

**CONVENIENCE TRANSLATION
OF PUBLICLY ANNOUNCED UNCONSOLIDATED
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
ORIGINALLY ISSUED IN TURKISH,
SEE IN NOTE I. OF SECTION THREE**

EUROBANK TEKFEN A.Ş.

**PUBLICLY ANNOUNCED UNCONSOLIDATED
FINANCIAL STATEMENTS
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT
AT 31 DECEMBER 2008**

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

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

We have audited the accompanying unconsolidated balance sheet of Eurobank Tekfen A.Ş. ("the Bank") at 31 December 2008 and the related unconsolidated statements of income, cash flows and changes in shareholders' equity for the period then ended and a summary of significant accounting policies and other explanatory notes to the financial statements.

Disclosure for the responsibility of the Bank's Board of Directors:

The Bank's Board of Directors is responsible for establishing and maintaining effective internal control over financial reporting to prevent the misstatements caused by error or fraud, that are material to the financial statements; and for selecting and applying appropriate accounting policies in compliance with the "Regulation on Accounting Applications for Banks and Safeguarding of Document" published on the Official Gazette No.26333 dated 1 November 2006, Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards ("TFRS") and other regulations, interpretations and circulars published or declared by the Banking Regulation and Supervision Agency (the "BRSA") on accounting and financial reporting principles.

Disclosure for the Responsibility of the Authorized Audit Firm:

Our responsibility, as independent auditors, is to express an opinion on these financial statements based on our audit. Our independent audit has been implemented in accordance with "Regulation on Authorisation and Activities of Institutions to Conduct Independent Audit in Banks" published on the Official Gazette No.26333 dated 1 November 2006. We planned and conducted our audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement. Our audit includes using the audit techniques for the purpose of obtaining evidence supporting the amounts and disclosures in the financial statements; the selection of these audit techniques is made in accordance with our professional judgment by taking the effectiveness of the controls over financial reporting process into consideration and assessing the appropriateness of the applied accounting policies. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion stated below.

Independent Auditor's Opinion:

In our opinion, the accompanying unconsolidated financial statements present fairly, in all material respects, the financial position of Eurobank Tekfen A.Ş. at 31 December 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 article 37 of the Banking Act No. 5411 and other regulations, communiques, interpretations and circulars published by the BRSA 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 Article 37 of Banking Law No. 5411, accounting principles generally accepted in countries in which the accompanying unconsolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying unconsolidated financial statements. Accordingly, the accompanying unconsolidated 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 March 2009

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

**THE UNCONSOLIDATED FINANCIAL REPORT OF
EUROBANK TEKFEN A.Ş. AS OF 31 DECEMBER 2008**

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The unconsolidated year end financial report includes the following sections in accordance with the Communiqué on Financial Statements and Related Explanations and Notes that will be Publicly Announced as sanctioned by the Banking Regulation and Supervision Agency.

- **Section One** GENERAL INFORMATION ABOUT THE BANK
- **Section Two** UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- **Section Three** EXPLANATIONS ON ACCOUNTING POLICIES
- **Section Four** INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK
- **Section Five** EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS
- **Section Six** OTHER EXPLANATIONS AND NOTES
- **Section Seven** EXPLANATIONS ON INDEPENDENT AUDITOR'S REPORT

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

12 March 2009

Mehmet N. ERTEN
Chairman of the
Board of Directors

Mehmet G. SÖNMEZ
Member of the Board of
Directors and General
Manager

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

Ahmet CIĞA
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 UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

SECTION ONE

GENERAL INFORMATION ABOUT THE BANK

**I. 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 of 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. On 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.

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NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

II. EXPLANATION ABOUT THE BANK'S CAPITAL STRUCTURE, SHAREHOLDERS OF THE BANK WHO ARE IN CHARGE OF THE MANAGEMENT AND/OR AUDITING OF THE 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.

In accordance with the authorization of BRSA dated 21 October 2008; 23,23% of Eurobank Tekfen A.Ş. shares owned by TST International Finance SA have been transferred to Tekfen Holding A.Ş.. After this share transfer, 70% of the Bank's capital is owned by Eurobank EFG Holding and 29,13% by Tekfen Holding A.Ş. as of 31 December 2008.

