of deposits:

(i) 30 September 2007:

	Demand	7 days notification	Up to 1 month	1-3 months	3-6 months	6months- 1 year	1 year and over	Accumulating Deposit	Total
Saving Deposits	8.786	-	11.455	273.919	14.080	4.785	57	-	313.082
Foreign Currency Deposits	54.113	-	39.948	175.997	62.886	7.618	-	-	340.562
Residents in Turkey	52.896	-	39.939	173.370	55.546	6.434	-	-	328.185
Residents Abroad	1.217	-	9	2.627	7.340	1.184	-	-	12.377
Public Sector Deposits	1.578	-	-	14	-	-	-	-	1.592
Commercial Deposits	16.046	-	2.857	34.292	8.203	13	-	-	61.411
Other Institutions Deposits	484	-	4	462	-	4	-	-	954
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Bank Deposits	452	-	-	-	-	-	-	-	452
The CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	450	-	-	-	-	-	-	-	450
Foreign Banks	2	-	-	-	-	-	-	-	2
Special Financial Institutions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	81.459	-	54.264	484.684	85.169	12.420	57	-	718.053

(ii) 31 December 2006:

	Demand	7 days notification	Up to 1 month	1-3 months	3-6 months	6months- 1 year	1 year and over	Accumulating Deposit	Total
Saving Deposits	8.010	-	11.059	238.472	27.918	32.505	457	-	318.421
Foreign Currency Deposits	68.355	-	18.699	208.803	36.956	10.992	852	-	344.657
Residents in Turkey	67.908	-	18.697	207.734	36.837	9.410	852	-	341.438
Residents Abroad	447	-	2	1.069	119	1.582	-	-	3.219
Public Sector Deposits	781	-	30	1.113	-	-	-	-	1.924
Commercial Deposits	24.190	-	18.586	32.328	8.555	617	-	-	84.276
Other Institutions Deposits	2.451	-	14	1.243	164	3	-	-	3.875
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Bank Deposits	175	-	5.031	-	-	-	-	-	5.206
The CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	164	-	5.031	-	-	-	-	-	5.195
Foreign Banks	11	-	-	-	-	-	-	-	11
Special Financial Institutions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	103.962	-	53.419	481.959	73.593	44.117	1.309	-	758.359

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2. Information on saving deposits insurance:

- (i) Information on saving deposits under the guarantee of the saving deposits insurance fund and exceeding the limit of deposit insurance fund:

Saving Deposits	Under the guarantee of deposit insurance		Exceeding limit of the deposit insurance	
	30 September 2007	31 December 2006	30 September 2007	31 December 2006
Saving Deposits	95.679	93.818	217.403	224.603
Foreign Currency Savings Deposits	46.726	47.172	160.428	131.606
Other Deposits in the Form of Savings Deposits	-	-	-	-
Foreign Branches' Deposits Under Foreign Authorities' Insurance	-	-	-	-
Off-shore Banking Regions' Deposits Under Foreign Authorities' Insurance	-	-	-	-

- (ii) There are no deposits covered under foreign authorities' insurance since the center of the Group is in Turkey.

- (iii) Saving deposits, which are not covered under the guarantee of the saving deposits insurance fund:

The Group has no foreign branches and no branches in off-shore banking regions.

b. Information on trading derivative financial liabilities:

Schedule of negative differences concerning trading derivative financial liabilities:

Trading Derivative Financial Liabilities	30 September 2007		31 December 2006	
	YTL	FC	YTL	FC
Forward Transactions	10	4	3	2
Swap Agreements	-	-	3.144	-
Futures Transactions	-	-	-	-
Options	-	18	-	-
Other	-	-	-	-
Total	10	22	3.147	2

c. Information on borrowings:

