

**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 30 JUNE 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 30 June 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 30 June 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, 12 September 2008

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

**THE CONSOLIDATED INTERIM FINANCIAL REPORT OF
EUROBANK TEKFEN A.Ş. AS OF 30 JUNE 2008**

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The consolidated six-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 interim 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.

12 September 2008

Mehmet N. ERTEN
Chairman of the
Board of Directors

Mehmet G. SÖNMEZ
General Manager

A. İdil Kural
Vice President and
Group Head of Financial
Control and Planning

Ahmet CİĞA
Head of Accounting,
Tax, and
Reporting Unit

O. Reha YOLALAN
Head of Audit Committee

Piergiorgio PRADELLI
Member of the
Audit Committee

Paula HADJISOTIRIOU
Member of the
Audit Committee

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

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EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 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 30 JUNE 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 30 June 2008.

Eurobank EFG Group is a European banking organization with total assets of EUR77.3 billion. The Group employs more than 24,000 people and offers its products and services both through its network of 1,700 branches and alternative distribution channels in the wider region of Southeastern and Central Europe (New Europe), Greece, Bulgaria, Romania Serbia, Poland, Turkey, Ukraine and South Cyprus. Eurobank EFG is a member of the EFG Group, the third largest Swiss-based banking group. Eurobank EFG is also among Greece’s largest listed companies by market capitalization and enjoys a wide shareholder base of over 210.000 shareholders.

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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EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 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:

<u>Title</u>	<u>Name</u>	<u>Responsibility</u>	<u>Education</u>
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
	Ass.Prof.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.

- (*) Mehmet Ercan Kumcu has resigned from his duty as of 11 July 2008 and Mehmet Nazmi Erten has been appointed as the Chairman of the Board of Directors as of 17 July 2008.
- (**) As of 17 July 2008 Ahmet İpekçi has been assigned as a Member of Board of Directors.
- (***) As of 14 July 2008, Mehmet Gani Sönmez has been assigned as General Manager.
- (****) As of 17 July 2008, Hakan Dündar has been assigned as an auditor replacing Ahmet İpekçi who has been assigned as a Member of Board of Director.
- (*****) As of 17 July 2008, Osman Reha Yolalan has been assigned as the Head of Audit Committee after Mehmet Ercan Kumcu’s resignation.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 30 JUNE 2008

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

IV. 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 30 June 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 30 June 2008, the Parent Bank has 584 (31 December 2007: 549) employees and the Group has 666 (31 December 2007: 620) employees.

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 30 JUNE 2008 AND 31 DECEMBER 2007

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

I. BALANCE SHEET		Note (Section Five)	(30/06/2008)			(31/12/2007)		
			YTL	FC	Total	YTL	FC	Total
ASSETS								
I.	CASH AND BALANCES WITH CENTRAL BANK	I-a	98.729	60.027	158.756	41.486	59.761	101.247
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT or LOSS (Net)	I-b	34.188	303	34.491	95.795	159	95.954
2.1	Trading Financial Assets		33.540	-	33.540	95.795	-	95.795
2.1.1	Government Debt Securities		27.706	-	27.706	91.148	-	91.148
2.1.2	Share Certificates		406	-	406	-	-	-
2.1.3	Other Marketable Securities		5.428	-	5.428	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		648	303	951	-	159	159
III.	BANKS	I-c	58.640	55.716	114.356	8.040	144.823	152.863
IV.	MONEY MARKETS		1.371		1,371			
4.1	Interbank Money Market Placements		-	-	-	-	-	-
4.2	Receivables from Istanbul Stock Exchange Money Market		1.371	-	1.371	-	-	-
4.3	Receivables from Reverse Repurchase Agreements		-	-	-	-	-	-
V.	AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)	I-d	323.959	112.970	436.929	327.231	105.007	432.238
5.1	Share Certificates		973	-	973	979	-	979
5.2	Government Debt Securities		322.986	112.970	435.956	326.252	105.007	431.259
5.3	Other Marketable Securities		-	-	-	-	-	-
VI.	LOANS	I-e	754.662	322.869	1.077.531	622.391	259.344	881.735
6.1	Loans		735.308	322.869	1.058.177	607.934	259.344	867.278
6.1.1	Loans to Bank's Risk Group		1.178	6.117	7.295	651	13	664
6.1.2	Other		734.130	316.752	1.050.882	607.283	259.331	866.614
6.2	Loans under Follow-up		42.685	-	42.685	34.345	-	34.345
6.3	Specific Provisions (-)		23.331	-	23.331	19.888	-	19.888
VII.	FACTORING RECEIVABLES	I-e	12.371	14.516	26.887	14.197	39	14.236
VIII.	HELD-TO-MATURITY SECURITIES (Net)	I-f	963.966		963.966	960.093	1.863	961.956
8.1	Government Debt Securities		963.966	-	963.966	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	6.808	73.389	80.197	6.796	32.006	38.802
12.1	Financial Lease Receivables		8.485	89.985	98.470	8.679	40.266	48.945
12.2	Operational Lease Receivables		-	-	-	-	-	-
12.3	Other		-	-	-	-	-	-
12.4	Unearned Income (-)		1.677	16.596	18.273	1.883	8.260	10.143
XIII.	HEDGING DERIVATIVE FINANCIAL ASSETS	I-k		1.084	1.084		1.334	1.334
13.1	Fair Value Hedge		-	1.084	1.084	-	1.334	1.334
13.2	Cash Flow Hedge		-	-	-	-	-	-
13.3	Foreign Net Investment Hedge		-	-	-	-	-	-
XIV.	PROPERTY AND EQUIPMENT (Net)		30.109		30.109	24.499		24.499
XV.	INTANGIBLE ASSETS (Net)		66.768		66.768	65.121		65.121
15.1	Goodwill		63.973	-	63.973	63.973	-	63.973
15.2	Other		2.795	-	2.795	1.148	-	1.148
XVI.	INVESTMENT PROPERTY (Net)	I-l						
XVII.	TAX ASSET	I-m	10.015		10.015	7.017		7.017
17.1	Current Tax Asset		388	-	388	415	-	415
17.2	Deferred Tax Asset		9.627	-	9.627	6.602	-	6.602
XVIII.	ASSETS HELD FOR RESALE AND DISCONTINUED OPERATIONS (Net)	I-n	751		751	1.200		1.200
18.1	Held for Resale		751	-	751	1.200	-	1.200
18.2	Discontinued Operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	I-o	8.852	9.347	18.199	13.685	14.627	28.312
TOTAL ASSETS			2.371.189	650.221	3.021.410	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
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EUROBANK TEKFEN A.Ş.

