

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

EUROBANK TEKFEN A.Ş.

**PUBLICLY ANNOUNCED CONSOLIDATED
FINANCIAL STATEMENTS
TOGETHER WITH REVIEW REPORT
AT 31 MARCH 2008**

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

To the Board of Directors of Eurobank Tekfen A.Ş.:

We have reviewed the accompanying consolidated balance sheet of Eurobank Tekfen A.Ş. ("the Bank") and its consolidated subsidiaries at 31 March 2008 and the related consolidated statements of income, cash flows and changes in shareholders' equity for the period then ended. These financial statements are the responsibility of the Bank's management. Our responsibility, as independent auditors is to issue a report on these financial statements based on our review.

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 the Bank's 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 Eurobank Tekfen A.Ş. and its consolidated subsidiaries at 31 March 2008 and the results of its operations and its 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 Banking Law No. 5411 and other regulations, interpretations and circulars published by the Banking Regulation and Supervision Agency on accounting and financial reporting principles.

Additional paragraph for convenience translation:

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 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, 30 May 2008

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

**THE CONSOLIDATED INTERIM FINANCIAL REPORT OF
EUROBANK TEKFEN A.Ş. AS OF 31 MARCH 2008**

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The consolidated three-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 GROUP
- **Section Two** CONSOLIDATED FINANCIAL STATEMENTS
- **Section Three** EXPLANATIONS ON ACCOUNTING POLICIES
- **Section Four** INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP
- **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. EFG Finansal Kiralama A.Ş.	-	-
2. EFG İstanbul Menkul Değerler 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 reviewed.

30 May 2008

M. Ercan KUMCU	Mehmet N. ERTEN	A. İdil Kural	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 Control and Planning	Head of Accounting, Tax, and Reporting Unit

Piergiorgio PRADELLI Member of Audit Committee	Paula HADJISOTIRIOU Member of Audit Committee
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Contact information of the personnel in charge of the addressing of questions about this financial report:

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**CONVENIENCE TRANSLATION OF PUBLICLY
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EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2008

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

SECTION ONE

GENERAL INFORMATION ABOUT THE GROUP

**I. 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 “Bank”), which had two main shareholders: Tekfen Holding A.Ş. with 57,30% and TST International S.A. with 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.

According to the decision taken in the Extraordinary General Assembly Meeting held on 5 December 2007 the name of Tekfenbank A.Ş. was changed to Eurobank Tekfen A.Ş. (“The Bank”) and registered to Turkish Trade Registry on 11 January 2008.

The name of the consolidated subsidiary Tekfen Finansal Kiralama A.Ş. was changed to EFG Finansal Kiralama A.Ş. following the change in the name of the Parent Bank with the decision taken in Extraordinary General Assembly Meeting of the Company held on 29 January 2008 and registered to Turkish Trade Registry on 4 February 2008.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2008

(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 BANK BELONGS TO:

Based on the approval notice of the BRSA dated 23 February 2007; at 16 March 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 31 March 2008.

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 New 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, “Contracting Group”, “Agricultural Industry Group”, “Real Estate Development Group”, “Banking Group”, “Investment and Services Group” and “International Investment and Trading Group”.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2008

(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:

Title	Name	Responsibility	Education
Chairman of the Board of Directors:	Dr. Mehmet Ercan Kumcu	Chairman	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
	Berrin Korkmaz Walraven	Information Technology	Undergraduate
	Haldun Sevinç	Marketing	Undergraduate
	Fatma Aliye Atalay	Private Banking	Graduate
	Ahmet Türkselçi	Human Resources	Undergraduate
	Esra Aydın	Operations	Undergraduate
	Mutlu Akpara	Treasury	Graduate
	Hüseyin Cem Öge	Corporate and Structured Finance	Graduate
	Fedon Hacaki	Loans	Graduate
	Ayşe İdil Kural	Financial Controlling and Planning	Undergraduate
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 in the Parent Bank are insignificant.

CONVENIENCE TRANSLATION OF PUBLICLY
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EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 MARCH 2008

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

III. EXPLANATION ON SHAREHOLDERS HAVING CONTROL SHARES IN THE PARENT BANK:

Name/Commercial title	Share Amounts	Share percentage	Paid-in Capital	Unpaid portion
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%	

Based on the Principal Agreement, the Parent Bank has 1.000.000 founder's shares. According to the Principal Agreement, after allocating 5% to legal reserves and distributing 5% of the paid in capital, 10% of distributable amount is distributed to the owners of the founder's shares.

In accordance with the Shareholders Agreement signed among Eurobank EFG Holding (Luxembourg), Tekfen Holding A.Ş. and TST International Finance S.A. Luxembourg on 16 March 2007, at any time between fifth and tenth anniversary of the signing of this agreement, any shareholder from Tekfen Group is entitled to sell the shares of the Bank then held to shareholders from EFG Group in one transaction by exercising the put option with the exercise price determined as described in the agreement.

On the other hand at any time between seventh and tenth anniversary of the signing of this agreement, shareholders from the EFG Group have the right to purchase the shares of the Bank then held by shareholders from Tekfen Group in one transaction by exercising the call option with the exercise price determined as described in the agreement.

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

As of 31 March 2008, the Parent Bank has 37 branches operating in Turkey (31 December 2007: 36). The Parent Bank’s core business activities include corporate and commercial banking, retail banking and banking services in treasury fields. As of 31 March 2008, the Parent Bank has 580 (31 December 2007: 549) employees. and the Group has 658 employees(31 December 2007: 620).

SECTION TWO
CONSOLIDATED FINANCIAL STATEMENTS

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

EUROBANK TEKFEN A.Ş.

CONSOLIDATED BALANCE SHEET AT 31 MARCH 2008 AND 31 DECEMBER 2007

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

I. BALANCE SHEET		Note (Section Five)	(31/03/2008)			(31/12/2007)		
			YTL	FC	Total	YTL	FC	Total
ASSETS								
I.	CASH AND BALANCES WITH CENTRAL BANK	I-a	117.947	128.287	246.234	41.486	59.761	101.247
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT or LOSS (Net)	I-b	20.598	375	20.973	95.795	159	95.954
2.1	Trading Financial Assets		19.008	-	19.008	95.795	-	95.795
2.1.1	Government Debt Securities		8.740	-	8.740	91.148	-	91.148
2.1.2	Share Certificates		454	-	454	-	-	-
2.1.3	Other Marketable Securities		9.814	-	9.814	4.647	-	4.647
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		1.590	375	1.965	-	159	159
III.	BANKS	I-c	5.125	74.722	79.847	8.040	144.823	152.863
IV.	MONEY MARKETS		150.064		150.064			
4.1	Interbank Money Market Placements		150.064	-	150.064	-	-	-
4.2	Receivables from Istanbul Stock Exchange Money Market		-	-	-	-	-	-
4.3	Receivables from Reverse Repurchase Agreements		-	-	-	-	-	-
V.	AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)	I-d	378.082	127.299	505.382	327.231	105.007	432.238
5.1	Share Certificates		976	-	976	979	-	979
5.2	Government Debt Securities		377.107	127.299	504.406	326.252	105.007	431.259
5.3	Other Marketable Securities		-	-	-	-	-	-
VI.	LOANS	I-e	666.907	350.544	1.017.451	622.391	259.344	881.735
6.1	Loans		650.934	350.544	1.001.478	607.934	259.344	867.278
6.1.1	Loans to Bank’s Risk Group		782	1.735	2.517	651	13	664
6.1.2	Other		650.152	348.809	998.961	607.283	259.331	866.614
6.2	Loans under Follow-up		37.203	-	37.203	34.345	-	34.345
6.3	Specific Provisions (-)		21.230	-	21.230	19.888	-	19.888
VII.	FACTORING RECEIVABLES	I-e	17.900	17.146	35.046	14.197	39	14.236
VIII.	HELD-TO-MATURITY SECURITIES (Net)	I-f	929.670		929.670	960.093	1.863	961.956
8.1	Government Debt Securities		929.670	-	929.670	960.093	1.863	961.956
8.2	Other Marketable Securities		-	-	-	-	-	-
IX.	INVESTMENTS IN ASSOCIATES (Net)	I-g						
9.1	Consolidated Based on Equity Method		-	-	-	-	-	-
9.2	Unconsolidated		-	-	-	-	-	-
9.2.1	Financial Investments in Associates		-	-	-	-	-	-
9.2.2	Non-financial Investments in Associates		-	-	-	-	-	-
X.	SUBSIDIARIES (Net)	I-h						
10.1	Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
10.2	Unconsolidated non-Financial Subsidiaries		-	-	-	-	-	-
XI.	JOINT VENTURES (Net)	I-i						
11.1	Consolidated Based on Equity Method		-	-	-	-	-	-
11.2	Unconsolidated		-	-	-	-	-	-
11.2.1	Financial Joint Ventures		-	-	-	-	-	-
11.2.2	Non-financial Joint Ventures		-	-	-	-	-	-
XII.	LEASE RECEIVABLES (Net)	I-j	6.692	64.042	70.734	6.796	32.006	38.802
12.1	Financial Lease Receivables		8.409	78.402	86.811	8.679	40.266	48.945
12.2	Operational Lease Receivables		-	-	-	-	-	-
12.3	Other		-	-	-	-	-	-
12.4	Unearned Income (-)		1.717	14.360	16.077	1.883	8.260	10.143
XIII.	HEDGING DERIVATIVE FINANCIAL ASSETS	I-k		996	996		1.334	1.334
13.1	Fair Value Hedge		-	996	996	-	1.334	1.334
13.2	Cash Flow Hedge		-	-	-	-	-	-
13.3	Foreign Net Investment Hedge		-	-	-	-	-	-
XIV.	PROPERTY AND EQUIPMENT (Net)		28.601		28.601	24.499		24.499
XV.	INTANGIBLE ASSETS (Net)		65.626		65.626	65.121		65.121
15.1	Goodwill		63.973	-	63.973	63.973	-	63.973
15.2	Other		1.653	-	1.653	1.148	-	1.148
XVI.	INVESTMENT PROPERTY (Net)	I-l						
XVII.	TAX ASSET	I-m	8.049		8.049	7.017		7.017
17.1	Current Tax Asset		264	-	264	415	-	415
17.2	Deferred Tax Asset		7.785	-	7.785	6.602	-	6.602
XVIII.	ASSETS HELD FOR RESALE AND DISCONTINUED OPERATIONS (Net)	I-n	1.306		1.306	1.200		1.200
18.1	Held for Resale		1.306	-	1.306	1.200	-	1.200
18.2	Discontinued Operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	I-o	10.359	7.189	17.548	13.685	14.627	28.312
TOTAL ASSETS			2.406.927	770.600	3.177.527	2.187.551	618.963	2.806.514

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

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

EUROBANK TEKFEN A.Ş.