1. Information on banks and other financial institutions:

	30 September 2007		31 December 2006	
	YTL	FC	YTL	FC
The CBRT Borrowings	-	-	-	-
From Domestic Banks and Institutions	32.514	51.205	31.269	58.822
From Foreign Banks, Institutions and Funds	942.587	19.789	8.858	45.114
Total	975.101	70.994	40.127	103.936

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2. Information on maturity structure of borrowings:

	30 September 2007		31 December 2006	
	YTL	FC	YTL	FC
Short-term	28.998	23.858	29.202	53.281
Medium and Long-term	946.103	47.136	10.925	50.655
Total	975.101	70.994	40.127	103.936

d. Information on other liabilities:

Other liabilities do not exceed 10% of the total balance sheet excluding off-balance sheet commitments.

e. Information on financial leasing agreements:

The contingent rent instalments of financial lease contracts are determined by the price of commodity, market interest rates and the maturity of funding. The financial leasing contracts do not have any conditions which place significant commitments on the Group.

	30 September 2007		31 December 2006	
	Gross	Net	Gross	Net
Less than 1 year	513	502	3.286	3.153
Between 1-4 years	-	-	-	-
More than 4 years	-	-	-	-
Total	513	502	3.286	3.153

f. Information on hedging derivative financial liabilities:

	30 September 2007		31 December 2006	
	YTL	FC	YTL	FC
Fair value hedge	-	11.687	-	-
Cash flow hedge	-	-	-	-
Net foreign investment hedge	-	-	-	-
Total	-	11.687	-	-

The Parent Bank hedged against the possible fair value effects of changes in market rates on its Eurobonds with a nominal of USD 40 million maturing at 15 January 2014 and a nominal of USD 10 million maturing at 14 January 2013 by swap transactions with nominal value of USD 50 million. In determining the effectiveness; changes in the fair values of the Eurobonds subject to hedging and the hedging instruments were used and it has been concluded that the related transaction has been an effective hedge.

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g. Information on provisions:

1. Information on general provisions:

	30 September 2007	31 December 2006
Provisions for Group I loans and receivables	4.813	2.713
Provisions for Group II loans and receivables	59	80
Provisions for non cash loans	710	524
Other (*)	139	147
Total	5.721	3.464

(*) Other general provisions which amount to YTL139 (31 December 2006: YTL147) include provisions set aside for loans determined by the regulation other than cash and non-cash loans.

2. Information on reserve for employment termination benefits:

Under the Turkish Labour Law, the Group is required to pay a specific amount to the employees who have been working more than one year, when employment is terminated due to obligatory reasons or they retire, when they have fulfilled 25 working years (women 20) and are eligible for retirement (for women 58 years, for men 60 years), when they have been called up for military service or when they die. After the amendment of legislation on 23 May 2002, some of the transition process articles related with the working period before retirement were removed.

The payment amount which is one month’s salary for each working year is restricted to YTL2.030,19 (31 December 2006: YTL1.857,44). Employee termination benefits are not subject to funding based on any legislation and there is no funding requirement.

In accordance with Turkish Labour Law, the reserve for employment termination benefits is calculated over today’s possible liability of the Group in case of the retirement of employees. TAS 19 necessitates the actuarial valuation methods to calculate liabilities of enterprises. Independent actuaries are used in determining the liability of the Parent Bank. There are assumptions in the calculation as discount rate, employee turnover and expected salary increases. In this context, the following actuarial assumptions were used in the calculation of total liabilities.

	30 September 2007	31 December 2006
Discount rate (%)	5,71	5,71
Rate for Probability of Retirement (%)	92,20	92,20

Movement of reserve for employment termination benefits during the period:

	30 September 2007	31 December 2006
Prior Period Ending Balance	2.406	2.162
Provisions Recognised During the Period	836	607
Paid During the Period (-)	436	363
Balance at the End of the Period	2.806	2.406

In addition, the Group has accounted for vacation rights provision amounting to YTL1.274 as of 30 September 2007 (31 December 2006: YTL1.220).