Eurobank EFG Group is a European banking organization with total assets of EUR79.4 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 which belongs to Latsis Family and 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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IN TURKISH, SEE NOTE I. OF SECTION THREE

EUROBANK TEKFEN A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

(Amounts expressed in thousands of Turkish Lira ("TL") 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 BANK THEY POSSESS:

<u>Title</u>	<u>Name</u>	<u>Responsibility</u>	<u>Education</u>
Chairman of the Board of Directors:	Mehmet Nazmi Erten	Chairman	Undergraduate
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
	Ass. Prof. Osman Reha Yolalan	Member	PhD
	Dr. Ahmet İpekçi	Member	PhD
	Aikaterini Delikoura (*)	Member	Graduate
	Mehmet Gani Sönmez	Member and General Manager	Undergraduate
General Manager:	Mehmet Gani Sönmez	Member and General Manager	Undergraduate
Vice General Managers:	Bülent Nur Özkan	Senior Vice General Manager	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
	Cihan Vural	Internal Control and Audit	Undergraduate
	Şebnem Dönbekçi (**)	Retail Banking	Graduate
	Soner Ersoy (***)	Information Technology	Undergraduate
Auditors:	Dr.Ahmet Burak Emel	Auditor	PhD
	Firdevs Sancı	Auditor	Undergraduate
	Hakan Dündar	Auditor	Graduate
Audit Committee:	Ass. Prof. Osman Reha Yolalan	Head of Audit Committee	PhD
	Piergiorgio Pradelli	Member	Undergraduate
	Paula Hadjisotiriou	Member	Undergraduate

(*) Fedon Hacaki, a Member of Board of Directors, has resigned from his duties at 16 December 2008. Following his resignation, Aikaterini Delikoura has been appointed as a Member of the Board of Directors as of 29 January 2009.

(**) Şebnem Dönbekçi has been appointed as Head of Retail Banking with the responsibilities of Vice General Manager as of 2 January 2009.

(***) Berrin Korkmaz Walraven has resigned from her duties as of 16 December 2008. Following her resignation Soner Ersoy has been appointed as Head of Information Technology with the responsibilities of Vice General Manager as of 12 January 2009.

There is no share of the above individuals in the Bank.

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EUROBANK TEKFEN A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

IV. EXPLANATION ON SHAREHOLDERS HAVING CONTROL SHARES:

Name/Commercial title	Share Amounts	Share Percentage	Paid-in Capital	Unpaid Portion
Eurobank EFG Holding (Luxembourg) S.A.	161.000	70,00%	70,00%	-
Tekfen Holding A.Ş.	67.002	29,13%	29,13%	-
Total	228.002	99,13%	99,13%	-

Based on the Principal Agreement, the 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, 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.

In accordance with the authorization of BRSA dated 21 October 2008; Eurobank Tekfen A.Ş. shares owned by TST International Finance S.A. with a ratio 23,23% are handed over to Tekfen Holding A.Ş. and the qualified share ratio of Tekfen Group in the Bank has not been changed.

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

As of 31 December 2008, the Bank has 42 branches operating in Turkey (31 December 2007: 36). The Bank's core business activities include corporate and commercial banking, retail banking and banking services in treasury fields. As of 31 December 2008, the Bank has 661 (31 December 2007: 549) employees.

SECTION TWO
UNCONSOLIDATED FINANCIAL STATEMENTS

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

EUROBANK TEKFEN A.Ş.

UNCONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2008 AND 31 DECEMBER 2007