CONSOLIDATED BALANCE SHEET AT 31 MARCH 2008 AND 31 DECEMBER 2007

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

I. BALANCE SHEET	Note (Section Five)	(31/03/2008)			(31/12/2007)		
		YTL	FC	Total	YTL	FC	Total
LIABILITIES							
I. DEPOSITS	II-a	693.187	666.451	1.359.638	621.051	527.231	1.148.282
1.1 Deposits of Bank's Risk Group		231.081	253.342	484.423	224.882	175.213	400.095
1.2 Other		462.106	413.109	875.215	396.169	352.018	748.187
II. TRADING DERIVATIVE FINANCIAL LIABILITIES	II-b	1.849	308	2.157	10	165	175
III. BORROWINGS	II-c	967.996	118.630	1.086.626	1.008.566	91.427	1.099.993
IV. MONEY MARKETS		319.420	28.019	347.439	156.036	21.508	177.544
4.1 Funds from Interbank Money Market		-	-	-	-	-	-
4.2 Funds from Istanbul Stock Exchange Money Market		76.664	-	76.664	18.838	-	18.838
4.3 Funds Provided Under Repurchase Agreements		242.756	28.019	270.775	137.198	21.508	158.706
V. MARKETABLE SECURITIES ISSUED (Net)							
5.1 Bills		-	-	-	-	-	-
5.2 Asset Backed Securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	-	-	-
VI. FUNDS							
6.1 Borrower Funds		-	-	-	-	-	-
6.2 Other		-	-	-	-	-	-
VII. MISCELLANEOUS PAYABLES		12.540	10.608	23.148	10.353	23.339	33.692
VIII. OTHER LIABILITIES	II-d	14.469	2.208	16.677	15.261	1.900	17.161
IX. FACTORING PAYABLES							
X. LEASE PAYABLES (Net)	II-e		186	186		181	181
10.1 Financial Lease Payables		-	205	205	-	201	201
10.2 Operational Lease Payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred Financial Lease Expenses (-)		-	19	19	-	20	20
XI. HEDGING DERIVATIVE FINANCIAL LIABILITIES	II-f		18.773	18.773		13.958	13.958
11.1 Fair Value Hedge		-	18.773	18.773	-	13.958	13.958
11.2 Cash Flow Hedge		-	-	-	-	-	-
11.3 Foreign Net Investment Hedge		-	-	-	-	-	-
XII. PROVISIONS	II-g	19.075	11.924	30.999	19.547	9.590	29.137
12.1 General Loan Loss Provision		6.379	4.254	10.633	5.677	2.849	8.526
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Reserve for Employee Rights		9.474	-	9.474	10.291	-	10.291
12.4 Insurance Technical Provisions (Net)		-	-	-	-	-	-
12.5 Other Provisions		3.222	7.670	10.892	3.579	6.741	10.320
XIII. TAX LIABILITY	II-h	8.847		8.847	9.584		9.584
13.1 Current Tax Liability		8.843	-	8.843	9.584	-	9.584
13.2 Deferred Tax Liability		4	-	4	-	-	-
XIV. PAYABLES FOR ASSET HELD FOR RESALE AND DISCONTINUED OPERATIONS							
14.1 Held for Resale		-	-	-	-	-	-
14.2 Discontinued Operations		-	-	-	-	-	-
XV. SUBORDINATED LOANS							
XVI. SHAREHOLDERS' EQUITY	II-i	287.500	(4.466)	283.037	275.981	826	276.807
16.1 Paid-in Capital		230.000	-	230.000	230.000	-	230.000
16.2 Capital Reserves		(2.228)	(4.466)	(6.694)	5.094	826	5.920
16.2.1 Share Premium		-	-	-	-	-	-
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Marketable Securities Valuation Reserve		(7.360)	(4.466)	(11.826)	1.424	826	2.250
16.2.4 Tangible Assets Revaluation Reserve		3.565	-	3.565	2.103	-	2.103
16.2.5 Intangible Assets Revaluation Reserve		-	-	-	-	-	-
16.2.6 Investment Property Revaluation Reserve		-	-	-	-	-	-
16.2.7 Bonus Shares Obtained from Investments in Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-
16.2.8 Hedging Reserves (Effective portion)		-	-	-	-	-	-
16.2.9 Value Differences of Assets Held for Resale and Discontinued Operations		-	-	-	-	-	-
16.2.10 Other Capital Reserves		1.567	-	1.567	1.567	-	1.567
16.3 Profit Reserves		38.152	-	38.152	18.457	-	18.457
16.3.1 Legal Reserves		7.440	-	7.440	7.382	-	7.382
16.3.2 Status Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		30.712	-	30.712	11.075	-	11.075
16.3.4 Other Profit Reserves		-	-	-	-	-	-
16.4 Income or (Loss)		21.579	-	21.579	22.430	-	22.430
16.4.1 Prior Years' Income or (Loss)		2.735	-	2.735	(4.289)	-	(4.289)
16.4.2 Current Year Income or (Loss)		18.844	-	18.844	26.719	-	26.719
TOTAL LIABILITIES		2.324.886	852.641	3.177.527	2.116.389	690.125	2.806.514

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

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

EUROBANK TEKFEN A.Ş.

CONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AT 31 MARCH 2008 AND 31 DECEMBER 2007

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

II. OFF-BALANCE SHEET		Note (Section Five)	(31.03/2008)			(31/12/2007)		
			YTL	FC	Total	YTL	FC	Total
A	OFF-BALANCE SHEET COMMITMENTS (I+II+III)		396.015	1.329.895	1.725.910	286.376	708.237	994.613
I.	GUARANTEES AND WARRANTIES	III-a-2-3	199.680	724.545	924.225	211.591	444.970	656.561
1.1	Letters of Guarantee		199.680	95.184	294.864	211.591	87.737	299.328
1.1.1	Guarantees Subject to State Tender Law		22.161	9.009	31.170	21.560	8.786	30.346
1.1.2	Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3	Other Letters of Guarantee		177.519	86.175	263.694	190.031	78.951	268.982
1.2	Bank Acceptances		-	10.634	10.634	-	5.861	5.861
1.2.1	Import Letter of Acceptance		-	10.634	10.634	-	5.861	5.861
1.2.2	Other Bank Acceptances		-	-	-	-	-	-
1.3	Letters of Credit		-	115.196	115.196	-	106.365	106.365
1.3.1	Documentary Letters of Credit		-	115.196	115.196	-	106.365	106.365
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		-	3.206	3.206	-	-	-
1.8	Other Guarantees		-	500.325	500.325	-	245.007	245.007
1.9	Other Collaterals		-	-	-	-	-	-
II.	COMMITMENTS	III-a-1	74.257	-	74.257	68.961	-	68.961
2.1	Irrevocable Commitments		74.257	-	74.257	68.961	-	68.961
2.1.1	Asset Purchase and Sales Commitments		3.860	-	3.860	1.852	-	1.852
2.1.2	Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3	Share Capital Commitments to Associates and Subsidiaries		-	-	-	-	-	-
2.1.4	Commitments for Loan Limits		5.433	-	5.433	5.609	-	5.609
2.1.5	Securities Issue Brokerage Commitments		-	-	-	-	-	-
2.1.6	Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7	Commitments for Cheques		46.114	-	46.114	43.472	-	43.472
2.1.8	Tax and Fund Liabilities from Export Commitments		2.643	-	2.643	2.641	-	2.641
2.1.9	Commitments for Credit Card Limits		11.404	-	11.404	11.817	-	11.817
2.1.10	Promotion Commitments for Credit Cards and Banking Services		-	-	-	-	-	-
2.1.11	Receivables from Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.12	Payables for Short Sale Commitments of Marketable Securities		-	-	-	-	-	-
2.1.13	Other Irrevocable Commitments		4.803	-	4.803	3.570	-	3.570
2.2	Revocable Commitments		-	-	-	-	-	-
2.2.1	Revocable Commitments for Loan Limits		-	-	-	-	-	-
2.2.2	Other Revocable Commitments		-	-	-	-	-	-
III.	DERIVATIVE FINANCIAL INSTRUMENTS		122.078	605.350	727.428	5.824	263.267	269.091
3.1	Hedging Derivative Financial Instruments		-	156.768	156.768	-	139.116	139.116
3.1.1	Transactions for Fair Value Hedge		-	156.768	156.768	-	139.116	139.116
3.1.2	Transactions for Cash Flow Hedge		-	-	-	-	-	-
3.1.3	Transactions for Foreign Net Investment Hedge		-	-	-	-	-	-
3.2	Trading Derivative Financial Instruments		122.078	448.582	570.660	5.824	124.151	129.975
3.2.1	Forward Foreign Currency Buy/Sell Transactions		93.756	143.042	236.798	5.824	77.680	83.504
3.2.1.1	Forward Foreign Currency Transactions-Buy		49.355	69.316	118.671	1.167	40.593	41.760
3.2.1.2	Forward Foreign Currency Transactions-Sell		44.401	73.726	118.127	4.657	37.087	41.744
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rates		12.660	166.742	179.402	-	24.807	24.807
3.2.2.1	Foreign Currency Swap-Buy		12.660	76.680	89.340	-	12.382	12.382
3.2.2.2	Foreign Currency Swap-Sell		-	90.062	90.062	-	12.425	12.425
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		15.580	138.798	154.378	-	21.664	21.664
3.2.3.1	Foreign Currency Options-Buy		7.476	48.611	56.087	-	-	-
3.2.3.2	Foreign Currency Options-Sell		8.104	47.989	56.093	-	-	-
3.2.3.3	Interest Rate Options-Buy		-	21.099	21.099	-	10.832	10.832
3.2.3.4	Interest Rate Options-Sell		-	21.099	21.099	-	10.832	10.832
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		82	-	82	-	-	-
B.	CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		2.704.936	3.554.078	6.259.014	2.394.483	2.412.735	4.807.218
IV.	ITEMS HELD IN CUSTODY		694.571	157.312	851.883	692.258	117.193	809.451
4.1	Customer Fund and Portfolio Balances		17.011	-	17.011	15.712	7.515	23.227
4.2	Investment Securities Held in Custody		187.101	9.883	196.984	199.557	10.798	210.355
4.3	Cheques Received for Collection		30.337	59.471	89.808	23.714	38.920	62.634
4.4	Commercial Notes Received for Collection		24.595	27.768	52.363	21.566	24.115	45.681
4.5	Other Assets Received for Collection		-	-	-	-	-	-
4.6	Assets Received for Public Offering		-	-	-	-	-	-
4.7	Other Items Under Custody		9.882	60.190	70.072	431.709	35.845	467.554
4.8	Custodians		425.645	-	425.645	-	-	-
V.	PLEDGES RECEIVED		2.010.365	3.396.766	5.407.131	1.702.225	2.295.542	3.997.767
5.1	Marketable Securities		106.853	-	106.853	106.843	-	106.843
5.2	Guarantee Notes		1.041.563	1.954.452	2.996.015	882.338	1.406.580	2.288.918
5.3	Commodity		20.514	4.314	24.828	26.267	3.565	29.832
5.4	Warranty		-	-	-	-	-	-
5.5	Immovable		799.440	1.422.270	2.221.710	644.228	872.238	1.516.466
5.6	Other Pledged Items		41.995	15.730	57.725	42.549	13.159	55.708
5.7	Pledged Items-Depository		-	-	-	-	-	-
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
	TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		3.100.951	4.883.973	7.984.924	2.680.859	3.120.972	5.801.831