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3. Other provisions:

(i) Information on provisions for possible risks:

	30 September 2007	31 December 2006
Provisions for Possible Risks	-	3.450

(ii) Information on other provisions:

The Group set aside reserves amounting to YTL8.193 for lawsuits under other provisions (31 December 2006: None), YTL2.613 for non-cash loans (31 December 2006: YTL776), and YTL29 for credit card bonus (31 December 2006: YTL33).

4. Information on provisions related with foreign currency difference of foreign indexed loans:

As of 30 September 2007, the provision related to the foreign currency difference of foreign indexed loans amount to YTL7.456 (31 December 2006: YTL1.412) and is netted from the loan amount in the financial statements.

h. Information on taxes payable:

1. Information on tax provision:

As of 30 September 2007, YTL8.626 has been provided as corporate tax provision (31 December 2006: YTL514).

2. Information on taxes payable:

	30 September 2007	31 December 2006
Corporate Tax Payable	8.626	514
Taxation of Securities Income	1.007	1.114
Property Tax	36	38
Banking Insurance Transaction Tax	922	661
Foreign Exchange Transaction Tax	87	96
Value Added Tax Payable	16	113
Other	469	356
Total	11.163	2.892

3. Information on premium payables:

	30 September 2007	31 December 2006
Social Security Premiums–Employee	315	273
Social Security Premiums–Employer	467	403
Bank Social Aid Pension Fund Premiums–Employee	-	-
Bank Social Aid Pension Fund Premiums–Employer	-	-
Pension Fund Membership Fee and Provisions–Employee	-	-
Pension Fund Membership Fee and Provisions–Employer	-	-
Unemployment Insurance–Employee	21	18
Unemployment Insurance–Employer	42	36
Other	-	-
Total	845	730

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4. The Group has no deferred tax liability in the financial statements (31 December 2006: YTL303).

i. Information on shareholders’ equity:

1. Presentation of paid-in capital:

	30 September 2007	31 December 2006
Common Stock	229.314	50.000
Preferred Stock	-	-

2. Paid-in capital amount, explanation as to whether the registered share capital system is applied and if so, amount of registered share capital ceiling:

The Parent Bank has paid-in-capital of YTL229.314 and does not apply the registered share capital system.

3. Information on the share capital increases during the period and their sources:

Date of Increase	Amount of Increase	Cash	Profit Reserves Subject to Increase	Capital Reserves Subject to Increase
21 August 2007	179.314	134.314	9.562	35.438

4. Information on capital increases from capital reserves during the current period:

Marketable Securities Value Increase Fund	Revaluation of Property and Equipment and Intangible Assets	Bonus Shares Obtained from Investments in Associates, Subsidiaries and Joint Ventures	Other Capital Reserves (*)
-	-	-	35.438

(*) The capital increase from the “Inflation adjustment differences on paid-in capital” account.

5. Information on capital commitments, up until the end of the fiscal year and the subsequent interim period:

The Parent Bank’s capital increase of YTL230.000 will be finalised after YTL686 classified under “Other Liabilities” in the financial statements which is paid by other shareholders is transferred to the paid-in capital following the BRSA’s approval.

6. Information on capital by considering the Group’s profitability, prior period indicators on liquidity and uncertainty on these indicators:

The interest, liquidity, and foreign exchange risk on on-balance sheet and off-balance sheet assets and liabilities are managed by the Group within several risk limits and legal limits.

7. Information on privileges given to shares representing the capital:

None.

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8. Information on marketable securities value increase fund:

	30 September 2007		31 December 2006	
	YTL	FC	YTL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	621	221	250	-
Foreign Currency Difference	-	-	-	-
Total	621	221	250	-

9. Information on distribution of prior year’s profit:

Based on the decision in the General Meeting of the Parent Bank held on 30 March 2007, out of the profit of 2006 amounting to YTL12.386, YTL2.824 is allocated as extraordinary reserves and the remaining YTL9.562 is allocated as other reserves.