CONSOLIDATED BALANCE SHEET AT 30 JUNE 2008 AND 31 DECEMBER 2007

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

I. BALANCE SHEET	Note (Section Five)	(30/06/2008)			(31/12/2007)		
		YTL	FC	Total	YTL	FC	Total
LIABILITIES							
I. DEPOSITS	II-a	896.116	488.052	1.384.168	621.051	527.231	1.148.282
1.1 Deposits of Bank's Risk Group		352.372	76.731	429.103	224.882	175.213	400.095
1.2 Other		543.744	411.321	955.065	396.169	352.018	748.187
II. TRADING DERIVATIVE FINANCIAL LIABILITIES	II-b	1.083	336	1.419	10	165	175
III. BORROWINGS	II-c	1.002.740	135.806	1.138.546	1.008.566	91.427	1.099.993
IV. MONEY MARKETS		62.327	60.042	122.369	156.036	21.508	177.544
4.1 Funds from Interbank Money Market		-	-	-	-	-	-
4.2 Funds from Istanbul Stock Exchange Money Market		44.161	-	44.161	18.838	-	18.838
4.3 Funds Provided Under Repurchase Agreements		18.166	60.042	78.208	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		9.130	11.680	20.810	10.353	23.339	33.692
VIII. OTHER LIABILITIES	II-d	17.209	2.419	19.628	15.261	1.900	17.161
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. LEASE PAYABLES (Net)	II-e	-	156	156	-	181	181
10.1 Financial Lease Payables		-	170	170	-	201	201
10.2 Operational Lease Payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred Financial Lease Expenses (-)		-	14	14	-	20	20
XI. HEDGING DERIVATIVE FINANCIAL LIABILITIES	II-f	-	15.014	15.014	-	13.958	13.958
11.1 Fair Value Hedge		-	15.014	15.014	-	13.958	13.958
11.2 Cash Flow Hedge		-	-	-	-	-	-
11.3 Foreign Net Investment Hedge		-	-	-	-	-	-
XII. PROVISIONS	II-g	19.671	11.518	31.189	19.547	9.590	29.137
12.1 General Loan Loss Provision		7.032	4.295	11.327	5.677	2.849	8.526
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Reserve for Employee Rights		9.721	-	9.721	10.291	-	10.291
12.4 Insurance Technical Provisions (Net)		-	-	-	-	-	-
12.5 Other Provisions		2.918	7.223	10.141	3.579	6.741	10.320
XIII. TAX LIABILITY	II-h	7.083	-	7.083	9.584	-	9.584
13.1 Current Tax Liability		7.080	-	7.080	9.584	-	9.584
13.2 Deferred Tax Liability		3	-	3	-	-	-
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	287.729	(6.701)	281.028	275.981	826	276.807
16.1 Paid-in Capital		230.000	-	230.000	230.000	-	230.000
16.2 Capital Reserves		(11.587)	(6.701)	(18.288)	5.094	826	5.920
16.2.1 Share Premium		-	-	-	-	-	-
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Marketable Securities Valuation Reserve		(15.936)	(6.701)	(22.637)	1.424	826	2.250
16.2.4 Tangible Assets Revaluation Reserve		2.782	-	2.782	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		39.289	-	39.289	18.457	-	18.457
16.3.1 Legal Reserves		8.577	-	8.577	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)		30.027	-	30.027	22.430	-	22.430
16.4.1 Prior Years' Income or (Loss)		1.598	-	1.598	(4.289)	-	(4.289)
16.4.2 Current Year Income or (Loss)		28.429	-	28.429	26.719	-	26.719
TOTAL LIABILITIES		2.303.088	718.322	3.021.410	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 30 JUNE 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)	(30/06/2008)			(31/12/2007)		
			YTL	FC	Total	YTL	FC	Total
A	OFF-BALANCE SHEET COMMITMENTS (I+II+III)		346.945	1.289.332	1.636.277	286.376	708.237	994.613
I.	GUARANTEES AND WARRANTIES	III-a-2-3	206.259	852.483	1.058.742	211.591	444.970	656.561
1.1	Letters of Guarantee		206.189	85.631	291.820	211.591	87.737	299.328
1.1.1	Guarantees Subject to State Tender Law		22.405	8.472	30.877	21.560	8.786	30.346
1.1.2	Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3	Other Letters of Guarantee		183.784	77.159	260.943	190.031	78.951	268.982
1.2	Bank Acceptances		-	12.110	12.110	-	5.861	5.861
1.2.1	Import Letter of Acceptance		-	12.110	12.110	-	5.861	5.861
1.2.2	Other Bank Acceptances		-	-	-	-	-	-
1.3	Letters of Credit		70	112.580	112.650	-	106.365	106.365
1.3.1	Documentary Letters of Credit		70	112.580	112.650	-	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		-	2.428	2.428	-	-	-
1.8	Other Guarantees		-	639.734	639.734	-	245.007	245.007
1.9	Other Collaterals		-	-	-	-	-	-
II.	COMMITMENTS	III-a-1	112.967	144.104	257.071	74.785	5.797	80.582
2.1	Irrevocable Commitments		112.967	144.104	257.071	74.785	5.797	80.582
2.1.1	Asset Purchase and Sales Commitments		45.771	144.104	189.875	7.676	5.797	13.473
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		5.572	-	5.572	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		46.901	-	46.901	43.472	-	43.472
2.1.8	Tax and Fund Liabilities from Export Commitments		2.609	-	2.609	2.641	-	2.641
2.1.9	Commitments for Credit Card Limits		9.483	-	9.483	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		2.631	-	2.631	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		27.719	292.745	320.464	257.470	257.470	257.470
3.1	Hedging Derivative Financial Instruments		146.232	146.232	146.232	139.116	139.116	139.116
3.1.1	Transactions for Fair Value Hedge		146.232	146.232	146.232	139.116	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		27.719	146.513	174.232	118.354	118.354	118.354
3.2.1	Forward Foreign Currency Buy/Sell Transactions		4.711	8.223	12.934	71.883	71.883	71.883
3.2.1.1	Forward Foreign Currency Transactions-Buy		2.395	4.091	6.486	35.955	35.955	35.955
3.2.1.2	Forward Foreign Currency Transactions-Sell		2.316	4.132	6.448	35.928	35.928	35.928
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rates		19.000	95.250	114.250	24.807	24.807	24.807
3.2.2.1	Foreign Currency Swap-Buy		19.000	37.853	56.853	12.382	12.382	12.382
3.2.2.2	Foreign Currency Swap-Sell		-	57.397	57.397	12.425	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		3.918	43.040	46.958	21.664	21.664	21.664
3.2.3.1	Foreign Currency Options-Buy		-	3.690	3.690	-	-	-
3.2.3.2	Foreign Currency Options-Sell		3.918	-	3.918	-	-	-
3.2.3.3	Interest Rate Options-Buy		-	19.675	19.675	10.832	10.832	10.832
3.2.3.4	Interest Rate Options-Sell		-	19.675	19.675	10.832	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		90	-	90	-	-	-
B.	CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		2.928.144	3.877.914	6.806.058	2.394.483	2.412.735	4.807.218
IV.	ITEMS HELD IN CUSTODY		804.789	184.623	989.412	692.258	117.193	809.451
4.1	Customer Fund and Portfolio Balances		15.124	-	15.124	15.712	7.515	23.227
4.2	Investment Securities Held in Custody		363.896	8.897	372.793	199.557	10.798	210.355
4.3	Cheques Received for Collection		27.191	61.996	89.187	23.714	38.920	62.634
4.4	Commercial Notes Received for Collection		27.483	24.005	51.488	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		371.095	89.725	460.820	431.709	35.845	467.554
4.8	Custodians		-	-	-	-	-	-
V.	PLEDGES RECEIVED		2.123.355	3.693.291	5.816.646	1.702.225	2.295.542	3.997.767
5.1	Marketable Securities		3.457	-	3.457	106.843	-	106.843
5.2	Guarantee Notes		1.172.927	2.161.476	3.334.403	882.338	1.406.580	2.288.918
5.3	Commodity		17.161	4.023	21.184	26.267	3.565	29.832
5.4	Warranty		-	-	-	-	-	-
5.5	Immovable		875.069	1.509.170	2.384.239	644.228	872.238	1.516.466
5.6	Other Pledged Items		54.741	18.622	73.363	42.549	13.159	55.708
5.7	Pledged Items-Depository		-	-	-	-	-	-
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)			3.275.089	5.167.246	8.442.335	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 SIX AND THREE MONTH PERIODS ENDED
30 JUNE 2008 AND 30 JUNE 2007**