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

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

**EUROBANK TEKFEN A.Ş.
CONSOLIDATED INCOME STATEMENT FOR THE THREE MONTH PERIODS ENDED
31 MARCH 2008 AND 31 MARCH 2007**

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

III.	INCOME STATEMENT	Note (Section Five)	01/01/2008- 31/03/2008	01/01/2007- 31/03/2007
	INCOME AND EXPENSE ITEMS			
I.	INTEREST INCOME	IV-a	104.281	40.463
1.1	Interest on Loans		37.917	25.628
1.2	Interest Received from Reserve Requirements		2.774	995
1.3	Interest Received from Banks		2.012	7.225
1.4	Interest Received from Money Market Transactions		815	1.668
1.5	Interest Received from Marketable Securities Portfolio		57.749	4.351
1.5.1	Trading Financial Assets		674	111
1.5.2	Financial Assets at Fair Value through Profit or Loss		-	-
1.5.3	Available-for-sale Financial Assets		18.257	2.724
1.5.4	Held-to-maturity Investments		38.818	1.516
1.6	Financial Lease Income		1.495	541
1.7	Other Interest Income		1.519	55
II.	INTEREST EXPENSE (-)	IV-b	80.141	27.914
2.1	Interest on Deposits (-)		28.079	23.566
2.3	Interest on Funds Borrowed (-)		38.093	2.976
2.4	Interest Expense on Money Market Transactions (-)		11.917	1.281
2.5	Interest on Securities Issued (-)		-	-
2.6	Other Interest Expenses (-)		2.052	91
III.	NET INTEREST INCOME/EXPENSE (I - II)		24.140	12.549
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSE	IV-i	18.501	2.063
4.1	Fees and Commissions Received		19.626	2.311
4.1.1	Non-cash Loans		2.810	1.807
4.1.2	Other		16.816	504
4.2	Fees and Commissions Paid (-)		1.125	248
4.2.1	Non-cash Loans (-)		45	12
4.2.2	Other (-)		1.080	236
V.	DIVIDEND INCOME		-	-
VI.	TRADING INCOME/(LOSS) (Net)	IV-c	3.401	65
6.1	Trading Gains/(Losses) on Securities		(2.096)	(2.703)
6.2	Foreign Exchange Gains/(Losses)		5.497	2.768
VII.	OTHER OPERATING INCOME	IV-d	5.563	977
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)		51.605	15.654
IX.	PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	IV-e	3.924	10.120
X.	OTHER OPERATING EXPENSES (-)	IV-f	24.612	11.596
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		23.069	(6.062)
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 TAX FROM CONTINUING OPERATIONS (XI+...+XIV)		23.069	(6.062)
XVI.	TAX PROVISION FOR CONTINUING OPERATIONS (-)		4.225	(1.268)
16.1	Current Tax Provision		2.250	-
16.2	Deferred Tax Provision		1.975	(1.268)
XVII.	NET INCOME/(LOSS) FROM CONTINUING OPERATIONS (XV-XVI)	IV-g	18.844	(4.794)
XVIII.	INCOME FROM DISCONTINUED OPERATIONS		-	-
18.1	Income from Non-Current Assets Held for Resale		-	-
18.2	Sale Income from Associates, Subsidiaries and Joint Ventures		-	-
18.3	Other Income from Discontinued Operations		-	-
XIX.	EXPENSES FROM DISCONTINUED OPERATIONS (-)		-	-
19.1	Expense from Non-Current Assets Held for Resale		-	-
19.2	Sale Losses from Associates, Subsidiaries and Joint Ventures		-	-
19.3	Other Expenses from Discontinued Operations		-	-
XX.	INCOME/(LOSS) BEFORE TAX FROM DISCONTINUED OPERATIONS (XVIII-XIX)		-	-
XXI.	TAX PROVISION FOR DISCONTINUED OPERATIONS (-)		-	-
21.1	Current tax provision		-	-
21.2	Deferred tax provision		-	-
XXII.	NET INCOME/(LOSS) FROM DISCONTINUED OPERATIONS (XX-XXI)		-	-
XVIII.	NET INCOME/(LOSS) (XVII+XXII)	IV-h	18.844	(4.794)
23.1	Income/(Loss) of the Group		18.844	(4.794)
23.2	Income/(Loss) of Minority Interest		-	-
	Earnings/(Loss) per share (1.000 nominal in YTL full)		0,737	(0,454)

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

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

**EUROBANK TEKFEN A.Ş.
CONSOLIDATED STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED IN EQUITY FOR THE THREE MONTH PERIODS ENDED
AT 31 MARCH 2008 AND 31 MARCH 2007**

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

IV. STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED IN EQUITY		
INCOME AND EXPENSE ITEMS ACCOUNTED IN EQUITY	31/03/2008	31/03/2007
I. ADDITIONS TO THE MARKETABLE SECURITIES VALUATION RESERVE FROM THE AVAILABLE FOR SALE FINANCIAL ASSETS	(13.103)	183
II. REVALUATION DIFFERENCES OF TANGIBLE ASSETS	(1.828)	-
III. REVALUATION DIFFERENCES OF INTANGIBLE ASSETS	-	-
IV. FOREIGN EXCHANGE TRANSLATION DIFFERENCES FOR FOREIGN CURRENCY TRANSACTIONS	-	-
V. INCOME/LOSS ON CASH FLOW HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Part of Fair Value Changes)	-	-
VI. PROFIT/LOSS FROM FOREIGN INVESTMENT HEDGE DERIVATIVE FINANCIAL ASSETS (Effective Part of Fair Value Changes)	-	-
VII. EFFECTS OF CHANGES IN ACCOUNTING POLICY AND ERRORS	-	-
VIII. OTHER INCOME AND EXPENSE ITEMS ACCOUNTED IN EQUITY ACCORDING TO TAS	-	-
IX. DEFERRED TAX ON VALUATION DIFFERENCES	2.986	(37)
X. NET INCOME/LOSS ACCOUNTED DIRECTLY IN EQUITY (I+II+...+IX)	(11.945)	146
XI. CURRENT PERIOD INCOME/LOSS	(669)	45
1.1 Net Change in Fair Value of Marketable Securities (Transfer to Income Statement)	(669)	45
1.2 Portion of Cash Flow Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	-	-
1.3 Portion of Foreign Investment Hedge Derivative Financial Assets Reclassified and Presented on the Income Statement	-	-
1.4 Other	-	-
XII. TOTAL INCOME/LOSS RELATED TO THE CURRENT PERIOD (X+XI)	(12.614)	191

The accompanying explanations and notes form an integral part of these financial statement

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

**EUROBANK TEKFEN A.Ş.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2007**

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY																				
	PRIOR PERIOD 31/03/2007	Note (Section Five)	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)	Marketable Securities Valuation Reserve	Tangible and Intangible Assets Revaluation Reserve	Bonus Shares Obtained from Investments	Hedging Reserves	Valuation Difference of AHS and Discontinued Operations	Total Equity Except for Minority Interest	Minority Interest	Total Shareholders' Equity
I.	Period Opening Balance		50.000	37.005	-	-	7.344	-	3.169	-	13.118	99	250	3.128	-	-	-	114.113	-	114.113
II.	Changes in Accounting Policies according to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	Effects of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	Effects of the Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	New Balance (I+II)		50.000	37.005	-	-	7.344	-	3.169	-	13.118	99	250	3.128	-	-	-	114.113	-	114.113
	Changes in the Period																			
IV.	Increase/Decrease due to the Merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Marketable Securities Valuation Differences		-	-	-	-	-	-	-	-	-	-	191	-	-	-	-	191	-	191
VI.	Hedging Reserves (Effective Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1	Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2	Foreign Investment Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Revaluation Differences of Tangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Revaluation Differences of Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Bonus Shares Obtained form Investments in Associates,Subsidiaries and Joint Ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Foreign Exchange Difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Changes due to the Disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Changes due to the Reclassification of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Effects of Changes in Equity of Investments in Associates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Capital Increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1	Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2	Internal Resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Share Premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Share Cancellation Profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Adjustment to Share Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX.	Current Year Income or Loss		-	-	-	-	-	-	-	-	(4.794)	-	-	-	-	-	-	(4.794)	-	(4.794)
XX.	Profit Distribution		-	-	-	-	38	-	7.906	9.562	(13.118)	(4.388)	-	-	-	-	-	-	-	-
20.1	Dividend Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2	Transfers to Reserves		-	-	-	-	38	-	7.906	9.562	(13.118)	(4.388)	-	-	-	-	-	-	-	-
20.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Period End Balance (III+IV+V+...+XX)		50.000	37.005	-	-	7.382	-	11.075	9.562	(4.794)	(4.289)	441	3.128	-	-	-	109.510	-	109.510

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

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

**EUROBANK TEKFEN A.Ş.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2008**
(Unless otherwise stated amounts are expressed in thousands of New Turkish Lira ("YTL").)

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY																				
CURRENT PERIOD 31/03/2008		Note (Section Five)	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)	Marketable Securities Valuation Reserve	Tangible and Intangible Assets Revaluation Reserve	Bonus Shares Obtained from Investments	Hedging Reserves	Valuation Difference of AHS and Discontinued Operations	Total Equity Except for Minority Interest	Minority Interest	Total Shareholders' Equity
I.	Prior Period End Balance		230.000	1.567	-	-	7.382	-	11.075	-	26.719	(4.289)	2.250	2.103	-	-	-	276.807	-	276.807
	Changes in the Period																			
II.	Increase/Decrease due to the Merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Marketable Securities Valuation Differences		-	-	-	-	-	-	-	-	-	-	(14.076)	-	-	-	-	(14.076)	-	(14.076)
IV.	Hedging Reserves (Effective Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1	Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2	Foreign Investment Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Revaluation Differences of Tangible Assets		-	-	-	-	-	-	-	-	-	-	-	1.462	-	-	-	1.462	-	1.462
VI.	Revaluation Differences of Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Bonus Shares Obtained from Investments in Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Foreign Exchange Difference		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Changes due to the Disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Changes due to the Reclassification of the Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	Effects of Changes in Equity of Investments in Associates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Capital Increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1	Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2	Internal Resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Share Premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Share Cancellation Profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Adjustment to Share Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Current Year Income or Loss		-	-	-	-	-	-	-	-	18.844	-	-	-	-	-	-	18.844	-	18.844
XVIII.	Profit Distribution		-	-	-	-	58	-	19.637	-	(26.719)	7.024	-	-	-	-	-	-	-	-
18.1	Dividend Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2	Transfers to Reserves		-	-	-	-	58	-	19.637	-	(26.719)	7.024	-	-	-	-	-	-	-	-
18.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Period End Balance (I+II+III++XVII+XVIII)		230.000	1.567	-	-	7.440	-	30.712	-	18.844	2.735	(11.826)	3.565	-	-	-	283.037	-	283.037

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

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

EUROBANK TEKFEN A.Ş.

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THREE MONTH PERIOD ENDED
31 MARCH 2008 AND 31 MARCH 2007**

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

VI. STATEMENT OF CASH FLOWS	(31/03/2008)	(31/03/2007)
A. CASH FLOWS FROM BANKING OPERATIONS		
1.1 Operating profit before changes in operating assets and liabilities	34.119	7.401
1.1.1 Interest received	135.002	40.035
1.1.2 Interest paid	(105.773)	(29.293)
1.1.3 Dividend received	-	-
1.1.4 Fees and commissions received	18.501	2.890
1.1.5 Other income	-	-
1.1.6 Collections from previously written-off loans and other receivables	1.178	-
1.1.7 Payments to personnel and service suppliers	(13.506)	(6.056)
1.1.8 Taxes paid	-	(600)
1.1.9 Other	(1.283)	425
1.2 Changes in operating assets and liabilities	284.603	(63.059)
1.2.1 Net (increase)/decrease in trading securities	75.737	(2.516)
1.2.2 Net (increase)/decrease in fair value through profit/loss financial assets	-	-
1.2.3 Net (increase)/decrease in due from banks	-	-
1.2.4 Net (increase)/decrease in loans	(178.370)	(39.506)
1.2.5 Net (increase)/decrease in other assets	33.097	(23.336)
1.2.6 Net increase/(decrease) in bank deposits	9.481	(4.981)
1.2.7 Net increase/(decrease) in other deposits	194.983	74.831
1.2.8 Net increase/(decrease) in funds borrowed	189.052	(67.453)
1.2.9 Net increase/(decrease) in payables	-	600
1.2.10 Net increase/(decrease) in other liabilities	(39.377)	(698)
I. Net cash provided from banking operations	318.722	(55.658)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
II. Net cash provided from investing activities	(72.794)	46.603
2.1 Cash paid for acquisition of investments, associates and subsidiaries	-	-
2.2 Cash obtained from disposal of investments, associates and subsidiaries	-	-
2.3 Purchases of property and equipment	(3.560)	-
2.4 Disposals of property and equipment	-	(272)
2.5 Cash paid for purchase of investments available-for-sale	(71.405)	-
2.6 Cash obtained from sale of investments available-for-sale	-	44.130
2.7 Cash paid for purchase of investment securities	-	-
2.8 Cash obtained from sale of investment securities	2.171	2.745
2.9 Other	-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES		
III. Net cash provided from financing activities	(17)	(880)
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	(17)	(880)
3.6 Other	-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents	(73)	-
V. Net increase/decrease in cash and cash equivalents (I+II+III+IV)	245.838	(9.935)
VI. Cash and cash equivalents at beginning of the period	180.104	306.856
VII. Cash and cash equivalents at end of the period	425.942	296.921

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

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES

I. BASIS OF PRESENTATION:

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 Group 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 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.

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.

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 Bank 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 regarding the Parent Bank.

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 Parent Bank.

The Group has no joint ventures or investment in associates as of 31 March 2008 and 31 December 2007.

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.

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 transactional 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.

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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 Bank 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 violation of classification principles.

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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 conjuncture on the basis of the prudence principle are taken into consideration by the Bank 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. Available-for-sale equity securities that have a quoted market price in an active market and whose fair values can be reliably measured are carried at fair value. Available-for-sale equity securities that do not have a quoted market price in an active market and whose fair values cannot be reliably measured are carried at cost, less provision for impairment.