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**III. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED OFF-BALANCE SHEET
ACCOUNTS**

a. Information on off balance sheet commitments:

1. The amount and type of irrevocable commitments:

Commitments on credit cards limits amount to YTL11.062 (31 December 2006: YTL10.624), commitments for cheque books amount to YTL45.535 (31 December 2006: YTL41.780), blocked cheques given to customers amount to YTL3.171 (31 December 2006: YTL5.390), tax and fund obligations arising from export commitments amount to YTL2.667 (31 December 2006: YTL2.962).

2. Type and amount of probable losses and obligations arising from off-balance sheet items:

There are no probable losses and obligations arising from off-balance sheet items. Obligations arising from off-balance sheet are disclosed in “Off-balance sheet commitments”.

(i) Non-cash loans including guarantees, bank avalized and acceptance loans, collaterals that are accepted as financial commitments and other letters of credit:

	30 September 2007	31 December 2006
Letter of guarantees	285.830	296.075
Bank acceptance loans	5.022	8.865
Letter of credits	95.036	94.343
Factoring guarantees	10	-
Other guarantees	168.407	79.832
Total	554.305	479.115

(ii) Revocable, irrevocable guarantees, contingencies and other similar commitments:

	YTL	FC
Revocable letters of guarantee	12.522	2.386
Irrevocable letters of guarantee	160.799	59.092
Letters of guarantee given in advance	2.714	12.057
Guarantees given to customs	30.643	-
Other letters of guarantee	1.823	3.794
Total	208.501	77.329

3. (i) Total amount of non-cash loans:

	30 September 2007	31 December 2006
Non-cash loans given against cash loans	167.071	72.490
With original maturity of 1 year or less than 1 Year	3.865	5.280
With original maturity of more than 1 year	163.206	67.210
Other non-cash loans	387.234	406.625
Total	554.305	479.115

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(ii) Information on non-cash loans classified in 1st and 2nd group:

	Group I		Group II	
	YTL	FC	YTL	FC
Non-cash Loans	203.823	344.281	2.145	265
Letters of Guarantee	203.823	76.729	2.145	265
Bank Acceptances	-	5.022		
Letters of Credit	-	95.009		-
Endorsements	-	-		-
Underwriting Commitments	-	-		-
Factoring Guarantees	-	10		-
Other Commitments and Contingencies	-	167.511		-

(*) In addition to non-cash loans stated above, the Group has non-cash loans classified as non-performing loans, amounting to YTL3.791. As of 30 September 2007, the Group has recorded YTL1.850 provision regarding these risks.

b. Information on contingent assets and contingent liabilities:

In accordance with the Regulation on the Turkish Accounting Standards Regarding Contingent Assets and Liabilities, Provisions, (TAS 37) contingent assets or contingent liabilities are accounted in financial statements by considering the probability of the act’s occurrence.

For contingent assets, if the probability of the occurrence is nearly absolute, the asset will be booked in the financial statements, but if the probability of the occurrence is high, this asset will be disclosed in notes to the financial statements.

For contingent liabilities, if the probability of the occurrence is high and the liability can be reliably measured, a provision will be booked for this liability, but if it cannot be measured reliably, this liability will be disclosed in notes to the financial statements. In addition, if the probability of the occurrence of the contingent liability is low or there is no such probability, an explanation is required regarding this liability.