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

I. BALANCE SHEET		Note (Section Five)	(31/12/2008)			(31/12/2007)		
			TL	FC	Total	TL	FC	Total
ASSETS								
I.	CASH AND BALANCES WITH CENTRAL BANK	I-a	115.863	63.408	179.271	41.474	59.761	101.235
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT or LOSS (Net)	I-b	189.408	459	189.867	84.048	159	84.207
2.1	Trading Financial Assets		188.677	-	188.677	84.048	-	84.048
2.1.1	Government Debt Securities		188.677	-	188.677	84.048	-	84.048
2.1.2	Share Certificates		-	-	-	-	-	-
2.1.3	Other Marketable Securities		-	-	-	-	-	-
2.2	Financial Assets Designated at Fair Value through Profit or Loss		-	-	-	-	-	-
2.2.1	Government Debt Securities		-	-	-	-	-	-
2.2.2	Share Certificates		-	-	-	-	-	-
2.2.3	Other Marketable Securities		-	-	-	-	-	-
2.3	Trading Derivative Financial Assets		731	459	1.190	-	159	159
III.	BANKS	I-c	141.686	23.138	164.824	47	108.515	108.562
IV.	MONEY MARKETS		70.029	-	70.029	-	-	-
4.1	Interbank Money Market Placements		70.029	-	70.029	-	-	-
4.2	Receivables from Istanbul Stock Exchange Money Market		-	-	-	-	-	-
4.3	Receivables from Reverse Repurchase Agreements		-	-	-	-	-	-
V.	AVAILABLE-FOR-SALE FINANCIAL ASSETS (Net)	I-d	456.160	160.515	616.675	327.202	105.007	432.209
5.1	Share Certificates		950	-	950	950	-	950
5.2	Government Debt Securities		455.210	160.515	615.725	326.252	105.007	431.259
5.3	Other Marketable Securities		-	-	-	-	-	-
VI.	LOANS	I-e	769.408	322.198	1.091.606	622.391	259.344	881.735
6.1	Loans		730.908	322.198	1.053.106	607.934	259.344	867.278
6.1.1	Loans to Bank's Risk Group		25.680	149	25.829	651	13	664
6.1.2	Other		705.228	322.049	1.027.277	607.283	259.331	866.614
6.2	Loans under Follow-up		76.014	-	76.014	34.302	-	34.302
6.3	Specific Provisions (-)		37.514	-	37.514	19.845	-	19.845
VII.	FACTORING RECEIVABLES	I-e	11.455	9.639	21.094	14.197	39	14.236
VIII.	HELD-TO-MATURITY SECURITIES (Net)	I-f	971.550	-	971.550	959.743	1.863	961.606
8.1	Government Debt Securities		971.550	-	971.550	959.743	1.863	961.606
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	121.562	-	121.562	121.562	-	121.562
10.1	Unconsolidated Financial Subsidiaries		121.562	-	121.562	121.562	-	121.562
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	-	-	-	-	-	-
12.1	Financial Lease Receivables		-	-	-	-	-	-
12.2	Operational Lease Receivables		-	-	-	-	-	-
12.3	Other		-	-	-	-	-	-
12.4	Unearned Income (-)		-	-	-	-	-	-
XIII.	HEDGING DERIVATIVE FINANCIAL ASSETS	I-k	-	1.630	1.630	-	1.334	1.334
13.1	Fair Value Hedge		-	1.630	1.630	-	1.334	1.334
13.2	Cash Flow Hedge		-	-	-	-	-	-
13.3	Foreign Net Investment Hedge		-	-	-	-	-	-
XIV.	PROPERTY AND EQUIPMENT (Net)	I-l	38.605	-	38.605	23.895	-	23.895
XV.	INTANGIBLE ASSETS (Net)	I-m	3.359	-	3.359	1.036	-	1.036
15.1	Goodwill		-	-	-	-	-	-
15.2	Other		3.359	-	3.359	1.036	-	1.036
XVI.	INVESTMENT PROPERTY (Net)	I-n	-	-	-	-	-	-
XVII.	TAX ASSET	I-o	7.344	-	7.344	5.779	-	5.779
17.1	Current Tax Asset		-	-	-	-	-	-
17.2	Deferred Tax Asset		7.344	-	7.344	5.779	-	5.779
XVIII.	ASSETS HELD FOR RESALE AND DISCONTINUED OPERATIONS (Net)	I-p	829	-	829	1.200	-	1.200
18.1	Held for Resale		829	-	829	1.200	-	1.200
18.2	Discontinued Operations		-	-	-	-	-	-
XIX.	OTHER ASSETS	I-q	2.713	149	2.862	1.723	116	1.839
TOTAL ASSETS			2.899.971	581.136	3.481.107	2.204.297	536.138	2.740.435

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

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

EUROBANK TEKFEN A.Ş.

UNCONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2008 AND 31 DECEMBER 2007

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

I. BALANCE SHEET	Note (Section Five)	(31/12/2008)			(31/12/2007)		
		TL	FC	Total	TL	FC	Total
LIABILITIES							
I. DEPOSITS	II-a	1.190.921	604.603	1.795.524	621.115	530.759	1.151.874
1.1 Deposits of Bank's Risk Group		595.159	148.929	744.088	224.946	178.741	403.687
1.2 Other		595.762	455.674	1.051.436	396.169	352.018	748.187
II. TRADING DERIVATIVE FINANCIAL LIABILITIES	II-b	2.928	584	3.512	10	165	175
III. BORROWINGS	II-c	913.665	49.785	963.450	1.008.051	49.699	1.057.750
IV. MONEY MARKETS		254.538		254.538	156.036	21.508	177.544
4.1 Funds from Interbank Money Market		-	-	-	-	-	-
4.2 Funds from Istanbul Stock Exchange Money Market		57.137	-	57.137	18.838	-	18.838
4.3 Funds Provided Under Repurchase Agreements		197.401	-	197.401	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		8.616	6.844	15.460	6.291	13.551	19.842
VIII. OTHER LIABILITIES	II-d	8.875	963	9.838	15.261	1.900	17.161
IX. FACTORING PAYABLES							
X. LEASE PAYABLES (Net)	II-e		2.588	2.588		1.094	1.094
10.1 Financial Lease Payables		-	2.870	2.870	-	1.207	1.207
10.2 Operational Lease Payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred Financial Lease Expenses (-)		-	282	282	-	113	113
XI. HEDGING DERIVATIVE FINANCIAL LIABILITIES	II-f		29.018	29.018		13.958	13.958
11.1 Fair Value Hedge		-	29.018	29.018	-	13.958	13.958
11.2 Cash Flow Hedge		-	-	-	-	-	-
11.3 Foreign Net Investment Hedge		-	-	-	-	-	-
XII. PROVISIONS	II-g	19.145	13.685	32.830	14.684	9.590	24.274
12.1 General Loan Loss Provision		7.637	4.490	12.127	5.677	2.849	8.526
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Reserve for Employee Rights		6.543	-	6.543	6.181	-	6.181
12.4 Insurance Technical Provisions (Net)		-	-	-	-	-	-
12.5 Other Provisions		4.965	9.195	14.160	2.826	6.741	9.567
XIII. TAX LIABILITY	II-h	11.178		11.178	5.207		5.207
13.1 Current Tax Liability		11.178	-	11.178	5.207	-	5.207
13.2 Deferred Tax Liability		-	-	-	-	-	-
XIV. PAYABLES FOR ASSET HELD FOR RESALE AND DISCONTINUED OPERATIONS	II-i						
14.1 Held for Resale		-	-	-	-	-	-
14.2 Discontinued Operations		-	-	-	-	-	-
XV. SUBORDINATED LOANS	II-j	90.608		90.608			
XVI. SHAREHOLDERS' EQUITY	II-k	287.493	(14.930)	272.563	270.730	826	271.556
16.1 Paid-in Capital		230.000	-	230.000	230.000	-	230.000
16.2 Capital Reserves		9.490	(14.930)	(5.440)	5.094	826	5.920
16.2.1 Share Premium		-	-	-	-	-	-
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Marketable Securities Valuation Reserve		771	(14.930)	(14.159)	1.424	826	2.250
16.2.4 Tangible Assets Revaluation Reserve		7.152	-	7.152	2.102	-	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		35.636	-	35.636	17.138	-	17.138
16.3.1 Legal Reserves		7.080	-	7.080	7.080	-	7.080
16.3.2 Status Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		28.556	-	28.556	10.058	-	10.058
16.3.4 Other Profit Reserves		-	-	-	-	-	-
16.4 Income or (Loss)		12.367	-	12.367	18.498	-	18.498
16.4.1 Prior Years' Income/ (Loss)		-	-	-	-	-	-
16.4.2 Current Year Income/ (Loss)		12.367	-	12.367	18.498	-	18.498
TOTAL LIABILITIES		2.787.967	693.140	3.481.107	2.097.385	643.050	2.740.435

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

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

EUROBANK TEKFEN A.Ş.