“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 Valuation Reserve”, 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.

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.

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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”. The Group has no securities lending transactions.

XI. EXPLANATIONS 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.

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 amortization 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 and differs from 3 years to 15 years.

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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.

The Group has adopted the “revaluation method” in accordance with the “Communiqué Regarding the Principles and Procedures for the Tangible Assets (“TAS 16”)” for its buildings. Independent expert appraisal values are presented in the financial statements. However, the revaluation amount of the building acquired within the context of the financial lease agreement explained in detail in Note 5 of Section V is presented in the financial statements by considering the sales option regarding the share transfer of the Group.

Depreciation is calculated over the cost of property and equipment using the straight-line method. The depreciation rates 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.

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.

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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. The Group has implemented 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 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 realizes financial leasing transactions in the capacity of “lessor” by means of EFG Finansal Kiralama A.Ş. which is the consolidated subsidiary of the Group. The asset subject to financial leasing is disclosed as net financial leasing receivable in the balance sheet. The interest income is determined in a way to form a fixed revenue return ratio using net investment method related to leased asset of the lessor, and the portion of interest income which does not take part in the related term is followed under 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.

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.

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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:

Many clauses of Corporate Tax Law No.5520 which are valid starting from 1 January 2006, was taken into effect after being published in the Official Gazette dated 21 June 2006 No.26205. According to the New Tax Law, the corporate tax rate in Turkey is payable at the rate of 20% for 2008 (2007: 20%). The corporate tax rate is calculated on the total income of the Group 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 account under shareholder’s equity for five years.

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.

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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 Bank.

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 31 March 2008 and 31 December 2007, 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.

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.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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.

	31 March 2008	31 March 2007
Net Income / (Loss) to be Appropriated to Ordinary Shareholders	16.960	(4.315)
Weighted Average Number of Issued Ordinary Shares (Thousand)	23.000.000	9.500.000
Earnings Per Ordinary Shares (Disclosed as 1.000 nominal in full YTL)	0,737	(0,454)
Net Income / (Loss) to be Appropriated to Privileged Shareholders	1.884	(479)
Weighted Average Number of Issued Privileged Shares (Thousand)	1.000.000	1.000.000
Earnings Per Privileged Shares (Disclosed as 1.000 nominal in full YTL)	1,884	(0,479)

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 to 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 SEGMENT REPORTING:

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

XXVIII. RECLASSIFICATIONS:

Reclassifications have been made on comparative 31 December 2007 and 31 March 2007 consolidated figures, to conform to changes in presentation of 31 March 2008 consolidated financial statements.

SECTION FOUR

INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP

I. EXPLANATIONS ON CONSOLIDATED CAPITAL ADEQUACY RATIO:

- a. As of 31 March 2008, the consolidated capital adequacy ratio of the Group is 13,10% (31 December 2007: 17,17%) 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 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)	1.873.065	51.985	431.009	739.051	1.874.183	89.293	437.652	686.568
Cash	13.942	-	-	-	13.955	-	-	-
Matured marketable securities	-	-	-	-	-	-	-	-
The Central Bank of the Republic of Turkey	182.824	-	-	-	182.824	-	-	-
Domestic, foreign banks, foreign head offices and branches	-	41.854	-	653	-	79.159	-	653
Interbank money market	150.000	-	-	-	150.000	-	-	-
Receivables from reverse repurchase transactions	-	-	-	-	-	-	-	-
Reserve requirements with the Central Bank of the Republic of Turkey	46.750	-	-	-	46.750	-	-	-
Loans	34.396	10.067	422.528	554.003	34.396	10.067	422.528	548.152
Non-performing receivables (Net)	-	-	-	15.973	-	-	-	15.973
Lease receivables	-	-	-	-	263	-	6.643	63.478
Available-for-sale financial assets	484.611	-	-	950	484.611	-	-	976
Held-to-maturity investments	891.760	-	-	-	892.107	-	-	-
Receivables from the disposal of assets	-	-	-	63	-	-	-	63
Miscellaneous receivables	-	-	-	4.028	-	-	-	4.033
Interest and income accruals	61.087	64	8.481	12.486	61.105	67	8.481	12.291
Investments in associates, subsidiaries and joint ventures (Net)	-	-	-	121.562	-	-	-	-
Fixed assets	-	-	-	28.888	-	-	-	29.466
Other assets	7.695	-	-	445	8.172	-	-	11.483
Off-balance sheet items	15.490	20.897	298.359	375.948	15.490	20.897	298.359	375.953
Non-cash loans and commitments	15.490	14.244	298.359	375.245	15.490	14.244	298.359	375.245
Derivative financial instruments	-	6.653	-	703	-	6.653	-	708
Non-risk weighted accounts	-	-	-	-	-	-	-	-
Total Risk Weighted Assets	1.888.555	72.882	729.368	1.114.999	1.889.673	110.190	736.011	1.062.521

(*) In accordance with “The Regulation Related to the Change of the Regulation Regarding the Measurement and Evaluation of Banks’ Capital Adequacy Ratio” published in the Official Gazette on 10 October 2007 and 22 March 2008, the risk weights of 10%, 150% and 200% are added to the calculation of the principal amount subject to credit risk. Since that the Groups’ assets do not include any type of assets that shall be weighted within these mentioned risk weights, these risk weights are not included to the related table.

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

	Parent Bank		Consolidated	
	31 March 2008	31 December 2007	31 March 2008	31 December 2007
Amount subject to credit risk “ASCR”	1.494.259	1.135.348	1.452.565	1.087.528
Amount subject to market risk “ASMR”	97.038	33.100	134.575	69.713
Amount subject to operational risk “ASOR” (*)	108.645	83.197	121.345	85.677
Shareholders’ equity	271.497	272.587	223.847	213.466
Shareholders’ equity/(ASCR+ASMR+ASOR)	15,97%	21,78%	13,10%	17,17%

e. Information about shareholders’ equity items:

	31 March 2008	31 December 2007
CORE CAPITAL		
Paid-in capital	230.000	230.000
Nominal capital	230.000	230.000
Capital commitments (-)	-	-
Inflation adjustment to share capital	1.567	1.567
Share premium	-	-
Share cancellation profits	-	-
Legal reserves	7.440	7.382
First legal reserve (Turkish Commercial Code 466/1)	3.498	3.440
Second legal reserve (Turkish Commercial Code 466/2)	3.942	3.942
Other legal reserve per special legislation	-	-
Status reserves	-	-
Extraordinary reserves	30.712	11.075
Reserves allocated by the General Assembly	30.712	11.075
Retained earnings	-	-
Accumulated loss	-	-
Foreign currency share capital exchange difference	-	-
Inflation adjustment of legal reserves, status reserves and extraordinary reserves	-	-
Profit	21.579	26.719
Current period profit	18.844	26.719
Prior period profit	2.735	-
Provisions for possible risks (up to 25% of core capital)	-	-
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
Current period loss (net)	-	-
Prior period loss	-	4.289
Special costs (-)	-	2.451
Prepaid expenses (-)	1.795	1.455
Intangible assets (-)	1.653	1.148
Deferred tax asset amount exceeding 10% of core capital (-)	-	-
Limit exceeding amount regarding the third clause of article 56 of the Law(-)	-	-
Consolidation goodwill (net) (-)	63.973	63.973
Total Core Capital	227.325	208.481

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SUPPLEMENTARY CAPITAL	31 March 2008	31 December 2007
General provisions	10.633	8.526
45% of the movables revaluation fund	-	-
45% of the immovables revaluation fund	1.604	946
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 reserve	(11.826)	1.013
From investments in associates and subsidiaries	-	-
Available-for-sale financial assets	(11.826)	1.013
Inflation adjustment of capital reserve, profit reserve and prior years' income or loss (Except inflation adjustment of legal reserves, status reserves and extraordinary reserves)	-	-
Minority Interest	-	-
Total Supplementary Capital	411	10.485
TIER III CAPITAL		
CAPITAL	227.736	218.966
DEDUCTIONS FROM THE CAPITAL (*)	3.889	5.500
Shares in unconsolidated 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	-	-
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	44	446
Other	-	-
TOTAL SHAREHOLDERS' EQUITY	223.847	213.466

(*) 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.

INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP (Continued)

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. Fluctuations in risks are actively followed and are communicated to the top management. The Market Risk Committee also reports legally on a consolidated basis quarterly. The limitations in the treasury risk parameters, as approved by the Board of Directors, are summarized as follows:

- Position limit, maximum loss limit and minimum holding period for the available-for-sale, trading and held-to-maturity portfolio,
- Position limit, maximum loss limit and minimum holding period for derivative products,
- Distinct position limit and maximum loss limit of each foreign currency unit and total foreign currency.

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”.

a. Information on Market Risk:

	Balance
(I) Capital to be Employed for General Market Risk - Standard Method	7.277
(II) Capital to be Employed for Specific Risk -Standard Method	63
(III) Capital to be Employed for Currency Risk - Standard Method	3.426
(IV)Capital to be Employed for Commodity Risk - Standard Method	-
(V) Capital to be Employed for Clearance 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)	10.766
(IX) Amount Subject to Market Risk 12,5xVIII) or (12,5xVII)	134.575

III. EXPLANATIONS ON CONSOLIDATED OPERATIONAL RISK:

As of 31 March 2008, the Group calculates the amount subject to operational risk based on “Basic Indicator Method” by using the last three year-end gross income balances of the Group, in accordance with Regulation Regarding Measurement and Evaluation of Banks’ Capital Adequacy Ratio.

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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 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>31 March 2008</u>	<u>31 December 2007</u>	<u>31 March 2008</u>	<u>31 December 2007</u>	<u>31 March 2008</u>	<u>31 December 2007</u>
31 March 2008/ 31 December 2007						
Bid rate	2,0643 YTL	1,7060 YTL	1,3064 YTL	1,1593 YTL	1,3109 YTL	1,0331 YTL
1. Day bid rate	2,0643 YTL	1,7060 YTL	1,3064 YTL	1,1593 YTL	1,3109 YTL	1,0331 YTL
2. Day bid rate	2,0156 YTL	1,7102 YTL	1,2765 YTL	1,1647 YTL	1,2738 YTL	1,0279 YTL
3. Day bid rate	1,9855 YTL	1,6976 YTL	1,2579 YTL	1,1708 YTL	1,2608 YTL	1,0216 YTL
4. Day bid rate	1,9768 YTL	1,6912 YTL	1,2589 YTL	1,1715 YTL	1,2644 YTL	1,0242 YTL
5. Day bid rate	1,9180 YTL	1,6917 YTL	1,2325 YTL	1,1746 YTL	1,2246 YTL	1,0269 YTL

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>31 March 2008</u>	<u>31 December 2007</u>	<u>31 March 2008</u>	<u>31 December 2007</u>	<u>31 March 2008</u>	<u>31 December 2007</u>
Arithmetic average -30 days	1,9217 YTL	1,7080 YTL	1,2380 YTL	1,1739 YTL	1,2268 YTL	1,0419 YTL