As of 30 September 2007, the total amount of legal cases against the Group is YTL10.352 (31 December 2006: YTL6.824) and the Group sets aside a provision of YTL8.193 (31 December 2006: YTL3.450) regarding these risks.

c. Brief information on the Bank’s rating given by International Rating Institutions:

MOODY'S (Dated on April 2007 out of datas from 31 December 2006)

(Consumer Loan Note)	D-
(Long Term Foreign Currency)	B1
(Short Term Foreign Currency)	Not Prime
(Prospect)	Stable

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IV. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED INCOME STATEMENT

a. Information on interest income:

1. Information on interest income on loans:

	Group I		Group II	
	YTL	FC	YTL	FC
Short-term Loans	65.014	6.71	30	9
Medium/Long-term Loans	7.219	2.307	156	-
Interest on Loans Under Follow-up	178	-	-	-
Premiums Received from Resource Utilisation Support Fund	-	-	-	-
Total	72.411	9.018	457	9

2. Information on interest income on banks:

	30 September 2007		30 September 2006	
	YTL	FC	YTL	FC
From the CBRT	-	170	344	-
From Domestic Banks	6.034	1.579	3.910	369
From Foreign Banks	2.371	3.613	1.239	471
Headquarters and Branches Abroad	-	-	-	-
Total	8.405	5.362	5.493	840

3. Information on interest income received from investments in associates and subsidiaries:

	30 September 2007	30 September 2006
Interests Received From Investments in Associates and Subsidiaries	-	154

b. Information on interest expense:

1. Information on interest expense on borrowings:

	30 September 2007		30 September 2006	
	YTL	FC	YTL	FC
Banks	54.944	3.505	2.510	2.657
The CBRT	-	-	-	-
Domestic Banks	3.607	1.516	2.452	1.077
Foreign Banks	51.337	1.989	58	1.580
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	155	-	127
Total	54.944	3.660	2.510	2.784

2. Information on interest expense given to investments in associates and subsidiaries:

	30 September 2007	30 September 2006
Interest Paid to Investment in Associates and Subsidiaries	-	-

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c. Information on trading loss/income (Net):

	30 September 2007	30 September 2006
Income	260.054	536.560
Income from Capital Market Transactions	18.411	3.787
From Derivative Financial Transactions	8.687	444
Other	9.724	3.343
Foreign Exchange Gains	241.643	532.773
Loss (-)	257.699	533.631
Loss from Capital Market Transactions	21.936	1.871
From Derivative Financial Transactions	21.192	297
Other	744	1.574
Foreign Exchange Loss	235.763	531.760
Net Income/(Loss)	2.355	2.929

d. Information on other operating income:

As of 30 September 2007, YTL4.204 of “Other operating income” arises from the reversal of loan provision pertaining to a sale agreement regarding Parent Bank’s share transfer.

e. Provision expenses related to loans and other receivables of the Group:

	30 September 2007	30 September 2007
Specific Provisions for Loans and Other Receivables	8.947	2.805
III. Group Loans and Receivables	456	79
IV. Group Loans and Receivables	1.145	921
V. Group Loans and Receivables	7.346	1.805
General Provision Expenses	2.405	847
Provision Expense for Possible Risks	-	-
Marketable Securities Impairment Expense	-	-
Financial Assets at Fair Value Through Profit or Loss	-	-
Available-for-Sale Financial Assets	-	-
Investments in Associates, Subsidiaries and Held-to-Maturity Securities Value Decrease	-	-
Investments in Associates	-	-
Subsidiaries	-	-
Joint Ventures	-	-
Held-to-maturity Investments	-	-
Other	-	-
Total	11.352	3.652

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f. Information related to other operating expenses:

	30 September 2007	30 September 2006
Personnel Expenses	18.869	15.629
Reserve For Employee Termination Benefits (*)	890	529
Bank Social Aid Pension Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	1.765	1.659
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expenses	-	-
Amortisation Expenses of Intangible Assets	595	572
Impairment Expenses of Equity Participations for which Equity Method is Applied	-	-
Impairment Expenses of Assets Held For Resale	-	-
Depreciation Expenses of Assets Held for Resale	35	14
Impairment Expenses of Fixed Assets Held for Sale	-	-
Other Operating Expenses	12.252	9.800
Operational Lease Expenses	2.853	2.376
Maintenance Expenses	272	197
Advertising Expenses	103	108
Other Expense	9.024	7.119
Loss on Sales of Assets	14	-
Other	6.345	5.529
Total	40.765	33.732

(*) As of 30 September 2007, “Reserve for Employee Termination Benefits” include “Personnel Unused Vacation Provision Expense” amounting to YTL54.

g. Information on tax provision:

1. Information on calculated current tax income or expense and deferred tax income or expense:

As of 30 September 2007, the Group has current tax expense amounting to YTL8.626 and deferred tax income amounting to YTL6.916.