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

III.	INCOME STATEMENT	Note (Section Five)	01/01/2008- 30/06/2008	01/01/2007- 30/06/2007	01/04/2008- 30/06/2008	01/04/2007- 30/06/2007
	INCOME AND EXPENSE ITEMS					
I.	INTEREST INCOME	IV-a	215.453	103.535	111.172	63.072
1.1	Interest on Loans		79.509	53.841	41.592	28.213
1.2	Interest Received from Reserve Requirements		5.787	2.630	3.013	1.635
1.3	Interest Received from Banks		5.119	11.580	3.107	4.355
1.4	Interest Received from Money Market Transactions		3.122	1.961	2.307	293
1.5	Interest Received from Marketable Securities Portfolio		114.592	32.279	56.843	27.928
1.5.1	Trading Financial Assets		1.178	133	504	22
1.5.2	Financial Assets at Fair Value through Profit or Loss		-	-	-	-
1.5.3	Available-for-sale Financial Assets		35.413	8.931	17.156	6.207
1.5.4	Held-to-maturity Investments		78.001	23.215	39.183	21.699
1.6	Financial Lease Income		3.526	1.129	2.031	588
1.7	Other Interest Income		3.798	115	2.279	60
II.	INTEREST EXPENSE (-)	IV-b	168.232	76.315	88.091	48.401
2.1	Interest on Deposits (-)		66.424	44.394	38.345	20.828
2.3	Interest on Funds Borrowed (-)		76.145	24.606	38.052	21.630
2.4	Interest Expense on Money Market Transactions (-)		20.721	7.172	8.804	5.891
2.5	Interest on Securities Issued (-)		-	-	-	-
2.6	Other Interest Expenses (-)		4.942	143	2.890	52
III.	NET INTEREST INCOME (I - II)		47.221	27.220	23.081	14.671
IV.	NET FEES AND COMMISSIONS INCOME/EXPENSE	IV-j	33.704	4.664	15.203	2.601
4.1	Fees and Commissions Received		35.999	5.193	16.373	2.882
4.1.1	Non-cash Loans		7.596	3.972	4.786	2.165
4.1.2	Other		28.403	1.221	11.587	717
4.2	Fees and Commissions Paid (-)		2.295	529	1.170	281
4.2.1	Non-cash Loans (-)		69	27	24	15
4.2.2	Other (-)		2.226	502	1.146	266
V.	DIVIDEND INCOME		156	97	156	97
VI.	TRADING INCOME/(LOSS) (Net)	IV-c	2.127	592	(1.274)	527
6.1	Trading Gains/(Losses) on Securities		(1.245)	(2.233)	851	470
6.2	Foreign Exchange Gains/(Losses)		3.372	2.825	(2.125)	57
VII.	OTHER OPERATING INCOME	IV-d	6.032	1.506	1.107	774
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)		89.240	34.079	38.273	18.670
IX.	PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	IV-e	5.932	4.021	2.646	(5.854)
X.	OTHER OPERATING EXPENSES (-)	IV-f	48.226	28.353	23.614	16.757
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		35.082	1.705	12.013	7.767
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)		35.082	1.705	12.013	7.767
XVI.	TAX PROVISION FOR CONTINUING OPERATIONS (-)	IV-g	6.653	(1.157)	2.428	111
16.1	Current Tax Provision		3.623	4.230	1.372	4.230
16.2	Deferred Tax Provision		3.030	(5.387)	1.056	(4.119)
XVII.	NET INCOME/(LOSS) FROM CONTINUING OPERATIONS (XV- XVI)		28.429	2.862	9.585	7.656
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)		-	-	-	-
XXIII.	NET INCOME/(LOSS) (XVII+XXII)	IV-h	28.429	2.862	9.585	7.656
23.1	Income/(Loss) of the Group		28.429	2.862	9.585	7.656
23.2	Income/(Loss) of Minority Interest		-	-	-	-
	Earnings/(Loss) per share (1.000 nominal in YTL full)		1,112	0,271	0,375	0,725

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 SIX MONTH PERIODS ENDED AT 30 JUNE 2008 AND 30 JUNE 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	30/06/2008	30/06/2007
I. ADDITIONS TO THE MARKETABLE SECURITIES VALUATION RESERVE FROM THE AVAILABLE FOR SALE FINANCIAL ASSETS	(30.549)	209
II. REVALUATION DIFFERENCES OF TANGIBLE ASSETS	849	-
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	5.940	(42)
X. NET INCOME/LOSS ACCOUNTED DIRECTLY IN EQUITY (I+II+...+IX)	(23.760)	167
XI. CURRENT PERIOD INCOME/LOSS	(448)	18
1.1 Net Change in Fair Value of Marketable Securities (Transfer to Income Statement)	(448)	18
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)	(24.208)	185

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 SIX MONTH PERIOD ENDED 30 JUNE 2007**

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY																				
	PRIOR PERIOD 30/06/2007	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		-	-	-	-	-	-	-	-	-	-	185	-	-	-	-	185	-	185
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		-	-	-	-	-	-	-	-	2.862	-	-	-	-	-	-	2.862	-	2.862
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	2.862	(4.289)	435	3.128	-	-	-	117.160	-	117.160

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 SIX MONTH PERIOD ENDED 30 JUNE 2008**

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY																			
CURRENT PERIOD 30/06/2008	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		-	-	-	-	-	-	-	-	-	-	(24.887)	-	-	-	-	(24.887)	-	(24.887)
IV. Hedging Reserves (Effective Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Foreign Investment Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Revaluation Differences of Tangible Assets		-	-	-	-	-	-	-	-	-	-	-	679	-	-	-	679	-	679
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		-	-	-	-	-	-	-	-	28.429	-	-	-	-	-	-	28.429	-	28.429
XVIII. Profit Distribution		-	-	-	-	1.195	-	19.637	-	(26.719)	5.887	-	-	-	-	-	-	-	-
18.1 Dividend Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2 Transfers to Reserves		-	-	-	-	1.195	-	19.637	-	(26.719)	5.887	-	-	-	-	-	-	-	-
18.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period End Balance (I+II+III++XVII+XVIII)		230.000	1.567	-	-	8.577	-	30.712	-	28.429	1.598	(22.637)	2.782	-	-	-	281.028	-	281.028

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 SIX MONTH PERIODS ENDED
30 JUNE 2008 AND 30 JUNE 2007**

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

VI. STATEMENT OF CASH FLOWS	(30/06/2008)	(30/06/2007)
A. CASH FLOWS FROM BANKING OPERATIONS		
1.1 Operating profit before changes in operating assets and liabilities	37.366	7.902
1.1.1 Interest received	215.904	77.059
1.1.2 Interest paid	(154.441)	(58.601)
1.1.3 Dividend received	156	97
1.1.4 Fees and commissions received	33.704	6.189
1.1.5 Other income	-	-
1.1.6 Collections from previously written-off loans and other receivables	2.260	1.705
1.1.7 Payments to personnel and service suppliers	(26.643)	(12.412)
1.1.8 Taxes paid	(6.552)	(609)
1.1.9 Other	(27.022)	(5.526)
1.2 Changes in operating assets and liabilities	61.320	485.121
1.2.1 Net (increase)/decrease in trading securities	61.312	1.139
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	(241.829)	(92.944)
1.2.5 Net (increase)/decrease in other assets	50.966	(41.284)
1.2.6 Net increase/(decrease) in bank deposits	(1.863)	10.031
1.2.7 Net increase/(decrease) in other deposits	225.592	(21.288)
1.2.8 Net increase/(decrease) in funds borrowed	(18.256)	620.250
1.2.9 Net increase/(decrease) in payables	-	609
1.2.10 Net increase/(decrease) in other liabilities	(14.602)	8.608
I. Net cash provided from banking operations	98.686	493.023
B. CASH FLOWS FROM INVESTING ACTIVITIES		
II. Net cash provided from investing activities	(46.713)	(645.073)
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	(7.448)	(1.331)
2.4 Disposals of property and equipment	103	-
2.5 Cash paid for purchase of investments available-for-sale	(44.992)	(96.682)
2.6 Cash obtained from sale of investments available-for-sale	-	-
2.7 Cash paid for purchase of investment securities	-	(557.221)
2.8 Cash obtained from sale of investment securities	5.624	10.161
2.9 Other	-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES		
III. Net cash provided from financing activities	(32)	(1.796)
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	(32)	(1.796)
3.6 Other	-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents	(29)	-
V. Net increase/decrease in cash and cash equivalents (I+II+III+IV)	51.912	(153.846)
VI. Cash and cash equivalents at beginning of the period	180.104	306.856
VII. Cash and cash equivalents at end of the period	232.016	153.010

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 30 June 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 1 November 2006.

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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 collection from a receivable that is provisioned previously, the amount is deducted from the “Specific Provisions” account and recorded as an income to “Provision for Loan Losses and Other Receivables” shown as net with the provisions recorded in the year. 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”.

Government bonds included in the 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 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 Group.

XX. EXPLANATIONS ON ISSUANCE OF SHARE CERTIFICATES:

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

XXI. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES:

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

XXII. EXPLANATIONS ON GOVERNMENT GRANTS:

As of 30 June 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.

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.

	30 June 2008	30 June 2007
Net Income / (Loss) to be Appropriated to Ordinary Shareholders	25.586	2.576
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)	1,112	0,271
Net Income / (Loss) to be Appropriated to Privileged Shareholders	2.843	286
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)	2,843	0,286

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 30 June 2007 consolidated figures, to conform to changes in presentation of 30 June 2008 consolidated financial statements.