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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
31 March 2008					
Assets					
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	3.690	124.289	-	308	128.287
Due From Banks	4.685	67.912	769	1.356	74.722
Financial Assets at Fair Value Through Profit or Loss	-	-	-	-	-
Interbank Money Market Placements	-	-	-	-	-
Available-for-sale Financial Assets	-	127.299	-	-	127.299
Loans (*)	261.018	241.095	-	2.291	504.404
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-	-
Held-to-Maturity Investments	-	-	-	-	-
Hedging Derivative Financial Assets	-	996	-	-	996
Tangible Assets	-	-	-	-	-
Intangible Assets	-	-	-	-	-
Other Assets	52.751	18.466	-	14	71.231
Total Assets (*)	322.144	580.057	769	3.969	906.939
Liabilities					
Bank Deposits	2.950	10.219	-	1.607	14.776
Foreign Currency Deposits	142.239	506.737	13	2.686	651.675
Funds From Interbank Money Market	-	28.019	-	-	28.019
Funds Borrowed From Other Financial Institutions (*)	88.038	31.898	-	-	119.936
Marketable Securities Issued	-	-	-	-	-
Miscellaneous Payables	1.251	9.345	-	12	10.608
Hedging Derivative Financial Liabilities	-	18.773	-	-	18.773
Other Liabilities	1.811	8.234	-	19	10.064
Total Liabilities (*)	236.289	613.225	13	4.324	853.851
Net On-balance Sheet Position	85.855	(33.168)	756	(355)	53.088
Net Off-balance Sheet Position	(85.256)	67.067	-	1.019	(17.170)
Financial Derivative Assets	30.551	163.037	-	1.019	194.607
Financial Derivative Liabilities	115.807	95.970	-	-	211.777
Non-Cash Loans (**)	306.238	391.737	2.235	24.335	724.545
31 December 2007					
Total Assets (*)	214.895	495.928	7	2.473	713.303
Total Liabilities (*)	190.633	493.405	15	2.254	686.307
Net On-balance Sheet Position	24.262	2.523	(8)	219	26.996
Net Off-balance Sheet Position	(22.860)	26.320	3	-	3.463
Financial Derivative Assets	3.412	40.166	9.397	-	52.975
Financial Derivative Liabilities	26.272	13.846	9.394	-	49.512
Non-Cash Loans (**)	227.055	204.312	215	13.388	444.970

(*) 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 YTL136.714 (31 December 2007: YTL94.476) classified as Turkish Lira assets and foreign currency indexed borrowings amounting to YTL1.306 (31 December 2007: None) classified as Turkish Lira liabilities in the 31 March 2008 financial statements are added to the table above. Besides this, in assets “Income Accruals of Derivative Financial Instruments” amounting to YTL375 (31 December 2007: YTL136), in liabilities “Expense Accruals of Derivative Financial Instruments” amounting to YTL308 (31 December 2007: YTL143), “General Provisions” amounting to YTL4.254 (31 December 2007: 2.849) and “Marketable Securities Valuation Reserve” amounting to YTL(4.466) (31 December 2007: 826) 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 Parent Bank’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 Parent Bank closely monitors the maturity gap between liabilities and assets that may arise in the balance sheet to manage the interest rate risk better. Liquidity management is critical in the combination of investments, available-for-sale assets and the trading portfolio. Through using these precautions, the possible loss effects on the shareholders’ equity due to both credit risk and interest risk during the volatile periods of the market are minimised.

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

31 March 2008	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	5 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	232.263	-	-	-	-	13.971	246.234
Due From Banks	68.635	-	-	-	-	11.212	79.847
Financial Assets at Fair Value Through Profit/Loss	2.542	-	9.884	702	-	7.845	20.973
Interbank Money Market Placements	150.064	-	-	-	-	-	150.064
Available-for-Sale Financial Assets	56.938	-	113.093	223.308	111.067	976	505.382
Loans	536.042	100.680	204.866	131.390	63.546	15.973	1.052.497
Held-to-Maturity Investments	6.869	-	364	922.437	-	-	929.670
Other Assets	5.817	6.233	13.608	43.912	8.652	114.638	192.860
Total Assets	1.059.170	106.913	341.815	1.321.749	183.265	164.615	3.177.527
Liabilities							
Bank Deposits	11.230	11.524	3.273	-	-	852	26.879
Other Deposits	750.340	193.646	283.914	-	-	104.859	1.332.759
Funds From Interbank Money Market	343.324	4.115	-	-	-	-	347.439
Miscellaneous Payables	-	-	-	-	-	23.148	23.148
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	6.172	15.614	121.797	943.043	-	-	1.086.626
Other Liabilities	13.452	12	7.541	111	-	339.560	360.676
Total Liabilities	1.124.518	224.911	416.525	943.154	-	468.419	3.177.527
Balance Sheet Long Position	-	-	-	378.595	183.265	-	561.860
Balance Sheet Short Position	(65.348)	(117.998)	(74.710)	-	-	(303.804)	(561.860)
Off-balance Sheet Long Position	12.602	137	65.461	-	-	-	78.200
Off-balance Sheet Short Position	-	-	-	(65.320)	(13.064)	-	(78.384)
Total Position	(52.746)	(117.861)	(9.249)	313.275	170.201	(303.804)	(184)

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31 December 2007	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	5 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	86.491	-	-	-	-	14.756	101.247
Due From Banks	120.284	-	-	-	-	32.579	152.863
Financial Assets at Fair Value Through Profit/Loss	233	4.880	13.996	74.475	-	2.370	95.954
Interbank Money Market Placements	-	-	-	-	-	-	-
Available-for-Sale Financial Assets	61.880	54.067	74.847	135.460	105.005	979	432.238
Loans	463.337	172.787	184.433	59.826	1.131	14.457	895.971
Held-to-Maturity Investments	3.953	-	4.913	953.090	-	-	961.956
Other Assets	2.130	2.230	8.092	20.411	7.274	126.148	166.285
Total Assets	738.308	233.964	286.281	1.243.262	113.410	191.289	2.806.514
Liabilities							
Bank Deposits	17.008	-	-	-	-	257	17.265
Other Deposits	590.681	159.132	169.465	-	-	211.739	1.131.017
Funds From Interbank Money Market	177.544	-	-	-	-	-	177.544
Miscellaneous Payables	-	-	-	-	-	33.692	33.692
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	4.844	44.453	67.979	982.717	-	-	1.099.993
Other Liabilities	190	10	50	14.063	-	332.690	347.003
Total Liabilities	790.267	203.595	237.494	996.780	-	578.378	2.806.514
Balance Sheet Long Position	-	30.369	48.787	246.482	113.410	-	439.048
Balance Sheet Short Position	(51.959)	-	-	-	-	(387.089)	(439.048)
Off-balance Sheet Long Position	57.965	-	11.593	-	-	-	69.558
Off-balance Sheet Short Position	(27)	-	-	-	(69.558)	-	(69.585)
Total Position	5.979	30.369	60.380	246.482	43.852	(387.089)	(27)

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b. Average interest rates for monetary financial instruments:

Below the average interest rates are calculated by weighting the simple rates with their principals.

31 March 2008	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	1,88	0,95	-	11,43
Due From Banks	3,95	3,33	-	15,50
Financial Assets at Fair Value Through Profit/Loss	-	-	-	16,59
Interbank Money Market Placements	-	-	-	15,25
Available-for-Sale Financial Assets	-	8,06	-	18,12
Loans	7,12	7,11	-	21,78
Held-to-Maturity Investments	-	-	-	18,11
Liabilities	5,57	4,05	-	16,18
Bank Deposits	3,09	4,02	-	16,10
Other Deposits (*)	-	3,12	-	15,59
Funds From Interbank Money Market	-	-	-	-
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	5,83	5,27	-	15,47

31 December 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	1,80	1,95	-	11,81
Due From Banks	-	4,75	-	16,00
Financial Assets at Fair Value Through Profit/Loss	-	-	-	17,21
Interbank Money Market Placements	-	-	-	-
Available-for-Sale Financial Assets	-	8,26	-	17,35
Loans	6,60	7,45	-	21,78
Held-to-Maturity Investments	10,33	-	-	18,10
Liabilities	-	-	-	16,76
Bank Deposits	2,89	3,62	-	15,90
Other Deposits (*)	-	5,47	-	16,65
Funds From Interbank Money Market	-	-	-	-
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	6,08	5,75	-	15,48

(*) 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 sellable marketable securities portfolios and sound equity structure, 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 Parent 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, ISE 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.

In accordance with the “Regulation on Measurement and Assessment of Liquidity Adequacy of the Banks”, which came into effect after its publication in the Official Gazette numbered 26333 on 1 November 2006 by BRSA, weekly simple arithmetic average of total liquidity adequacy ratio related to the first maturity period, and total liquidity adequacy ratio related to the second maturity period cannot be less than a hundred percent; weekly simple arithmetic average of the foreign currency liquidity adequacy ratio related to first maturity period, and foreign currency liquidity adequacy ratio related to second maturity period cannot be less than eighty percent as of 1 June 2007. Liquidity ratios realized in 2008 are as follows:

	First Maturity Period		Second Maturity Period	
	FC	FC + YTL	FC	FC + YTL
Average (%)	199,06	311,14	153,29	220,43
Maximum (%)	238,93	371,85	189,52	249,43
Minimum (%)	156,54	259,63	123,87	188,51

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Breakdown of assets and liabilities according to their outstanding maturities:

31 March 2008	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Year	5 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	13.971	232.263	-	-	-	-	-	246.234
Due From Banks	11.212	67.982	-	-	-	-	653	79.847
Financial Assets at Fair Value Through Profit or Loss	-	2.229	-	5.496	5.403	-	7.845	20.973
Interbank Money Market Placements	-	150.064	-	-	-	-	-	150.064
Available-for-Sale Financial Assets	-	2	-	90.119	303.218	111.067	976	505.382
Loans	-	210.448	230.973	397.760	133.797	63.546	15.973	1.052.497
Held-to-Maturity Investments	-	4.782	-	2.451	922.437	-	-	929.670
Other Assets (*)	-	10.740	6.480	17.986	51.702	8.652	97.300	192.860
Total Assets	25.183	678.510	237.453	513.812	1.416.557	183.265	122.747	3.177.527
Liabilities								
Bank Deposits	852	11.230	11.524	3.273	-	-	-	26.879
Other Deposits	104.859	750.340	193.646	283.914	-	-	-	1.332.759
Funds Borrowed From Other Financial Institutions	-	6.172	15.614	51.291	1.013.549	-	-	1.086.626
Funds From Interbank Money Market	-	343.324	4.115	-	-	-	-	347.439
Marketable Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	-	7.805	216	-	-	-	15.127	23.148
Other Liabilities (**)	-	25.848	2.263	1.430	3.066	14.033	314.036	360.676
Total Liabilities	105.711	1.144.719	227.378	339.908	1.016.615	14.033	329.163	3.177.527
Net Liquidity Gap	(80.528)	(466.209)	10.075	173.904	399.942	169.232	(206.416)	-
31 December 2007								
Total Assets	47.335	451.248	249.591	517.339	1.316.935	113.410	110.656	2.806.514
Total Liabilities	211.996	835.919	183.375	232.058	1.020.951	6.825	315.390	2.806.514
Net Liquidity Gap	(164.661)	(384.671)	66.216	285.281	295.984	106.585	(204.734)	-

(*) Assets that are necessary for banking activities and that cannot be liquidated in the short-term, such as fixed and intangible assets, subsidiaries, 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 CONSOLIDATED OPERATING SEGMENTS:

The Parent Bank manages its banking operations through three main 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:

31 March 2008	Retail Banking	Corporate Banking	Treasury	Other(*)	Total Operations of the Group
Segment revenue	4.642	14.483	10.377	22.103	51.605
Unallocated costs	-	-	-	(7.270)	(28.536)
Net Operating Profit	4.642	14.483	10.377	14.833	23.069
Dividend income	-	-	-	-	-
Profit Before Tax	-	-	-	-	23.069
Tax expense	-	-	-	-	(4.225)
Net Profit	-	-	-	-	18.844
Segment assets	126.972	956.778	1.853.411	196.134	3.133.295
Investments in associates, subsidiaries and joint ventures	-	-	-	-	-
Unallocated assets	-	-	-	-	44.232
Total Assets	126.972	956.778	1.853.411	196.134	3.177.527
Segment liabilities	562.717	813.554	1.390.183	107.012	2.873.466
Unallocated liabilities	-	-	-	-	304.061
Total Liabilities	562.717	813.554	1.390.183	107.012	3.177.527

(*) Other includes operations of subsidiaries of the Bank which are EFG Finansal Kiralama A.Ş. and EFG İstanbul Menkul Değerler A.Ş..

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:

	31 March 2008		31 December 2007	
	YTL	FC	YTL	FC
Cash/Foreign currency	6.106	7.849	5.489	9.255
CBRT	111.841	120.438	35.997	50.506
Other	-	-	-	-
Total	117.947	128.287	41.486	59.761

2. Information on the account of the CBRT:

	31 March 2008		31 December 2007	
	YTL	FC	YTL	FC
Demand Unrestricted Amount	111.841	73.519	35.997	13.784
Time Unrestricted Amount	-	-	-	-
Time Restricted Amount	-	46.919	-	36.722
Total	111.841	120.438	35.997	50.506

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 31 March 2008 the corresponding interest rates are 11,43% for YTL, 0,95% for USD and 1,88% for EUR reserves.