**UNCONSOLIDATED OFF-BALANCE SHEET COMMITMENTS
AT 31 DECEMBER 2008 AND 31 DECEMBER 2007**

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

II. OFF-BALANCE SHEET		Note (Section Five)	(31/12/2008)			(31/12/2007)		
			TL	FC	Total	TL	FC	Total
A	OFF-BALANCE SHEET COMMITMENTS (I+II+III)		497.210	1.396.866	1.894.076	286.376	708.237	994.613
I.	GUARANTEES AND WARRANTIES	III-a-2-3	187.234	990.091	1.177.325	211.591	444.970	656.561
1.1	Letters of Guarantee		187.112	80.166	267.278	211.591	87.737	299.328
1.1.1	Guarantees Subject to State Tender Law		20.613	7.479	28.092	21.560	8.786	30.346
1.1.2	Guarantees Given for Foreign Trade Operations		-	-	-	-	-	-
1.1.3	Other Letters of Guarantee		166.499	72.687	239.186	190.031	78.951	268.982
1.2	Bank Acceptances		-	18.642	18.642	-	5.861	5.861
1.2.1	Import Letter of Acceptance		-	18.642	18.642	-	5.861	5.861
1.2.2	Other Bank Acceptances		-	-	-	-	-	-
1.3	Letters of Credit		-	114.542	114.542	-	106.365	106.365
1.3.1	Documentary Letters of Credit		-	114.542	114.542	-	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		122	3.141	3.263	-	-	-
1.8	Other Guarantees		-	773.600	773.600	-	245.007	245.007
1.9	Other Collaterals		-	-	-	-	-	-
II.	COMMITMENTS	III-a-1	219.600	28.414	248.014	74.785	5.797	80.582
2.1	Irrevocable Commitments		219.600	28.414	248.014	74.785	5.797	80.582
2.1.1	Asset Purchase and Sales Commitments		154.826	28.414	183.240	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		7.352	-	7.352	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		43.472	-	43.472	43.472	-	43.472
2.1.8	Tax and Fund Liabilities from Export Commitments		2.408	-	2.408	-	-	2.641
2.1.9	Commitments for Credit Card Limits		8.433	-	8.433	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		3.109	-	3.109	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	III-b	90.376	378.361	468.737	257.470	257.470	257.470
3.1	Hedging Derivative Financial Instruments		-	182.616	182.616	-	139.116	139.116
3.1.1	Transactions for Fair Value Hedge		-	182.616	182.616	-	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		90.376	195.745	286.121	-	118.354	118.354
3.2.1	Forward Foreign Currency Buy/Sell Transactions		15.639	67.874	83.513	-	71.883	71.883
3.2.1.1	Forward Foreign Currency Transactions-Buy		11.867	28.518	40.385	-	35.955	35.955
3.2.1.2	Forward Foreign Currency Transactions-Sell		3.772	39.356	43.128	-	35.928	35.928
3.2.2	Swap Transactions Related to Foreign Currency and Interest Rates		67.941	84.043	151.984	-	24.807	24.807
3.2.2.1	Foreign Currency Swap-Buy		52.664	23.769	76.433	-	12.382	12.382
3.2.2.2	Foreign Currency Swap-Sell		15.277	60.274	75.551	-	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		6.796	43.828	50.624	-	21.664	21.664
3.2.3.1	Foreign Currency Options-Buy		3.563	3.594	7.157	-	-	-
3.2.3.2	Foreign Currency Options-Sell		3.233	3.946	7.179	-	-	-
3.2.3.3	Interest Rate Options-Buy		-	18.144	18.144	-	10.832	10.832
3.2.3.4	Interest Rate Options-Sell		-	18.144	18.144	-	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		-	-	-	-	-	-
B.	CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		2.933.394	4.830.549	7.763.943	1.847.803	2.396.525	4.244.328
IV.	ITEMS HELD IN CUSTODY		674.869	247.889	922.758	145.578	100.983	246.561
4.1	Customer Fund and Portfolio Balances		11.578	-	11.578	13.342	-	13.342
4.2	Investment Securities Held in Custody		294.500	10.855	305.355	78.248	10.798	89.046
4.3	Cheques Received for Collection		337.280	54.301	391.581	23.714	38.920	62.634
4.4	Commercial Notes Received for Collection		22.955	13.028	35.983	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		8.556	169.705	178.261	8.708	27.150	35.858
4.8	Custodians		-	-	-	-	-	-
V.	PLEDGES RECEIVED		2.258.525	4.582.660	6.841.185	1.702.225	2.295.542	3.997.767
5.1	Marketable Securities		12.446	-	12.446	106.843	-	106.843
5.2	Guarantee Notes		1.281.178	2.747.770	4.028.948	882.338	1.406.580	2.288.918
5.3	Commodity		12.039	4.458	16.497	26.267	3.565	29.832
5.4	Warranty		-	-	-	-	-	-
5.5	Immovable		926.416	1.811.186	2.737.602	644.228	872.238	1.516.466
5.6	Other Pledged Items		26.446	19.246	45.692	42.549	13.159	55.708
5.7	Pledged Items-Depository		-	-	-	-	-	-
VI.	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)			3.430.604	6.227.415	9.658.019	2.134.179	3.104.762	5.238.941