SECTION FOUR
INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP

I. EXPLANATIONS ON CONSOLIDATED CAPITAL ADEQUACY RATIO:

- a. As of 30 June 2008, the consolidated capital adequacy ratio of the Group is 11,78% (31 December 2007: 17,17%) which satisfies the requirement of being above both the minimum ratio of 8% stated in the related legislation, but the ratio is below the ratio of 12% stated in the Bank’s risk parameters. As explained in detail in Note VI of Section Five, to increase the consolidated capital adequacy ratio above 12%, the Group has applied to BRSA in order to convert certain borrowings to tier-II-capital. Related agreements have been signed at 28 July 2008.
- 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)	1.601.979	89.204	419.346	799.522	1.603.881	120.311	426.114	766.793
Cash	12.887	-	-	-	12.895	-	-	-
Matured marketable securities	-	-	-	-	-	-	-	-
The Central Bank of the Republic of Turkey	104.116	-	-	-	104.116	-	-	-
Domestic, foreign banks, foreign head offices and branches	-	82.558	-	609	-	113.662	-	609
Interbank money market	1.370	-	-	-	1.370	-	-	-
Receivables from reverse repurchase transactions	-	-	-	-	-	-	-	-
Reserve requirements with the Central Bank of the Republic of Turkey	38.829	-	-	-	38.829	-	-	-
Loans	32.686	6.527	412.224	615.822	32.686	6.527	412.224	615.822
Non-performing receivables (Net)	-	-	-	19.344	-	-	-	19.354
Lease receivables	-	-	-	-	227	-	6.768	72.522
Available-for-sale financial assets	419.235	-	-	950	419.235	-	-	973
Held-to-maturity investments	888.306	-	-	-	888.653	-	-	-
Receivables from the disposal of assets	-	-	-	63	-	-	-	63
Miscellaneous receivables	-	-	-	1.178	-	-	-	1.184
Interest and income accruals	95.672	119	7.122	10.034	95.703	122	7.122	10.765
Investments in associates, subsidiaries and joint ventures (Net)	-	-	-	121.562	-	-	-	-
Fixed assets	-	-	-	29.856	-	-	-	30.424
Other assets	8.878	-	-	104	10.167	-	-	15.077
Off-balance sheet items	76.451	14.367	337.071	479.438	76.451	14.367	337.071	479.443
Non-cash loans and commitments	76.451	8.115	337.071	479.256	76.451	8.115	337.071	479.256
Derivative financial instruments	-	6.252	-	182	-	6.252	-	187
Non-risk weighted accounts	-	-	-	-	-	-	-	-
Total Risk Weighted Assets	1.678.430	103.571	756.417	1.278.960	1.680.332	134.678	763.185	1.246.236

(*) 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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INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP (Continued)

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

	Parent Bank		Consolidated	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007
Amount subject to credit risk “ASCR”	1.677.883	1.135.348	1.654.764	1.087.528
Amount subject to market risk “ASMR”	80.350	33.100	109.525	69.713
Amount subject to operational risk “ASOR”	108.645	83.197	121.345	85.677
Shareholders’ equity	266.417	272.587	222.089	213.466
Shareholders’ equity/(ASCR+ASMR+ASOR) * 100	14,27%	21,78%	11,78%	17,17%

e. Information about shareholders’ equity items:

	30 June 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	8.577	7.382
First legal reserve (Turkish Commercial Code 466/1)	4.635	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	30.027	26.719
Current period profit	28.429	26.719
Prior period profit	1.598	-
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 (-)	1.532	1.455
Intangible assets (-)	2.795	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	236.910	208.481

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SUPPLEMENTARY CAPITAL	30 June 2008	31 December 2007
General provisions	11.327	8.526
45% of the movables revaluation fund	-	-
45% of the immovables revaluation fund	1.252	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	(22.637)	1.013
From investments in associates and subsidiaries	-	-
Available-for-sale financial assets	(22.637)	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	(10.058)	10.485
TIER III CAPITAL	-	-
CAPITAL	226.852	218.966
DEDUCTIONS FROM THE CAPITAL (*)	4.763	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	436	446
Other	-	-
TOTAL SHAREHOLDERS' EQUITY	222.089	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	6.004
(II) Capital to be Employed for Specific Risk -Standard Method	38
(III) Capital to be Employed for Currency Risk - Standard Method	2.720
(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)	8.762
(IX) Amount Subject to Market Risk (12,5xVIII) or (12,5xVII)	109.525

III. EXPLANATIONS ON CONSOLIDATED OPERATIONAL RISK:

As of 30 June 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>30 June</u> <u>2008</u>	<u>31 December</u> <u>2007</u>	<u>30 June</u> <u>2008</u>	<u>31 December</u> <u>2007</u>	<u>30 June</u> <u>2008</u>	<u>31 December</u> <u>2007</u>
30 June 2008/ 31 December 2007						
Bid rate	YTL1,9248	YTL1,7060	YTL1,2186	YTL1,1593	YTL1,1538	YTL1,0331
1. Day bid rate	YTL1,9248	YTL1,7060	YTL1,2186	YTL1,1593	YTL1,1538	YTL1,0331
2. Day bid rate	YTL1,9271	YTL1,7102	YTL1,2237	YTL1,1647	YTL1,1484	YTL1,0279
3. Day bid rate	YTL1,8981	YTL1,6976	YTL1,2095	YTL1,1708	YTL1,1201	YTL1,0216
4. Day bid rate	YTL1,8977	YTL1,6912	YTL1,2182	YTL1,1715	YTL1,1262	YTL1,0242
5. Day bid rate	YTL1,9063	YTL1,6917	YTL1,2250	YTL1,1746	YTL1,1325	YTL1,0269

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

	<u>Euro</u>		<u>USD</u>		<u>100 Japanese Yen</u>	
	<u>30 June</u> <u>2008</u>	<u>31 December</u> <u>2007</u>	<u>30 June</u> <u>2008</u>	<u>31 December</u> <u>2007</u>	<u>30 June</u> <u>2008</u>	<u>31 December</u> <u>2007</u>
Arithmetic average -30 days	YTL1,9107	YTL1,7080	YTL1,2282	YTL1,1739	YTL1,1469	YTL1,0419

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Information on currency risk of the Group:

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

	EURO	USD	Yen	Other FC	Total
30 June 2008					
Assets					
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	3.506	56.214	2	305	60.027
Due From Banks	8.301	45.986	7	1.422	55.716
Financial Assets at Fair Value Through Profit or Loss	157	23	-	-	180
Interbank Money Market Placements	-	-	-	-	-
Available-for-sale Financial Assets	-	112.970	-	-	112.970
Loans (*)	222.069	249.632	-	677	472.378
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-	-
Held-to-Maturity Investments	-	-	-	-	-
Hedging Derivative Financial Assets	-	1.084	-	-	1.084
Tangible Assets	-	-	-	-	-
Intangible Assets	-	-	-	-	-
Other Assets	63.499	19.224	-	13	82.736
Total Assets (*)	297.532	485.133	9	2.417	785.091
Liabilities					
Bank Deposits	527	3.873	-	15	4.415
Foreign Currency Deposits	132.725	349.817	11	1.084	483.637
Funds From Interbank Money Market	-	60.042	-	-	60.042
Funds Borrowed From Other Financial Institutions (*)	105.958	30.619	-	448	137.025
Marketable Securities Issued	-	-	-	-	-
Miscellaneous Payables	2.636	9.041	-	3	11.680
Hedging Derivative Financial Liabilities	-	15.014	-	-	15.014
Other Liabilities	1.677	8.065	-	236	9.978
Total Liabilities (*)	243.523	476.471	11	1.786	721.791
Net On-balance Sheet Position	54.009	8.662	(2)	631	63.300
Net Off-balance Sheet Position	(51.969)	25.975	(1)	314	(25.681)
Financial Derivative Assets	20.596	89.705	1.933	559	112.793
Financial Derivative Liabilities	72.565	63.730	1.934	245	138.474
Non-Cash Loans (**)	346.170	481.136	2.025	23.152	852.483
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 YTL134.993 (31 December 2007:YTL94.476) classified as Turkish Lira assets and foreign currency indexed borrowings amounting to YTL1.219 (31 December 2007: None) classified as Turkish Lira liabilities in the 30 June 2008 financial statements are added to the table above. Besides this, in assets “Income Accruals of Derivative Financial Instruments” amounting to YTL123 (31 December 2007:YTL136), in liabilities “Expense Accruals of Derivative Financial Instruments” amounting to YTL156 (31 December 2007:YTL143), “General Provisions” amounting to YTL4.295 (31 December 2007: 2.849) and “Marketable Securities Valuation Reserve” amounting to YTL(6.701) (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:

30 June 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	145.762	-	-	-	-	12.994	158.756
Due From Banks	102.816	-	-	-	-	11.540	114.356
Financial Assets at Fair Value Through Profit/Loss	1.383	20.016	2.660	6.916	-	3.516	34.491
Interbank Money Market Placements	1.371	-	-	-	-	-	1.371
Available-for-Sale Financial Assets	5.103	102.322	36.671	193.574	98.286	973	436.929
Loans	539.615	124.614	234.373	132.633	53.832	19.351	1.104.418
Held-to-Maturity Investments	2.093	-	378	961.495	-	-	963.966
Other Assets	3.420	3.471	14.474	59.916	-	125.842	207.123
Total Assets	801.563	250.423	288.556	1.354.534	152.118	174.216	3.021.410
Liabilities							
Bank Deposits	8.229	6.324	1.039	-	-	115	15.707
Other Deposits	893.619	175.316	177.900	20	-	121.606	1.368.461
Funds From Interbank Money Market	101.983	20.386	-	-	-	-	122.369
Miscellaneous Payables	-	-	-	-	-	20.810	20.810
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	29.060	41.663	90.441	977.382	-	-	1.138.546
Other Liabilities	16.240	11	253	85	-	338.928	355.517
Total Liabilities	1.049.131	243.700	269.633	977.487	-	481.459	3.021.410
Balance Sheet Long Position	-	6.723	18.923	377.047	152.118	-	554.811
Balance Sheet Short Position	(247.568)	-	-	-	-	(307.243)	(554.811)
Off-balance Sheet Long Position	72.371	148	-	-	-	-	72.519
Off-balance Sheet Short Position	-	-	(101)	(12.186)	(60.930)	-	(73.217)
Total Position	(175.197)	6.871	18.822	364.861	91.188	(307.243)	(698)

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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.

30 June 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	1.80	1.00	-	12.18
Due From Banks	4.10	3.43	-	18.00
Financial Assets at Fair Value Through Profit/Loss	-	-	-	18.72
Interbank Money Market Placements	-	-	-	18.65
Available-for-Sale Financial Assets	-	7.95	-	18.55
Loans	7.41	6.75	-	22.35
Held-to-Maturity Investments	-	-	-	17.95
Liabilities				
Bank Deposits	5.92	4.16	-	17.68
Other Deposits (*)	3.21	4.18	-	17.82
Funds From Interbank Money Market	-	3.15	-	16.94
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	5.92	4.93	-	15.43

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				
Bank Deposits	-	-	-	16.76
Other Deposits (*)	2.89	3.62	-	15.90
Funds From Interbank Money Market	-	5.47	-	16.65
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. In accordance with the regulation published on 5 April 2008, the weekly simple arithmetic average of the ratio of assets which are calculated with hundred percent weight with stock values to liabilities cannot be less than seven percent. This ratio is applied as five percent in first three months period and six percent in the second three months period following the publishment of the regulation. Liquidity ratios realized in 2008 are as follows:

	First Maturity Period		Second Maturity Period		Stock Values
	FC	FC + YTL	FC	FC + YTL	FC + YTL
Average (%)	172,42	307,83	129,43	203,21	9,98
Maximum (%)	238,93	371,85	189,52	249,43	15,89
Minimum (%)	111,53	237,40	89,35	167,10	6,90

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Breakdown of assets and liabilities according to their outstanding maturities:

30 June 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	12.994	145.762	-	-	-	-	-	158.756
Due From Banks	11.540	102.207	-	-	-	-	609	114.356
Financial Assets at Fair Value Through Profit or Loss	-	1.287	15.195	2.660	11.833	-	3.516	34.491
Interbank Money Market Placements	-	1.371	-	-	-	-	-	1.371
Available-for-Sale Financial Assets	-	1.246	3.328	36.671	296.425	98.286	973	436.929
Loans	-	237.658	224.531	439.631	129.415	53.832	19.351	1.104.418
Held-to-Maturity Investments	-	2.093	-	378	961.495	-	-	963.966
Other Assets (*)	33	8.876	3.496	16.043	69.548	-	109.127	207.123
Total Assets	24.567	500.500	246.550	495.383	1.468.716	152.118	133.576	3.021.410
Liabilities								
Bank Deposits	115	8.229	6.324	1.039	-	-	-	15.707
Other Deposits	121.606	893.619	175.316	177.900	20	-	-	1.368.461
Funds Borrowed From Other Financial Institutions	-	29.061	15.856	90.441	1.003.188	-	-	1.138.546
Funds From Interbank Money Market	-	101.983	20.386	-	-	-	-	122.369
Marketable Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	-	10.809	222	2	-	-	9.777	20.810
Other Liabilities (**)	-	29.366	1.491	1.358	2.202	9.956	311.144	355.517
Total Liabilities	121.721	1.073.067	219.595	270.740	1.005.410	9.956	320.921	3.021.410
Net Liquidity Gap	(97.154)	(572.567)	26.955	224.643	463.306	142.162	(187.345)	-
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, investments in associates, 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:

30 June 2008	Retail Banking	Corporate Banking	Treasury	Other(*)	Total Operations of the Group
Segment revenue	8.324	22.480	25.922	32.296	89.023
Unallocated costs	-	-	-	(13.398)	(54.058)
Net Operating Profit	8.324	22.480	25.922	18.898	34.965
Dividend income	-	-	-	-	117
Profit Before Tax	-	-	-	-	35.082
Tax expense	-	-	-	-	(6.653)
Net Profit	-	-	-	-	28.429
Segment assets	133.096	994.172	1.643.524	206.499	2.977.291
Investments in associates, subsidiaries and joint ventures	-	-	-	-	-
Unallocated assets	-	-	-	-	44.119
Total Assets	133.096	994.172	1.643.524	206.499	3.021.410
Segment liabilities	651.369	757.877	1.193.093	122.868	2.725.207
Unallocated liabilities	-	-	-	-	296.203
Total Liabilities	651.369	757.877	1.193.093	122.868	3.021.410

(*) 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:

	30 June 2008		31 December 2007	
	YTL	FC	YTL	FC
Cash/Foreign currency	6.405	6.490	5.489	9.255
CBRT	92.324	53.537	35.997	50.506
Other	-	-	-	-
Total	98.729	60.027	41.486	59.761

2. Information on the account of the CBRT:

	30 June 2008		31 December 2007	
	YTL	FC	YTL	FC
Demand Unrestricted Amount	92.324	14.606	35.997	13.784
Time Unrestricted Amount	-	-	-	-
Time Restricted Amount	-	38.931	-	36.722
Total	92.324	53.537	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 30 June 2008 the corresponding interest rates are 12,18% for YTL, 1,00% for USD and 1,80% for EUR reserves.

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

- As of 30 June 2008, there are no financial assets at fair value through profit or loss subject to repo transactions (31 December 2007: YTL23.757) and financial assets at fair value through profit or loss given as collateral/blocked are YTL 6.760 (31 December 2007: YTL6.673).
- Positive differences related to trading derivative financial assets:

	30 June 2008		31 December 2007	
	YTL	FC	YTL	FC
Forward Transactions	632	45	-	136
Swap Transactions	16	78	-	-
Futures Transactions	-	-	-	-
Options	-	180	-	23
Other	-	-	-	-
Total	648	303	-	159

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c. Information on banks:

1. Information on banks:

	30 June 2008		31 December 2007	
	YTL	FC	YTL	FC
Banks	58.640	55.716	8.040	144.823
Domestic	58.640	49.146	8.040	61.485
Foreign	-	6.570	-	83.338
Headquarters and Branches Abroad	-	-	-	-
Total	58.640	55.716	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 30 June 2008, available-for-sale financial assets given as collateral/blocked amounted to YTL1.616 (31 December 2007: YTL1.481) and those subject to repurchase agreements amounted to YTL71.747 (31 December 2007: YTL137.352).

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

	30 June 2008	31 December 2007
Debt Securities	445.960	431.259
Quoted on Stock Exchange	330.666	326.252
Not Quoted (*)	115.294	105.007
Share Certificates	974	979
Quoted on Stock Exchange	11	16
Not Quoted	963	963
Impairment Provision (-)	10.005	-
Total	436.929	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 :

	30 June 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	7.243	17.489	607	21.703
Loans Granted To Employees	949	-	792	-
Total	8.192	17.489	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	1.059.064	-	25.852	148
Discount and Purchase Notes	9.004	-	-	-
Export Loans	234.317	-	4.528	-
Import Loans	-	-	-	-
Loans Granted to Financial Sector	36.003	-	-	-
Foreign Loans	-	-	-	-
Consumer Loans	12.709	-	422	-
Credit Cards	2.690	-	89	-
Precious Metal Loans	-	-	-	-
Other (*)	764.341	-	20.813	148
Specialised Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	1.059.064	-	25.852	148

(*) Factoring receivables amounting to YTL26.887 are included in other non-specialised loans.