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

- As of 31 March 2008, there are no financial assets at fair value through profit or loss subject to repo transactions (31 December 2007: YTL23.757).
- Positive differences related to trading derivative financial assets:

	31 March 2008		31 December 2007	
	YTL	FC	YTL	FC
Forward Transactions	1.549	26	-	136
Swap Transactions	-	26	-	-
Futures Transactions	-	-	-	-
Options	41	323	-	23
Other	-	-	-	-
Total	1.590	375	-	159

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c. Information on banks:

1. Information on banks:

	31 March 2008		31 December 2007	
	YTL	FC	YTL	FC
Banks	5.125	74.722	8.040	144.823
Domestic	5.125	61.317	8.040	61.485
Foreign	-	13.405	-	83.338
Headquarters and Branches Abroad	-	-	-	-
Total	5.125	74.722	8.040	144.823

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

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

As of 31 March 2008, available-for-sale financial assets given as collateral/blocked amounted to YTL1.537 (31 December 2007: YTL1.481) and those subject to repurchase agreements amounted to YTL55.536 (31 December 2007: YTL137.352).

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

	31 March 2008	31 December 2007
Debt Securities	508.716	431.259
Quoted on Stock Exchange	381.417	326.252
Not Quoted (*)	127.299	105.007
Share Certificates	976	979
Quoted on Stock Exchange	13	16
Not Quoted	963	963
Impairment Provision (-)	4.310	-
Total	505.382	432.238

(*) 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 :

	31 March 2008		31 December 2007	
	Cash	Non-cash	Cash	Non-cash
Direct Loans Granted To Shareholders	-	-	-	-
Corporate Shareholders	-	-	-	-
Real Person Shareholders	-	-	-	-
Indirect Loans Granted To Shareholders	2.438	21.594	607	21.703
Loans Granted To Employees	803	-	792	-
Total	3.241	21.594	1.399	21.703

2. Information on the first and second group loans and other receivables including 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	1.013.535		22.822	167
Discount and Purchase Notes	10.637			-
Export Loans	249.063		5.132	-
Import Loans	-			-
Loans Granted to Financial Sector	33.267			-
Foreign Loans	-			-
Consumer Loans	12.730		448	-
Credit Cards	2.907		58	-
Precious Metal Loans	-			-
Other (*)	704.931		17.184	167
Specialised Loans	-		-	-
Other Receivables	-		-	-
Total	1.013.535		22.822	167

(*) Factoring receivables amounting to YTL35.046 are included in other non-specialised loans.

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

	Short-term	Medium and Long-term	Total
Consumer Loans-YTL	2.833	8.498	11.331
Real estate loans	76	447	523
Automotive loans	56	2.084	2.140
Consumer loans	2.701	5.967	8.668
Other	-	-	-
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	1.786	-	1.786
With instalments	-	-	-
Without instalments	1.786	-	1.786
Individual Credit Cards- FC	91	-	91
With instalments	-	-	-
Without instalments	91	-	91
Personnel Loans-YTL	353	418	771
Real estate loans	-	-	-
Automotive loans	-	20	20
Consumer loans	353	398	751
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	32	-	32
With instalments	-	-	-
Without instalments	32	-	32
Personnel Credit Cards-FC	-	-	-
With instalments	-	-	-
Without instalments	-	-	-
Credit Deposit Account-YTL (Real Person)	1.076	-	1.076
Credit Deposit Account-FC (Real Person)	-	-	-
Total	6.171	8.916	15.087

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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	10.350	48.521	58.871
Real estate Loans	-	-	-
Automotive Loans	236	6.245	6.481
Consumer Loans	10.114	42.276	52.390
Other	-	-	-
Commercial Instalments Loans-FC			
Indexed	-	46	46
Real estate Loans	-	-	-
Automotive Loans	-	46	46
Consumer Loans	-	-	-
Other	-	-	-
Commercial Instalments Loans-FC	-	-	-
Real estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Corporate Credit Cards-YTL	1.009	-	1.009
With instalment	-	-	-
Without instalment	1.009	-	1.009
Corporate Credit Cards-FC	47	-	47
With instalment	-	-	-
Without instalment	47	-	47
Fixed Deposit Account-YTL (Legal Person)	1.448	-	1.448
Fixed Deposit Account-FC (Legal Person)	-	-	-
Total	12.854	48.567	61.421

5. Distribution of domestic and foreign loans:

	31 March 2008	31 December 2007
Domestic Loans	1.033.115	876.179
Foreign Loans	3.409	5.335
Total	1.036.524	881.514

6. Loans given to investments in associates and subsidiaries:

None (31 December 2007: None).

7. Specific provisions provided against loans:

	31 March 2008	31 December 2007
Loans and Other Receivables with Limited Collectability	314	229
Loans and Other Receivables with Doubtful Collectability	953	1.290
Uncollectible Loans and Other Receivables	19.963	18.369
Total	21.230	19.888

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8. Information on non-performing loans :

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 collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
31 March 2008			
(Gross amounts before the Specific Reserves)			
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	169	-	4.964
31 December 2007			
(Gross amounts before the Specific Reserves)			
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	169	41	6.552

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

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
Prior Period End Balance	1.765	6.041	26.539
Additions (+)	3.318	78	640
Transfers from Other Categories of Non-performing Loans (+)	-	1.534	4.167
Transfers to Other Categories of Non-performing Loans (-)	1.534	4.167	-
Collections (-)	319	256	603
Write-offs (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Balance at the End of the Period	3.230	3.230	30.743
Specific Provision (-)	314	953	19.963
Net Balance on Balance Sheet	2.916	2.277	10.780

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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 collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
31 March 2008			
Period-End Balance	302	800	5.764
Specific Provision (-)	26	147	5.118
Net Balance on balance sheet	276	653	646
31 December 2007			
Period-End Balance	244	1.535	4.810
Specific Provision (-)	32	192	4.810
Net Balance on balance sheet	212	1.343	-

8(iv). Information on non-performing loans based on types of borrowers:

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
Current Period (Net)	2.916	2.277	10.780
Loans Given to Real Persons and Legal Persons (Gross)	3.230	3.230	30.485
Specific Provision Amount (-)	314	953	19.705
Loans Given to Real Persons and Legal Persons (Net)	2.916	2.277	10.780
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	258
Specific Provision Amount (-)	-	-	258
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	1.536	4.751	8.170
Loans Given to Real Persons and Legal Persons (Gross)	1.765	6.041	26.282
Specific Provision Amount (-)	229	1.290	18.112
Loans Given to Real Persons and Legal Persons (Net)	1.536	4.751	8.170
Banks (Net)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	257
Specific Provision Amount (-)	-	-	257
Other Loans and Receivables (Net)	-	-	-

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f. Information on held-to-maturity investments:

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

	31 March 2008		31 December 2007	
	YTL	FC	YTL	FC
Bill	-	-	-	-
Bond and Similar Securities	221.913	-	5.375	-
Other	-	-	-	-
Total	221.913	-	5.375	-

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

	31 March 2008		31 December 2007	
	YTL	FC	YTL	FC
Bill	-	-	-	-
Bond and Similar Securities	322.636	-	249.909	-
Other	-	-	-	-
Total	322.636	-	249.909	-

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

	31 March 2008	31 December 2007
Government Bond	929.670	961.956
Treasury Bill	-	-
Other Debt Securities	-	-
Total	929.670	961.956

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

	31 March 2008	31 December 2007
Debt Securities	929.670	961.956
Quoted	929.670	960.093
Not Quoted (*)	-	1.863
Impairment Provision (-)	-	-
Total	929.670	961.956

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

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

	31 March 2008	31 December 2007
Beginning Balance	894.277	35.878
Foreign Currency Differences on Monetary Assets	-	(144)
Purchases During Year	-	912.868
Disposals through Sales and Redemptions	(2.170)	(54.325)
Impairment Provision (-)	-	-
Period End Balance	892.107	894.277

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g. Information on investments in associates (Net):

None.

h. Information on subsidiaries (Net):

1. Information on unconsolidated subsidiaries:

None.

2. Main financial figures of the unconsolidated 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(%)
1	EFG Finansal Kiralama A.Ş.	Istanbul/Turkey	99,99	0,01
2	EFG İstanbul Menkul Değerler A.Ş.	Istanbul/Turkey	99,99	0,01

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

	Total Assets	Shareholder s' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit / Loss	Prior Period Profit / Loss	Fair value
1	81.113	8.170	-	1.493	14	481	277	-
2	83.488	66.569	683	1.574	415	11.419	2.102	-

5. Movement schedules of subsidiaries:

	31 March 2008	31 December 2007
Balance at the beginning of the Period	121.562	9.462
Movements during the Period		112.100
Purchases (*)	-	112.100
Bonus Shares Obtained	-	-
Dividends from Current Year Income	-	-
Sales	-	-
Revaluation Increase	-	-
Impairment Provision	-	-
Balance at the end of the Period	121.562	121.562
Capital Commitments	-	-
Share Percentage at the end of the Period (%)	99,99%	99,99%

(*) 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 Bank for a consideration of YTL112.100 at 3 October 2007.

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

Subsidiaries	31 March 2008	31 December 2007
Banks	-	-
Insurance Companies	-	-
Factoring Companies	-	-
Leasing Companies	9.462	9.462
Finance Companies	-	-
Other Financial Subsidiaries	112.100	112.100

7. Subsidiaries quoted on stock exchange:

None.

i. Information on joint ventures:

None.

j. Information on lease receivables (net):

Presentation of financial lease receivables based on their days to maturity:

	31 March 2008		31 December 2007	
	Gross	Net	Gross	Net
Less than 1 year	23.476	18.187	14.636	11.418
Between 1-4 years	44.462	36.094	22.278	17.367
More than 4 years	18.873	16.453	12.031	10.017
Total	86.811	70.734	48.945	38.802

k. Information on hedging derivative financial assets:

	31 March 2008		31 December 2007	
	YTL	FC	YTL	FC
Fair value hedge	-	996	-	1.334
Cash flow hedge	-	-	-	-
Net foreign investment hedge	-	-	-	-
Total	-	996	-	1.334

The Bank hedged against the possible fair value effects of changes in market interest rates on its Eurobonds with a nominal of USD40 million maturing at 15 January 2014, a nominal of USD10 million maturing at 14 January 2013 and a nominal of USD10 million maturing at 3 April 2018 by swap transactions with nominal value of USD60 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.

l. Information on investment property:

None.

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m. Information on deferred tax asset:

As of 31 March 2008, the Group has netted-off the calculated deferred tax asset of YTL14.797 (31 December 2007: YTL8.166) and deferred tax liability of YTL7.024 (31 December 2007: YTL1.564) in accordance with “TAS 12” and has recorded a net deferred tax asset (31 December 2007: net deferred tax liability) of YTL7.785 (31 December 2007: YTL6.602) and a net deferred tax liability of YTL4 (31 December 2007: None) in the financial statements.

As of 31 March 2008 and 31 December 2007, the details of accumulated temporary differences and deferred tax assets and liabilities are presented below:

	Accumulated Temporary Differences		Deferred Tax Assets / Liabilities	
	31 March 2008	31 December 2007	31 March 2008	31 December 2007
Carried Forward Loss	53.936	-	10.787	-
Provision for Legal Cases	7.813	6.890	1.563	1.378
Valuation Differences of Marketable Securities	5.589	25.068	1.118	5.014
Reserve for Employment Termination Benefit and Unused Vacation	4.377	3.955	875	791
Valuation Differences of Derivative Instruments	513	1.055	102	211
Other	1.800	3.862	360	772
Deferred Tax Assets			14.805	8.166
Valuation Differences of Marketable Securities	25.278	1.032	5.055	206
Difference Between Book Value and Tax Base of Tangible and Intangible Assets	8.056	6.336	1.611	1.267
Other	1.795	453	358	91
Deferred Tax Liabilities			7.024	1.564
Deferred Tax Assets / (Liabilities) (Net)			7.781	6.602

Movement of deferred tax asset/ liabilities is presented below:

	31 March 2008	31 December 2007
Balance as of 1 January	6.602	(183)
Current year deferred tax income/(expense) (net)	(1.975)	6.720
Deferred tax charged to equity (net)	3.154	(317)
Additions due to acquisition during the period	-	382
Balance at the End of the Period	7.781	6.602

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n. Information on assets held for resale and discontinued operations :

The Group has assets held for resale amounting to YTL1.306 (31 December 2007: YTL1.200) and has no discontinued operations.