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

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

EUROBANK TEKFEN A.Ş.

**UNCONSOLIDATED INCOME STATEMENT FOR THE YEARS ENDED
31 DECEMBER 2008 AND 31 DECEMBER 2007**

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

III.	INCOME STATEMENT	Note (Section Five)	1/1/2008 - 31/12/2008	1/1/2007 - 31/12/2007
	INCOME AND EXPENSE ITEMS			
I.	INTEREST INCOME	IV-a	457.703	274.370
1.1	Interest on Loans		179.534	117.194
1.2	Interest Received from Reserve Requirements		13.040	7.608
1.3	Interest Received from Banks		13.550	14.916
1.4	Interest Received from Money Market Transactions		6.508	2.971
1.5	Interest Received from Marketable Securities Portfolio		233.237	131.400
1.5.1	Trading Financial Assets		412	382
1.5.2	Financial Assets at Fair Value through Profit or Loss		-	-
1.5.3	Available-for-sale Financial Assets		75.662	32.624
1.5.4	Held-to-maturity Investments		157.163	98.394
1.6	Financial Lease Income		-	-
1.7	Other Interest Income		11.834	281
II.	INTEREST EXPENSE (-)	IV-b	378.723	206.389
2.1	Interest on Deposits (-)		175.733	85.582
2.2	Interest on Funds Borrowed (-)		150.254	96.108
2.3	Interest Expense on Money Market Transactions (-)		41.297	24.448
2.4	Interest on Securities Issued (-)		-	-
2.5	Other Interest Expenses (-)		11.439	251
III.	NET INTEREST INCOME / EXPENSE (I- II)		78.980	67.981
IV.	NET FEES AND COMMISSIONS INCOME/ EXPENSE	IV-1	20.559	11.743
4.1	Fees and Commissions Received		22.373	12.908
4.1.1	Non-cash Loans		18.545	9.274
4.1.2	Other		3.828	3.634
4.2	Fees and Commissions Paid (-)		1.814	1.165
4.2.1	Non-cash Loans (-)		34	49
4.2.2	Other (-)		1.780	1.116
V.	DIVIDEND INCOME	IV-c	117	97
VI.	TRADING INCOME/(LOSS) (Net)	IV-d	8.360	4.858
6.1	Trading Gains/(Losses) on Securities		4.277	(2.683)
6.2	Foreign Exchange Gains/(Losses)		4.083	7.541
VII.	OTHER OPERATING INCOME	IV-e	7.703	3.375
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)		115.719	88.054
IX.	PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	IV-f	22.145	10.299
X.	OTHER OPERATING EXPENSES (-)	IV-g	78.059	55.310
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		15.515	22.445
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)	IV-h	15.515	22.445
XVI.	TAX PROVISION FOR CONTINUING OPERATIONS (-)	IV-i	3.148	3.947
16.1	Current Tax Provision		1.875	10.346
16.2	Deferred Tax Provision		1.273	(6.399)
XVII.	NET INCOME/(LOSS) FROM CONTINUING OPERATIONS (XV-XVI)	IV-j	12.367	18.498
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-k	12.367	18.498
	Earnings/(Loss) per share (1.000 nominal in TL full)		0,484	1,189

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

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

**EUROBANK TEKFEN A.Ş.
UNCONSOLIDATED STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED IN EQUITY
AT 31 DECEMBER 2008 AND 31 DECEMBER 2007**