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(Continued)**

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

	Short- term	Medium and Long-term	Total
Consumer Loans-YTL	2.318	8.134	10.452
Real estate loans	51	247	298
Automotive loans	46	1.530	1.576
Consumer loans	2.221	6.357	8.578
Other	-	-	-
Consumer Loans-FC Indexed	-	614	614
Real estate loans	-	614	614
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Individual Credit Cards-YTL	1.529	-	1.529
With instalments	-	-	-
Without instalments	1.529	-	1.529
Individual Credit Cards- FC	109	-	109
With instalments	-	-	-
Without instalments	109	-	109
Personnel Loans-YTL	381	536	917
Real estate loans	-	-	-
Automotive loans	-	16	16
Consumer loans	381	520	901
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)	1.148	-	1.148
Credit Deposit Account-FC (Real Person)	-	-	-
Total	5.517	9.284	14.801

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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	15.143	57.314	72.457
Real estate loans	-	-	-
Automotive loans	321	4.366	4.687
Consumer loans	14.822	52.948	67.770
Other	-	-	-
Commercial Instalments Loans-FC Indexed	-	25	25
Real estate loans	-	-	-
Automotive loans	-	25	25
Consumer loans	-	-	-
Other	-	-	-
Commercial Instalments Loans-FC	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Corporate Credit Cards-YTL	973	-	973
With instalment	-	-	-
Without instalment	973	-	973
Corporate Credit Cards-FC	136	-	136
With instalment	-	-	-
Without instalment	136	-	136
Credit Deposit Account-YTL (Legal Person)	1.501	-	1.501
Credit Deposit Account-FC (Legal Person)	-	-	-
Total	17.753	57.339	75.092

5. Distribution of domestic and foreign loans:

	30 June 2008	31 December 2007
Domestic Loans	1.078.491	876.179
Foreign Loans	6.573	5.335
Total	1.085.064	881.514

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6. Loans given to investments in associates and subsidiaries:

None (31 December 2007: None).

7. Specific provisions provided against loans:

	30 June 2008	31 December 2007
Loans and Other Receivables with Limited Collectability	365	229
Loans and Other Receivables with Doubtful Collectability	1.227	1.290
Uncollectible Loans and Other Receivables	21.739	18.369
Total	23.331	19.888

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
30 June 2008			
(Gross amounts before the Specific Reserves)	-	-	-
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	-	27	180
31 December 2007			
(Gross amounts before the Specific Reserves)	-	-	-
Restructured Loans and Other Receivables	-	-	-
Rescheduled Loans and Other Receivables	169	41	6.552

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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 (+)	8.534	151	1.915
Transfers from Other Categories of Non-performing Loans (+)	-	4.691	5.874
Transfers to Other Categories of Non-performing Loans (-)	4.691	5.874	-
Collections (-)	669	449	1.142
Write-offs (-)	-	-	-
Corporate and Commercial Loans	-	-	-
Consumer Loans	-	-	-
Credit Cards	-	-	-
Other	-	-	-
Balance at the End of the Period	4.939	4.560	33.186
Specific Provision (-)	365	1.227	21.739
Net Balance on Balance Sheet	4.574	3.333	11.447

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
30 June 2008			
Period-End Balance	-	416	6.436
Specific Provision (-)	-	124	5.284
Net Balance on balance sheet	-	292	1.152
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	-

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

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectibility	Loans and other receivables with doubtful collectibility	Uncollectible loans and other receivables
Current Period (Net)	4.574	3.333	11.447
Loans Given to Real Persons and Legal Persons (Gross)	4.929	4.560	33.009
Specific Provision Amount (-)	365	1.227	21.562
Loans Given to Real Persons and Legal Persons (Net)	4.564	3.333	11.447
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	10	-	177
Specific Provision Amount (-)	-	-	177
Other Loans and Receivables (Net)	10	-	-
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:

	30 June 2008		31 December 2007	
	YTL	FC	YTL	FC
Bill	-	-	-	-
Bond and Similar Securities	13.434	-	5.375	-
Other	-	-	-	-
Total	13.434	-	5.375	-

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

	30 June 2008		31 December 2007	
	YTL	FC	YTL	FC
Bill	-	-	-	-
Bond and Similar Securities	449.458	-	249.909	-
Other	-	-	-	-
Total	449.458	-	249.909	-

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

	30 June 2008		31 December 2007	
	Government Bond		963.966	
Treasury Bill		-		-
Other Debt Securities		-		-
Total		963.966		961.956

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

	30 June 2008		31 December 2007	
	Debt Securities		963.966	
Quoted		963.966		960.093
Not Quoted (*)		-		1.863
Impairment Provision (-)		-		-
Total		963.966		961.956

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

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

	30 June 2008		31 December 2007	
	Beginning Balance		894.277	
Foreign Currency Differences on Monetary Assets		-		(144)
Purchases During Year		-		912.868
Disposals through Sales and Redemptions		(5.624)		(54.325)
Impairment Provision (-)		-		-
Period End Balance		888.653		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	96.435	8.759	-	3.664	28	1.070	560	-
2	84.022	69.336	719	3.281	860	14.186	4.992	-

5. Movement schedules of subsidiaries:

	30 June 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 Parent 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	30 June 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:

	30 June 2008		31 December 2007	
	Gross	Net	Gross	Net
Less than 1 year	25.878	20.281	14.636	11.418
Between 1-4 years	52.601	42.450	22.278	17.367
More than 4 years	19.991	17.466	12.031	10.017
Total	98.470	80.197	48.945	38.802

k. Information on hedging derivative financial assets:

	30 June 2008		31 December 2007	
	YTL	FC	YTL	FC
Fair value hedge	-	1.084	-	1.334
Cash flow hedge	-	-	-	-
Net foreign investment hedge	-	-	-	-
Total	-	1.084	-	1.334

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 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 30 June 2008, the Group has netted-off the calculated deferred tax asset of YTL27.349 (31 December 2007: YTL8.166) and deferred tax liability of YTL17.722 (31 December 2007: YTL1.564) in accordance with “TAS 12” and has recorded a net deferred tax asset of YTL9.627 (31 December 2007: YTL6.602) and a net deferred tax liability of YTL3 (31 December 2007: None) in the financial statements.

As of 30 June 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	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007
Carried Forward Loss	110.215	-	22.043	-
Valuation Differences of Marketable Securities	8.415	25.068	1.683	5.014
Provision for Legal Cases	7.588	6.890	1.518	1.378
Reserve for Employment Termination Benefit and Unused Vacation	4.616	3.955	923	791
Valuation Differences of Derivative Instruments	1.805	1.055	361	211
Other	4.161	3.862	832	772
Deferred Tax Assets			27.360	8.166
Valuation Differences of Marketable Securities	80.793	1.032	16.158	206
Difference Between Book Value and Tax Base of Tangible and Intangible Assets	7.252	6.336	1.450	1.267
Other	639	453	128	91
Deferred Tax Liabilities			17.736	1.564
Deferred Tax Assets / (Liabilities) (Net)			9.624	6.602

Movement of deferred tax asset/ liabilities is presented below:

	30 June 2008	31 December 2007
Balance as of 1 January	6.602	(183)
Current year deferred tax income/(expense) (net)	(3.030)	6.720
Deferred tax charged to equity (net)	6.052	(317)
Additions due to acquisition during the period	-	382
Balance at the End of the Period	9.624	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 YTL751 (31 December 2007: YTL1.200) and has no discontinued operations.