	31 March 2008	31 December 2007
Prior Period End:		
Cost	1.307	1.152
Accumulated Depreciation (-)	107	64
Net Book Value	1.200	1.088
Current Year End:		
Net book value at beginning of the period	1.200	1.088
Additions	117	394
Disposals (-)	-	217
Impairment (-)	-	22
Depreciation (-)	11	43
Cost	1.424	1.307
Accumulated Depreciation (-)	118	107
Closing Net Book Value	1.306	1.200

o. Information on other assets:

As of 31 March 2008, other assets amount to YTL17.548 (31 December 2007: YTL28.312) 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) 31 March 2008:

	Demand	With 7 days notifications	Up to 1 month	1-3 months	3-6 months	6 months -1 year	1 year and over	Accum. Deposit	Total
Saving Deposits	10.160	-	26.971	228.240	20.073	110.059	37.883	-	433.386
Foreign Currency Deposits	65.418	-	144.395	254.577	59.139	11.070	117.076	-	651.675
Residents in Turkey	64.370	-	144.044	234.159	50.620	9.348	117.076	-	619.617
Residents Abroad	1.048	-	351	20.418	8.519	1.722	-	-	32.058
Public Sector Deposits	10.924	-	-	14	-	-	-	-	10.938
Commercial Deposits	17.750	-	119.246	94.494	4.262	-	-	-	235.752
Other Institutions Deposits	607	-	11	370	15	5	-	-	1.008
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Bank Deposits	852	-	6.790	15.287	3.950	-	-	-	26.879
The CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	849	-	5.026	4.035	3.025	-	-	-	12.935
Foreign Banks	3	-	1.764	11.252	925	-	-	-	13.944
Special Financial Institutions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	105.711	-	297.413	592.982	87.439	121.134	154.959	-	1.359.638

(ii) 31 December 2007:

	Demand	With 7 days notifications	Up to 1 month	1-3 months	3-6 months	6 months -1 year	1 year and over	Accum. Deposit	Total
Saving Deposits	8.703	-	23.065	228.630	23.496	105.001	36.201	-	425.096
Foreign Currency Deposits	165.107	-	84.949	211.824	54.319	10.783	-	-	526.982
Residents in Turkey	164.092	-	84.815	209.394	47.201	9.452	-	-	514.954
Residents Abroad	1.015	-	134	2.430	7.118	1.331	-	-	12.028
Public Sector Deposits	8.829	-	-	14	-	-	-	-	8.843
Commercial Deposits	28.566	-	80.701	54.425	5.455	19	-	-	169.166
Other Institutions Deposits	534	-	17	361	14	4	-	-	930
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Bank Deposits	257	-	17.008	-	-	-	-	-	17.265
The CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	255	-	17.008	-	-	-	-	-	17.263
Foreign Banks	2	-	-	-	-	-	-	-	2
Special Financial Institutions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	211.996	-	205.740	495.254	83.284	115.807	36.201	-	1.148.282

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2. Information on saving deposits insurance:

2.(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	
	31 March 2008	31 December 2007	31 March 2008	31 December 2007
Saving Deposits	101.884	97.268	331.502	327.828
Foreign Currency Savings Deposit	43.137	44.384	174.085	177.583
Other Deposits in the Form of Savings Deposits	-	-	-	-
Foreign Branches' Deposits Under Foreign Authorities' Insurance	-	-	-	-
Off-shore Banking Regions' Deposits Under Foreign Authorities' Insurance	-	-	-	-
Total	145.021	141.652	505.587	505.411

2.(ii) There are no deposits covered under foreign authorities' insurance since the Bank is incorporated in Turkey.

3. Saving deposits of real persons which are not under the guarantee of saving deposit insurance fund:

	31 March 2008	31 December 2007
Deposits and Other Accounts in Foreign Branches	-	-
Deposits and Other Accounts of Main Shareholders and their Families	136.783	134.161
Deposits and Other Accounts of President of Board of Directors, Members of Board of Directors, Vice General Managers and Their Families	1.153	1.281
Deposits and Other Accounts of Property Assets Value due to Crime which is in the Scope of Article 282 of Numbered 5237 “TCK” Dated 26/9/2004	-	-
Deposits in Banks Incorporated in Turkey Exclusively for Off-shore Banking Operations	-	-
Total	137.936	135.442

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b. Information on trading derivative financial liabilities:

Schedule of negative differences concerning trading derivative financial liabilities:

Trading Derivative Financial Liabilities	31 March 2008		31 December 2007	
	YTL	FC	YTL	FC
Forward Transactions	1.014	14	10	99
Swap Agreements	726	62	-	44
Futures Transactions	-	-	-	-
Options	109	232	-	22
Other	-	-	-	-
Total	1.849	308	10	165

c. Information on borrowings:

1. Information on banks and other financial institutions:

	31 March 2008		31 December 2007	
	YTL	FC	YTL	FC
The CBRT Borrowings	-	-	-	-
From Domestic Banks and Institutions	23.713	55.662	29.308	49.699
From Foreign Banks, Institutions and Funds	944.283	62.968	979.258	41.728
Total	967.996	118.630	1.008.566	91.427

2. Information on maturity structure of borrowings:

	31 March 2008		31 December 2007	
	YTL	FC	YTL	FC
Short-term	20.967	26.367	25.599	21.473
Medium and Long-term	947.029	92.263	982.967	69.954
Total	967.996	118.630	1.008.566	91.427

3. Additional information on the major concentration of the Bank’s liabilities:

The Group’s main funding sources are deposits and borrowings. As of 31 March 2008, deposits and borrowings from Group’s risk group comprise 36% of total deposits and 91% of total borrowings.

d. Information on other foreign liabilities:

Other foreign liabilities amounting to YTL16.677 (31 December 2007: YTL17.161) do not exceed 10% of the total balance sheet excluding off-balance sheet commitments.

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e. Information on financial lease agreements:

The contingent rent installments 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.

	31 March 2008		31 December 2007	
	Gross	Net	Gross	Net
Less than 1 year	87	75	78	65
Between 1-4 years	118	111	123	116
More than 4 years	-	-	-	-
Total	205	186	201	181

f. Information on hedging derivative financial liabilities:

	31 March 2008		31 December 2007	
	YTL	FC	YTL	FC
Fair value hedge	-	18.773	-	13.958
Cash flow hedge	-	-	-	-
Net foreign investment hedge	-	-	-	-
Total	-	18.773	-	13.958

The Parent Bank hedged against the possible fair value effects of changes in market interest rates on its Eurobonds with a nominal of USD40 million maturing at 15 January 2014, a nominal of USD10 million maturing at 14 January 2013 and a nominal of USD10 million maturing at 3 April 2018 by swap transactions with a nominal of USD60 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.

g. Information on provisions:

1. Information on general provisions:

	31 March 2008	31 December 2007
Provisions for Group I loans and receivables	7.416	6.140
Provisions for Group II loans and receivables	493	143
Provisions for non cash loans	1.421	957
Other	1.303	1.286
Total	10.633	8.526

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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 enacted.

The payment amount which is one month’s salary for each working year is restricted to YTL2.087,92 (31 December 2007: YTL2.030,19). Employee termination benefits are not funded as there is no funding requirement.

In accordance with Turkish Labour Law, the reserve has been calculated by estimating the present value of the future probable obligation of the Group arising from the retirement of its employees. TAS 19 necessitates the actuarial valuation methods to calculate liabilities of enterprises. Independent actuaries are used in determining the liability of the Group. 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.

	31 March 2008	31 December 2007
Discount rate (%)	5,71	5,71
Salary increase rate (%)	7,00	7,00
Average remaining work period (Year)	10,24	10,24

Movement of reserve for employment termination benefits during the period:

	31 March 2008	31 December 2007
Prior Period Ending Balance	2.511	2.406
Additions due to acquisition during the period	-	93
Provisions Recognised During the Period	346	1.095
Paid During the Period (-)	196	1.083
Balance at the End of the Period	2.661	2.511

In addition, as of 31 March 2008 the Group has accounted for vacation rights provision amounting to YTL1.716 (31 December 2007: YTL1.444) and personnel bonus provision amounting to YTL5.097 (31 December 2007: YTL6.336).

3. Other provisions:

(i) Information on provisions for possible risks:

None

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(ii) Information on other provisions:

The Group set aside reserves amounting to YTL7.815 (31 December 2007: YTL6.890) for lawsuits, YTL1.862 (31 December 2007: YTL1.689) for non-cash loans, YTL1.106 (31 December 2007: YTL887) for customer cheques commitments, YTL27 (31 December 2007: YTL28) for credit card loyalty points and YTL82 (31 December 2007: YTL73) for a doubtful receivable.

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

As of 31 March 2008, the provision related to the foreign currency difference of foreign indexed loans amounts to YTL461 (31 December 2006: YTL6.595) and is netted from the loan amount in the financial statements.

h. Information on taxes payable:

1. Information on tax provision:

As of 31 March 2008, the corporate tax provision is YTL2.251 (31 December 2007: YTL4.301).

2. Information on taxes payable:

	31 March 2008	31 December 2007
Corporate Tax Payable	2.251	4.301
Taxation of Marketable Securities	3.444	2.466
Property Tax	50	41
Banking Insurance Transaction Tax	1.587	1.274
Foreign Exchange Transaction Tax	118	166
Value Added Tax Payable	170	101
Other	584	694
Total	8.204	9.043

3. Information on premium payables:

	31 March 2008	31 December 2007
Social Security Premiums–Employee	296	250
Social Security Premiums–Employer	301	256
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	14	11
Unemployment Insurance–Employer	28	24
Other	-	-
Total	639	541

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4. Information on deferred tax liability:

As of 31 March 2008, the Group has netted-off the calculated deferred tax asset of YTL14.805 (31 December 2007: YTL8.166) and deferred tax liability of YTL7.024 (31 December 2007: YTL1.564) in accordance with “TAS 12” and has recorded a net deferred tax asset (31 December 2007: net deferred tax liability) of YTL7.785 (31 December 2007: YTL6.602) and a net deferred tax liability of YTL4 (31 December 2007: None) in the financial statements.

i. Information on shareholders’ equity:

1. Presentation of paid-in capital:

	31 March 2008	31 December 2007
Common Stock	230.000	230.000
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 Bank has paid-in-capital of YTL230.000 and does not apply the registered share capital system.

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

None.

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

None.

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

None.

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 Bank within several risk limits and legal limits.

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

Based on the Principal Agreement, the Group has 1.000.000 founder's shares. According to the Principal Agreement, after allocating 5% to legal reserves and distributing 5% of the paid in capital, 10% of distributable amount is distributed to the owners of the founder's shares.