2. Explanations on deferred tax income or expense arising from the temporary differences occurred or have been closed:

The Group has YTL7.598 deferred tax income as a result of temporary differences occurred, and YTL682 deferred tax expense due to temporary differences closed, resulting in YTL6.916 net deferred tax income.

3. Information on recognition of temporary difference, financial loss, diminution of tax and exemptions on income statement:

As of 30 September 2007, the Group has YTL6.916 deferred tax income arising from temporary differences.

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h. Information on other income and expenses:

As of 30 September 2007, the Group’s fee and commission income amount to YTL10.945 (30 September 2006: YTL8.469) and YTL3.584 (30 September 2006: YTL3.785) of the related amount is classified under “Other fee and commission income” account.

	30 September 2007	30 September 2006
Other Fee and Commissions Received		
Commissions from Foreign Trade Transactions	1.338	1.131
File Commissions Received	760	937
Transfer Commissions	520	475
Insurance Commissions	263	344
Commissions from Investment Fund Services	229	495
Other	474	403
Total	3.584	3.785

As of 30 September 2007, the Group’s fee and commission expense amount to YTL787 (30 September 2006: YTL797) and YTL746 (30 September 2006: YTL691) of the related amount is classified under “Other fee and commission expense” account.

	30 September 2007	30 September 2006
Other Fee and Commissions Given		
Ortak Nokta Clearing Comissions	212	158
Commissions to Correspondent Banks	179	206
Credit Card Transaction Commission	118	119
EFT Commissions	91	80
Transfer Commissions	78	70
Other	68	58
Total	746	691

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V. EXPLANATIONS AND NOTES RELATED TO GROUP’S RISK GROUP

a. The volume of transactions relating to the Group’s risk group, outstanding loan and deposit transactions and profit and loss of the period :

Prior period financial information is presented as at 31 December 2006 for balance sheet items and as at 30 September 2006 for income statement items.

1. 30 September 2007 :

Group’s Risk Group (*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Group		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	1.977	24.432	96	42
Balance at the End of the Period	-	-	167	23.104	59	335
Interest and Commission Income Received	-	-	217	46	2	2

(*) Defined in the 49th Article of subsection 2 of the Banking Act No.5411.

2. 31 December 2006:

Group’s Risk Group(*)	Investment in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Group		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	4.310	25.312	31	78
Balance at the End of the Period	-	-	1.977	24.432	96	42
Interest and Commission Income Received	-	-	313	139	3	1

(*) Defined in the 49th Article of subsection 2 of the Banking Act No.5411.

3. Information on deposits and repurchase transactions of the Group’s risk group :

Group’s Risk Group(*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Group		Other real and legal persons that have been included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposit						
Beginning of the Period	-	-	16.956	27.169	5.553	12.756
End of the Period	-	-	11.347	16.956	6.929	5.553
Interest Expense on Deposits	-	-	2.338	1.281	687	837

(*) Defined in the 49th Article of subsection 2 of the Banking Act No.5411.

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Group’s Risk Group(*)	Investments in associates , subsidiaries and joint ventures		Direct and indirect shareholders of the Group		Other real and legal persons that have been included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Repurchase Transactions						
Beginning of the Period			170	1.332	69	118
End of the Period			1.320	170	378	69
Interest Expense on Repurchase Transactions			331	218	34	38

(*) Defined in the 49th Article of subsection 2 of the Banking Act No.5411.