	30 June 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	217	394
Disposals (-)	649	217
Impairment (-)	-	22
Depreciation (-)	17	43
Cost	847	1.307
Accumulated Depreciation (-)	96	107
Closing Net Book Value	751	1.200

o. Information on other assets:

As of 30 June 2008, other assets amount to YTL18.199 (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) 30 June 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	8.873	-	27.534	307.751	11.010	117.922	39.470	-	512.560
Foreign Currency Deposits	69.572	-	75.700	289.762	32.101	16.329	173	-	483.637
Residents in Turkey	68.941	-	57.724	280.201	31.672	14.757	173	-	453.468
Residents Abroad	631	-	17.976	9.561	429	1.572	-	-	30.169
Public Sector Deposits	15.748	-	-	15	-	-	-	-	15.763
Commercial Deposits	26.805	-	113.097	201.618	14.043	3	-	-	355.566
Other Institutions Deposits	608	-	7	315	-	5	-	-	935
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Bank Deposits	115	-	5.341	3.264	2.796	4.191	-	-	15.707
The CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	110	-	5.015	2.078	-	4.191	-	-	11.394
Foreign Banks	5	-	326	1.186	2.796	-	-	-	4.313
Special Financial Institutions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	121.721	-	221.679	802.725	59.950	138.450	39.643	-	1.384.168

(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:

	Under the guarantee of deposit insurance		Exceeding limit of the deposit insurance	
	30 June 2008	31 December 2007	30 June 2008	31 December 2007
Saving Deposits				
Saving Deposits	104.950	97.268	407.610	327.828
Foreign Currency Savings Deposit	42.644	44.384	188.974	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	147.594	141.652	596.584	505.411

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

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

	30 June 2008	31 December 2007
Deposits and Other Accounts in Foreign Branches	-	-
Deposits and Other Accounts of Main Shareholders and their Families	146.297	134.161
Deposits and Other Accounts of President of Board of Directors, Members of Board of Directors, Vice General Managers and Their Families	1.289	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	147.586	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	30 June 2008		31 December 2007	
	YTL	FC	YTL	FC
Forward Transactions	578	22	10	99
Swap Agreements	505	134		44
Futures Transactions	-	-	-	-
Options	-	180	-	22
Other	-	-	-	-
Total	1.083	336	10	165

c. Information on borrowings:

1. Information on banks and other financial institutions:

	30 June 2008		31 December 2007	
	YTL	FC	YTL	FC
The CBRT Borrowings	-	-	-	-
From Domestic Banks and Institutions	26.814	47.849	29.308	49.699
From Foreign Banks, Institutions and Funds	975.926	87.957	979.258	41.728
Total	1.002.740	135.806	1.008.566	91.427

2. Information on maturity structure of borrowings:

	30 June 2008		31 December 2007	
	YTL	FC	YTL	FC
Short-term	24.701	25.660	25.599	21.473
Medium and Long-term	978.039	110.146	982.967	69.954
Total	1.002.740	135.806	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 30 June 2008, deposits and borrowings from Group’s risk group comprise 31% of total deposits and 92% of total borrowings.

d. Information on other foreign liabilities:

Other foreign liabilities amounting to YTL19.628 (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.

	30 June 2008		31 December 2007	
	Gross	Net	Gross	Net
Less than 1 year	82	72	78	65
Between 1-4 years	88	84	123	116
More than 4 years	-	-	-	-
Total	170	156	201	181

f. Information on hedging derivative financial liabilities:

	30 June 2008		31 December 2007	
	YTL	FC	YTL	FC
Fair value hedge	-	15.014	-	13.958
Cash flow hedge	-	-	-	-
Net foreign investment hedge	-	-	-	-
Total	-	15.014	-	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:

	30 June 2008	31 December 2007
Provisions for Group I loans and receivables	7.633	6.140
Provisions for Group II loans and receivables	596	143
Provisions for non cash loans	1.728	957
Other	1.370	1.286
Total	11.327	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 YTL2.173,18 (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.

	30 June 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:

	30 June 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	601	1.095
Paid During the Period (-)	302	1.083
Balance at the End of the Period	2.810	2.511

In addition, as of 30 June 2008 the Group has accounted for vacation rights provision amounting to YTL1.806 (31 December 2007: YTL1.444) and personnel bonus provision amounting to YTL5.105 (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 YTL7.376 (31 December 2007: YTL6.890) for lawsuits, YTL1,318 (31 December 2007: YTL1.689) for non-cash loans, YTL1.219 (31 December 2007: YTL887) for customer cheques commitments, YTL21(31 December 2007: YTL28) for credit card loyalty points and YTL207 (31 December 2007: YTL73) for a doubtful receivables.

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

As of 30 June 2008, the provision related to the foreign currency difference of foreign indexed loans amounts to YTL3.149 (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 30 June 2008, the corporate tax provision is YTL1.480 (31 December 2007: YTL4.301).

2. Information on taxes payable:

	30 June 2008	31 December 2007
Corporate Tax Payable	1.480	4.301
Taxation of Marketable Securities	2.327	2.466
Property Tax	54	41
Banking Insurance Transaction Tax	1.532	1.274
Foreign Exchange Transaction Tax	-	166
Value Added Tax Payable	200	101
Other	838	694
Total	6.431	9.043

3. Information on premium payables:

	30 June 2008	31 December 2007
Social Security Premiums–Employee	300	250
Social Security Premiums–Employer	306	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	29	24
Other	-	-
Total	649	541

4. Information on deferred tax liability:

As of 30 June 2008, the Group has netted-off the calculated deferred tax asset of YTL27.349 (31 December 2007: YTL8.166) and deferred tax liability of YTL17.722 (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 YTL9.627 (31 December 2007: YTL6.602) and a net deferred tax liability of YTL3 (31 December 2007: None) in the financial statements.

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i. Information on shareholders’ equity:

1. Presentation of paid-in capital:

	30 June 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 Group 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:

	30 June 2008		31 December 2007	
	YTL	FC	YTL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	(15.936)	(6.701)	1.424	826
Foreign Currency Difference	-	-	-	-
Total	(15.936)	(6.701)	1.424	826

9. Information on tangible assets revaluation reserve:

	30 June 2008		31 December 2007	
	YTL	FC	YTL	FC
Movables	-	-	-	-
Immovables	2.782	-	2.103	-
Common Stocks of Investments in Associates, Subsidiaries that will be added to the Capital and Sales Income from Immovables	-	-	-	-
Total	2.782	-	2.103	-

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

Based on the decision in the General Meeting held on 28 March 2008, 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:

	30 June 2008	31 December 2007
Forward foreign currency buy/sell commitments	185.781	11.621
Commitments for cheques	46.901	43.472
Commitments for credit card limits	9.483	11.817
Loan limit commitments	5.572	5.609
Asset purchase and sales commitments	4.094	1.852
Blocked cheques given to customers	2.631	3.570
Tax and fund obligations arising from export commitments	2.609	2.641
Total	257.071	80.582

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

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

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

	30 June 2008	31 December 2007
Other guarantees	639.734	245.007
Letter of guarantees	291.820	299.328
Letter of credits	112.650	106.365
Bank acceptance loans	12.110	5.861
Factoring guarantees	2.428	-
Total	1.058.742	656.561

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

	YTL	FC
Irrevocable letters of guarantee	166.451	71.643
Guarantees given to customs	24.549	17
Revocable letters of guarantee	9.810	5.505
Letters of guarantee given in advance	3.414	8.139
Other letters of guarantee	1.965	327
Total	206.189	85.631

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

	30 June 2008	31 December 2007
Non-cash loans given against cash loans	641.983	251.718
With original maturity of 1 year or less than 1 year	874	5.497
With original maturity of more than 1 year	641.109	246.221
Other non-cash loans	416.759	404.843
Total	1.058.742	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 (*)	197.229	838.474	6.572	12.167
Letters of Guarantee	197.159	83.440	6.572	349
Bank Acceptances	-	12.110	-	-
Letters of Credit	70	111.466	-	1.114
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	-	2.428	-	-
Other Commitments and Contingencies	-	629.030	-	10.704

(*) In addition to non-cash loans stated above, the Group has non-cash loans classified as non-performing loans, amounting to YTL4.300. As of 30 June 2008, the Group has recorded a YTL1.318 provision regarding these risks.

b. Information on contingent assets and contingent liabilities:

As of 30 June 2008, the total amount of legal cases against the Parent Bank is YTL9.779 (31 December 2007: YTL8.898) and the Group sets aside a provision of YTL7.376 (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

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IV. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED INCOME STATEMENT

a. Information on interest income:

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

	30 June 2008		30 June 2007	
	YTL	FC	YTL	FC
Interest Income on Loans	67.617	11.892	47.552	6.289
Short-term Loans	59.623	7.711	42.662	4.571
Medium/Long-term Loans	7.928	4.181	4.754	1.718
Interest on Loans Under Follow-up	60	-	136	-
Premiums Received from Resource Utilisation Support Fund	-	-	-	-
Total	67.617	11.892	47.552	6.289

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

2. Information on interest income on banks:

	30 June 2008		30 June 2007	
	YTL	FC	YTL	FC
From the CBRT	-	108	-	121
From Domestic Banks	3.548	925	5.334	1.199
From Foreign Banks	180	358	2.177	2.749
Headquarters and Branches Abroad	-	-	-	-
Total	3.728	1.391	7.511	4.069

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

None (30 June 2007: None).