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8. Information on marketable securities valuation reserve:

	31 March 2008		31 December 2007	
	YTL	FC	YTL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	(7.360)	(4.466)	1.424	826
Foreign Currency Difference	-	-	-	-
Total	(7.360)	(4.466)	1.424	826

9. Information on tangible assets revaluation reserve:

	31 March 2008		31 December 2007	
	YTL	FC	YTL	FC
Movables	-	-	-	-
Immovables	3.565	-	2.103	-
Common Stocks of Investments in Associates, Subsidiaries that will be added to the Capital and Sales Income from Immovables	-	-	-	-
Total	3.565	-	2.103	-

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

Based on the decision in the General Meeting held on 28 March 2008 , out of the profit of 2007 amounting to YTL18.498 is allocated as extraordinary 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:

	31 March 2008	31 December 2007
Commitments for cheques	46.114	43.472
Commitments for credit card limits	11.404	11.817
Loan limit commitments	5.433	5.609
Asset purchase and sales commitments	3.860	1.852
Blocked cheques given to customers	4.803	3.570
Tax and fund obligations arising from export commitments	2.643	2.641
Total	74.257	68.961

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:

	31 March 2008	31 December 2007
Other guarantees	500.325	245.007
Letter of guarantees	294.864	299.328
Letter of credits	115.196	106.365
Bank acceptance loans	10.634	5.861
Factoring guarantees	3.206	-
Total	924.225	656.561

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

	YTL	FC
Irrevocable letters of guarantee	159.412	79.266
Guarantees given to customs	26.363	-
Revocable letters of guarantee	8.946	3.522
Letters of guarantee given in advance	2.820	11.788
Other letters of guarantee	2.139	608
Total	199.680	95.184

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

	31 March 2008	31 December 2007
Non-cash loans given against cash loans	503.029	251.718
With original maturity of 1 year or less than 1 year	3.331	5.497
With original maturity of more than 1 year	499.698	246.221
Other non-cash loans	421.196	404.843
Total	924.225	656.561

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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 (*)	189.795	720.211	7.576	2.359
Letters of Guarantee	189.795	92.831	7.576	378
Bank Acceptances	-	10.500	-	134
Letters of Credit	-	114.002	-	1.194
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	3.206	-	-
Other Commitments and Contingencies	-	499.672	-	653

(*) In addition to non-cash loans stated above, the Bank has non-cash loans classified as non-performing loans, amounting to YTL4.284 . As of 31 March 2008, the Bank has recorded a YTL1.020 provision regarding these risks.

b. Information on contingent assets and contingent liabilities:

As of 31 March 2008, the total amount of legal cases against the Bank is YTL10.329 (31 December 2007: YTL8.898) and the Bank sets aside a provision of YTL7.815 (31 December 2007: YTL6.890) regarding these risks.

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

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

(Financial Strength Rating)	D-
(Long Term Foreign Currency)	B1
(Short Term Foreign Currency)	Not Prime
(Outlook)	Stable
(Long Term Local Currency)	Ba1
(Short Term Local Currency)	Not Prime

**EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)**

IV. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED INCOME STATEMENT

a. Information on interest income:

1. Information on interest income on loans(*):

	31 March 2008		31 March 2007	
	YTL	FC	YTL	FC
Interest Income on Loans	31.737	6.180	22.405	3.223
Short-term Loans	28.053	3.892	20.142	2.412
Medium/Long-term Loans	3.671	2.288	2.241	811
Interest on Loans Under Follow-up	13	-	22	-
Premiums Received from Resource Utilisation Support Fund	-	-	-	-
Total	31.737	6.180	22.405	3.223

(*) Includes fee and commission income related with cash loans.

2. Information on interest income on banks:

	31 March 2008		31 March 2007	
	YTL	FC	YTL	FC
From the CBRT	-	68	-	54
From Domestic Banks	1.214	523	4.171	594
From Foreign Banks	8	199	1.282	1.124
Headquarters and Branches Abroad	-	-	-	-
Total	1.222	790	5.453	1.772

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

None (31 December 2007:None).

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b. Information on interest expense:

1. Information on interest expense on borrowings(*):

	31 March 2008		31 March 2007	
	YTL	FC	YTL	FC
Banks				
The CBRT				-
Domestic Banks	966	982	1.088	780
Foreign Banks	35.333	812	453	565
Headquarters and Branches Abroad				-
Other Institutions				90
Total	36.299	1.794	1.541	1.435

(*) Includes fee and commission expense related with cash loans.

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

None (31 December 2007:None).

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

	31 March 2008	31 March 2007
Income	397.843	34.954
Income from Capital Market Transactions	24.227	1.695
From Derivative Financial Transactions	22.408	715
Other	1.819	980
Foreign Exchange Gains	373.616	33.259
Loss (-)	394.442	34.889
Loss from Capital Market Transactions	26.323	4.398
From Derivative Financial Transactions	24.471	4.112
Other	1.852	286
Foreign Exchange Loss	368.119	30.491
Net Income/(Loss)	3.401	65

d. Information on other operating income:

In accordance with the third article of Law No:5736 “Regulation on Collection of Public Receivables Regarding Conciliation Procedure” taken into effect after being published in the Official Gazette dated 27 February 2008, the Parent Bank has reached an agreement with the related tax office after withdrawing its continuing legal cases against the Ministry of Finance. Therefore, refundment of the corporate tax paid by the Parent Bank amounting to YTL3.652 from tax office became definite and related amount has been recorded under “Other Operating Income” account in the financial statements.

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

	31 March 2008	31 March 2007
Specific Provisions for Loans and Other Receivables	2.376	9.750
III. Group Loans and Receivables	442	86
IV. Group Loans and Receivables	263	459
V. Group Loans and Receivables	1.671	9.205
General Provision Expenses	1.548	370
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	3.924	10.120

f. Information related to other operating expenses:

	31 March 2008	31 March 2007
Personnel Expenses	13.263	6.057
Reserve For Employee Termination Benefits (*)	618	134
Bank Social Aid Pension Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	639	567
Impairment Expenses of Intangible Assets	-	-
Goodwill Impairment Expenses	-	-
Amortisation Expenses of Intangible Assets	142	197
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	11	5
Impairment Expenses of Fixed Assets Held for Sale	-	-
Other Operating Expenses	7.997	4.126
Operational Lease Expenses	1.377	916
Maintenance Expenses	129	74
Advertising Expenses	692	32
Other Expense	5.799	3.104
Loss on Sales of Assets	-	-
Other	1.942	510
Total	24.612	11.596

(*) As of 31 March 2008, “Reserve for Employee Termination Benefits” include “Personnel Unused Vacation Provision Expense” amounting to YTL272 (31 March 2007: YTL50).

**EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
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g. Information on provision for taxes from discontinued or continuing operations:

The Group has no discontinued operations and the explanations below represent the provision for taxes of continuing operations.

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

As of 31 March 2008, the Bank has current tax expense amounting to YTL2.250 and deferred tax expense amounting to YTL1.975.

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

The Group has YTL281 deferred tax income as a result of temporary differences incurred, YTL10.787 deferred tax income as a result of carried financial loss and YTL13.043 deferred tax expense due to temporary differences closed, resulting in YTL1.975 net deferred tax expense.

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

As of 31 March 2008, the Bank has YTL12.762 deferred tax expense arising from temporary differences and YTL10.787 deferred tax income as a result of financial loss.

h. Information on net income/(loss) for the period:

1. If the disclosure of usual banking transactions, income and expenditure items' composition is necessary to understand the annual performance of Group, the composition and amount of these items:

None.

2. If an estimation change significantly affects the profit or has the probability of affecting the profit of following period, the effect for related periods:

No significant change in accounting estimation which would affect the current or following period.

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j. Information on other income and expenses:

As of 31 March 2008, the Bank’s fee and commission income amounts to YTL19.626 (31 March 2007: YTL2.311) and YTL16.816 (31 March 2007: YTL504) of the related amount is classified under “Other fee and commission income” account.

	31 March 2008	31 March 2007
Other Fee and Commissions Received		
Commissions from brokerage activity in Istanbul Stock Exchange	8.296	-
Commissions from brokerage activity in Turkish Derivative Exchange	6.300	-
Expertise and Account Operating Fees	234	76
Transfer Commissions	194	143
Commissions from Correspondant Banks	153	20
Commissions on Investment Fund Services	99	104
Insurance Commissions	64	91
Ortak Nokta Clearing Commissions	25	26
Reference Letter Commissions	17	19
Other	1.434	25
Total	16.816	504

As of 31 March 2008, Bank’s fee and commission expense amounts to YTL1.125 (31 March 2007: YTL248) and YTL1.080 (31 March 2007: YTL236) of the related amount is classified under “Other fee and commission expense” account.

	31 March 2008	31 March 2007
Other Fee and Commissions Given		
Stock Exchange Contribution Expenses	688	-
Ortak Nokta Clearing Commissions	84	67
Commissions Granted to Correspondent Banks	59	55
EFT Commissions	48	30
Credit Card Transaction Commission	30	36
Transfer Commissions	25	23
Other	146	25
Total	1.080	236

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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 2007 for balance sheet and as at 31 March 2007 for income statements items.

1. 31 March 2008:

Groups’ 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	-	-	607	21.703	57	335
Balance at the End of the Period	-	-	2.438	21.594	79	335
Interest and Commission Income Received	-	-	321	16	-	-

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

2. 31 December 2007:

Groups’ 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	-	-	607	21.703	57	335
Interest and Commission Income Received	-	-	53	14	2	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:

Groups’ 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	-	-	385.230	16.956	14.864	5.553
End of the Period	-	-	467.631	385.230	16.791	14.864
Interest Expense on Deposits	-	-	11.689	516	644	213

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

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Groups' 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	-	-	928	170	36	69
End of the Period	-	-	-	928	389	36
Interest Expense on Repurchase Transactions			7	40	3	7

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

4. Information on forward and option agreements and other similar agreement with the Group's risk group:

Groups' 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 for trading purposes						
Beginning of the Period	-	-	29.619	-	-	-
Balance at the end of the period	-	-	116.487	29.619	-	-
Total Profit/Loss			(2.324)	-	-	-
Transactions for trading purposes						
Beginning of the Period	-	-	46.372	-	-	-
Balance at the end of the period	-	-	52.256	46.372	-	-
Total Profit/Loss			(10.673)	-	-	-

(*) 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 Bank:

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

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	Share in Financial Statements %
Banks	5.000	6,26
Loans	2.517	0,25
Non-cash loans	21.929	2,37
Deposit	484.422	35,63
Funds from repurchase transactions	389	0,14
Borrowings	992.346	91,32

**EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
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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 lease agreements, transfer of the information gained as a result of research and development, license agreements, financing (including loans and cash or in kind capital), guarantees, collaterals and management contracts:

In accordance with the limits in Banking Law, cash and non-cash loans are allocated to the Bank’s risk group and the amount composes 1,27% of the Bank’s total cash and non-cash loans.

As of 31 March 2008, the Group has no purchase-sell transactions except for immovables, no transfers of information gained as a result of research and development and no management contracts with its risk group.

As of 31 March 2008, the Parent Bank has a licence agreement with EFG Eurobank Ergasias S.A. amounting to EUR15.000 about a new software.

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 of the Group, 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 31 December 2007, the fair value of the immovable is determined as YTL22.400 and as of 31 March 2008, this immovable was reflected with a gross amount of YTL16.799 (net YTL15.546) to the financial statements taking into consideration of USD11.900.000 price in the sales option given to Tekfen Holding A.Ş.

As of 31 March 2008, the Group paid YTL296 (31 March 2007: YTL270) to Tekfen Turizm ve İşletmecilik A.Ş., included in Tekfen’s risk group, for operating Tekfen Tower and the Archive building.

As of 31 March 2008, the Group paid a rent amount of YTL31 (31 March 2007: YTL37) to Toros Tarım Sanayi ve Ticaret A.Ş., included in Tekfen’s risk group, for the related management expenses of the Archive building.

As of 31 March 2008, the Group has paid a rent amount of YTL9 (31 March 2007: YTL11), and an advertisement share amount of YTL7 (31 March 2007: YTL14) to Tekfen Holding A.Ş.

EFG İstanbul Menkul Değerler A.Ş. has realized commission income from brokerage services given to EFG Eurobank Securities S.A., amounting to YTL29 and EFG İstanbul Menkul Değerler A.Ş. has paid a commission amounting to YTL36 for letters of guarantee commissions to EFG Eurobank S.A..

c. Information on benefits provided to top management:

As of 31 March 2008, benefits provided to top management amount to YTL2.537 (31 March 2007: YTL698).

**EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
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VI. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

None.

SECTION SIX

EXPLANATIONS ON REVIEW REPORT

I. EXPLANATIONS ON REVIEW REPORT

The consolidated financial statements for the period ended 31 March 2008 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 30 May 2008 has been presented prior to the consolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITOR

None.

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