4. Information on forward and option agreements and other derivative instruments with the Group’s risk group:

Group’s Risk Group(*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Group		Other real and legal persons that have been included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions at fair value through profit or loss						
Beginning of the Period	-	-	-	-	-	-
Balance at the end of the period	-	-	7.606	-	-	-
Total Profit/Loss	-	-	(539)	-	-	-
Transactions for hedging purposes						
Beginning of the Period	-	-	-	-	-	-
Balance at the end of the period	-	-	36.144	-	-	-
Total Profit/Loss	-	-	(6.929)	-	-	-

(*) Defined in the 49th Article of subsection 2 of the Banking Act No.5411.

b. With respect to the Group’s risk group:

1. The relations with entities that are included in the Group’s risk group and controlled by the Group irrespective of the relationship between the parties:

The Group performs various transactions with related parties during its banking activities. These are commercial transactions realised with market prices.

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2. The type of transaction, the amount and its ratio to total transaction volume, the amount of significant items and their ratios to total items, pricing policy and other issues:

	Total Risk Group	According to Financial Statements Figures%
Banks and other financial institutions	673	0,79
Loans	226	0,03
Non-cash loans	23.439	4,23
Deposit	18.276	2,55
Funds from repurchase transactions	1.698	1,17
Borrowings	946.016	90,43

3. Equity accounting transactions: None.
4. Information on transactions such as purchase-sale of immovable and other assets, purchase-sale of service, agent agreements, financial leasing agreements, transfer of the information gained as a result of research and development, license agreements, financing (included loans and cash or support of real capital), guarantees, collaterals and management contracts:

In accordance with the limits in Banking Law, cash and non-cash loans are allocated to the Group’s risk group and the amount composes 1,94% of the Group’s total cash and non-cash loans.

As of 30 September 2007, the Group has no purchase-sell transactions except for immovables, no transfers of information gained as a result of research and development, no license agreements and no management contracts with its risk group.

The Group’s Head Office Units are located on the independent floors, 21, 22, 23 and 24 and they were purchased from one of the shareholders, Tekfen Holding A.Ş.; under financial leasing agreement and are recorded in the Group’s immovables at a historical cost of YTL12.587. According to the independent expertise valuation report as at 27 December 2006, the fair value of the immovable is determined as YTL18.000 and as of 30 September 2007, this immovable was reflected with a gross amount of YTL17.795 (net YTL16.460) to the financial statements taking into consideration of USD11.900.000 price in the sales option given to Tekfen Holding A.Ş..

As of 30 September 2007, the Group paid YTL766 (30 September 2006:YTL636) to Tekfen Turizm ve İşletmecilik A.Ş., included in Tekfen’s risk group, for operating Tekfen Tower and the Archieve building.

As of 30 September2007, the Group paid a rent amount of YTL107 (30 September 2006:YTL112) to Toros Tarım Sanayi ve Ticaret A.Ş., included in Tekfen’s risk group, for the related management expenses of the Archieve building.

As of 30 September 2007, the Group has paid a rent amount of YTL32 (30 September 2006: YTL33), and an advertisement share amount of YTL42 (30 September 2006: YTL66) to Tekfen Holding A.Ş..

c. Information on benefits provided to top management:

As of 30 September 2007, benefits provided to top management amount to YTL2.216 (30 September 2006: YTL1.915).

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VI. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

Following the Capital Markets Board approval, dated 28 September 2007 and No. 24535, 99,99% of the shares of EFG İstanbul Menkul Kıymetler A.Ş. has been purchased by the Parent Bank for a consideration of USD93.000.000 (YTL112.100) as of 3 October 2007 and recorded in the Parent Bank’s assets.

SECTION SIX

EXPLANATIONS ON REVIEW REPORT

I. EXPLANATIONS ON REVIEW REPORT

The consolidated financial statements for the period ended 30 September 2007 have been reviewed by Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member of PricewaterhouseCoopers) and the auditor’s review report dated 21 November 2007 has been presented prior to the consolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITOR

None.

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