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b. Information on interest expense:

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

	30 June 2008		30 June 2007	
	YTL	FC	YTL	FC
Banks				
The CBRT				-
Domestic Banks	1.794	1.713	2.256	1.541
Foreign Banks	70.911	1.727	19.696	958
Headquarters and Branches Abroad				-
Other Institutions				155
Total	72.705	3.440	21.952	2.654

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

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

None (30 June 2007: None).

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

	30 June 2008	30 June 2007
Income	648.524	122.470
Income from Capital Market Transactions	22.224	5.981
From Derivative Financial Transactions	19.188	4.549
Other	3.036	1.432
Foreign Exchange Gains	626.300	116.489
Loss (-)	646.397	121.878
Loss from Capital Market Transactions	23.469	8.214
From Derivative Financial Transactions	20.397	7.801
Other	3.072	413
Foreign Exchange Loss	622.928	113.664
Net Income/(Loss)	2.127	592

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:

	30 June 2008	30 June 2007
Specific Provisions for Loans and Other Receivables	3.404	3.275
III. Group Loans and Receivables	664	477
IV. Group Loans and Receivables	973	556
V. Group Loans and Receivables	1.767	2.242
General Provision Expenses	2.528	746
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	5.932	4.021

f. Information related to other operating expenses:

	30 June 2008	30 June 2007
Personnel Expenses	26.343	12.244
Reserve For Employee Termination Benefits (*)	963	646
Bank Social Aid Pension Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	1.455	1.154
Impairment Expenses of Intangible Assets	-	-
Amortisation Expenses of Intangible Assets	330	396
Impairment Expenses of Equity Participations for which Equity Method is Applied	-	-
Impairment Expenses of Assets Held For Resale	-	37
Depreciation Expenses of Assets Held for Resale	17	27
Impairment Expenses of Fixed Assets Held for Sale	-	-
Other Operating Expenses	15.645	8.111
Operational Lease Expenses	2.900	1.816
Maintenance Expenses	298	181
Advertising Expenses	854	81
Other Expense	11.593	6.033
Loss on Sales of Assets	5	-
Other	3.468	5.738
Total	48.226	28.353

(*) As of 30 June 2008, “Reserve for Employee Termination Benefits” include “Personnel Unused Vacation Provision Expense” amounting to YTL362 (30 June 2007: YTL120).

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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 30 June 2008, the Group has current tax expense amounting to YTL3.623 and deferred tax expense amounting to YTL3.030.

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

The Group has YTL481 deferred tax income as a result of temporary differences incurred, YTL22.043 deferred tax income as a result of carried financial loss and YTL25.554 deferred tax expense due to temporary differences closed, resulting in YTL3.030 net deferred tax expense.

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

As of 30 June 2008, the Group has YTL25.073 deferred tax expense arising from temporary differences and YTL22.043 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 30 June 2008, the Group’s fee and commission income amounts to YTL35.999 (30 June 2007: YTL5.193) and YTL28.403(30 June 2007: YTL1.221) of the related amount is classified under “Other fee and commission income” account.

	30 June 2008	30 June 2007
Other Fee and Commissions Received		
Commissions from brokerage activity in Istanbul Stock Exchange	12.952	-
Commissions from brokerage activity in Turkish Derivative Exchange	11.305	-
Expertise and Account Operating Fees	428	325
Transfer Commissions	275	175
Commissions from Correspondant Banks	237	163
Commissions on Investment Fund Services	191	30
Insurance Commissions	126	178
Ortak Nokta Clearing Commissions	49	52
Reference Letter Commissions	38	44
Other	2.802	254
Total	28.403	1.221

As of 30 June 2008, Group’s fee and commission expense amounts to YTL2.295 (30 June 2007: YTL529) and YTL2.226 (30 June 2007: YTL502) of the related amount is classified under “Other fee and commission expense” account.

	30 June 2008	30 June 2007
Other Fee and Commissions Given		
Stock Exchange Contribution Expenses	1.177	-
Ortak Nokta Clearing Commissions	177	139
Commissions Granted to Correspondent Banks	149	115
EFT Commissions	103	61
Credit Card Transaction Commission	76	83
Transfer Commissions	55	50
Other	489	54
Total	2.226	502

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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 30 June 2007 for income statements items.

1. 30 June 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	-	-	7.243	17.489	52	335
Interest and Commission Income Received	-	-	75	36	1	1

(*) 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	-	-	64	29	2	2

(*) 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	-	-	411.462	385.230	17.641	14.864
Interest Expense on Deposits	-	-	25.878	1.956	1.131	444

(*) 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	342	36
Interest Expense on Repurchase Transactions			9	93	17	15

(*) 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	-	-	93.715	29.619	-	-
Total Profit/Loss			(2.032)	673		
Transactions for trading purposes						
Beginning of the Period	-	-	46.372	-	-	-
Balance at the end of the period	-	-	48.744	46.372	-	-
Total Profit/Loss			(1.009)			

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

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

1. The relations with entities that are included in the Group's risk group and controlled by the Group:

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	3.566	3,12
Loans	7.295	0,69
Non-cash loans	17.824	1,68
Deposit	429.103	31,00
Funds from repurchase transactions	342	0,44
Borrowings	1.052.559	92,45

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

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 Group’s risk group and the amount composes 1,18% of the Group’s total cash and non-cash loans.

As of 30 June 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 30 June 2008, the Bank has paid YTL100 to EFG Ergasias SA, YTL117 to EFG IT Shared Services SA and YTL398 to EFG Factors SA as licence and service charge.

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 30 June 2008, this immovable was reflected with a gross amount of YTL15.821 (net YTL14.501) to the financial statements taking into consideration of USD11.900.000 price in the sales option given to Tekfen Holding A.Ş..

As of 30 June 2008, the Group paid YTL595 (30 June 2007:YTL525) to Tekfen Turizm ve İşletmecilik A.Ş., included in Tekfen’s risk group, for operating Tekfen Tower and the Archive building.

As of 30 June 2008, the Group paid a rent amount of YTL65 (30 June 2007:YTL73) 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 30 June 2008, the Group has paid a rent amount of YTL19 (30 June 2007: YTL22), and an advertisement share amount of YTL11 (30 June 2007: YTL30) to Tekfen Holding A.Ş..

EFG İstanbul Menkul Değerler A.Ş. has realized YTL42 commission income from brokerage services given to EFG Eurobank Securities S.A.. EFG İstanbul Menkul Değerler A.Ş. has paid a commission amounting to YTL51 as letter of guarantee commissions to EFG Eurobank S.A. and paid a consultancy fee of YTL26 to as EFG Capital International.

c. Information on benefits provided to top management:

As of 30 June 2008, benefits provided to top management amount to YTL4.656 (30 June 2007: YTL1.301).

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

VI. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

- i. The Parent Bank has applied to BRSA on 28 June 2008 in order to convert the borrowings obtained from the parent company, EFG Eurobank Ergasias S.A, amounting YTL42.360 and YTL42.460 on 25 July 2007 and 1 August 2007, respectively, to tier-II-capital. According to the BRSA decision dated 21 July 2008, the related loans shall be treated as tier-II-capital as of the date of signature in condition that the Parent Bank presents either the original or the notarized copy of the agreement of tier-II-capital to BRSA in the following five days of the date of signature. Related loan agreements have been signed at 28 July 2008.
- ii. Financial Crimes Investigation Board (“FCIB”) has notified EFG İstanbul Menkul Değerler A.Ş. on 29 January 2008 of an administrative fine of YTL709.140 regarding non-compliance with the "Prevention of Laundering Proceeds of Crime Law. An additional administrative fine of YTL294.452 has been notified to the employees of the company. The company paid a total of YTL752.694 after benefiting from the 25% discount granted in the case of a lump sum payment within 15 days. However, on 5 August 2008 the law suit of EFG İstanbul Menkul Değerler A.Ş. against this administrative fine has been finalized in the Third Criminal Court of Peace and it has become definite that the administrative fine charged by FCIB is cancelled.

SECTION SIX

EXPLANATIONS ON REVIEW REPORT

I. EXPLANATIONS ON REVIEW REPORT

The consolidated financial statements for the period ended 30 June 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 12 September 2008 has been presented prior to the consolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITOR

None.

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