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

IV. STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED IN EQUITY		
INCOME AND EXPENSE ITEMS ACCOUNTED IN EQUITY	31/12/2008	31/12/2007
I. ADDITIONS TO THE MARKETABLE SECURITIES VALUATION RESERVE FROM THE AVAILABLE FOR SALE FINANCIAL ASSETS	(21.652)	2.765
II. REVALUATION DIFFERENCES OF TANGIBLE ASSETS	6.311	(1.281)
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	3.068	(297)
X. NET INCOME/LOSS ACCOUNTED DIRECTLY IN EQUITY (I+II+...+IX)	(12.273)	1.187
XI. CURRENT PERIOD INCOME/LOSS	913	(212)
1.1 Net Change in Fair Value of Marketable Securities (Transfer to Income Statement)	913	(212)
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)	(11.360)	975

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

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

**EUROBANK TEKFEN A.Ş.
UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2007**
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY																		
	PRIOR PERIOD 31/12/2007	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 Shareholders' Equity
I.	Period Opening Balance		50.000	37.005	-	-	7.080	-	2.846	-	12.386	4.388	250	3.128	-	-	-	117.083
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	-	-	7.080	-	2.846	-	12.386	4.388	250	3.128	-	-	-	117.083
	Changes in the Period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV.	Increase/Decrease due to the Merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Marketable Securities Valuation Differences	(V-d)	-	-	-	-	-	-	-	-	-	-	2.000	-	-	-	-	2.000
VI.	Hedging Reserves (Effective Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1	Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2	Foreign Investment Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Revaluation Differences of Tangible Assets		-	-	-	-	-	-	-	-	-	-	-	(1.025)	-	-	-	(1.025)
VIII.	Revaluation Differences of Intangible Assets	(V-e)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	(V-c)	180.000	(35.438)	-	-	-	-	-	(9.562)	-	-	-	-	-	-	-	135.000
14.1	Cash		135.000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	135.000
14.2	Internal Resources		45.000	(35.438)	-	-	-	-	-	(9.562)	-	-	-	-	-	-	-	-
XV.	Share Premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Share Cancellation Profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Adjustment to Share Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX.	Current Year Income or Loss		-	-	-	-	-	-	-	-	18.498	-	-	-	-	-	-	18.498
XX.	Profit Distribution		-	-	-	-	-	-	7.212	9.562	(12.386)	(4.388)	-	-	-	-	-	-
20.1	Dividend Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2	Transfers to Reserves		-	-	-	-	-	-	7.212	9.562	(12.386)	(4.388)	-	-	-	-	-	-
20.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Period End Balance (III+IV+V+...+ XVIII+XIX+XX)		230.000	1.567	-	-	7.080	-	10.058	-	18.498	-	2.250	2.103	-	-	-	271.556

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

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

**EUROBANK TEKFEN A.Ş.
UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2008**

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

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY																	
CURRENT PERIOD 31/12/2008	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 Shareholders' Equity
I. Prior Period End Balance		230.000	1.567	-	-	7.080	-	10.058	-	18.498	-	2.250	2.103	-	-	-	271.556
II. Changes in the Period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Increase/Decrease due to the Merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Marketable Securities Valuation Differences	(V-d)	-	-	-	-	-	-	-	-	-	-	(16.409)	-	-	-	-	(16.409)
IV. Hedging Reserves (Effective Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Foreign Investment for Purpose of Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Revaluation Differences of Tangible Assets	(V-e)	-	-	-	-	-	-	-	-	-	-	-	5.049	-	-	-	5.049
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	(V-c)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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		-	-	-	-	-	-	-	-	12.367	-	-	-	-	-	-	12.367
XVIII. Profit Distribution		-	-	-	-	-	-	18.498	-	(18.498)	-	-	-	-	-	-	-
18.1 Dividend Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2 Transfers to Reserves		-	-	-	-	-	-	18.498	-	(18.498)	-	-	-	-	-	-	-
18.3 Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Period End Balance (I+II+III+...+XVI+ XVII+ XVIII)		230.000	1.567	-	-	7.080	-	28.556	-	12.367	-	(14.159)	7.152	-	-	-	272.563

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

**CONVENIENCE TRANSLATION OF PUBLICLY ANNOUNCED
UNCONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED
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EUROBANK TEKFEN A.Ş.

UNCONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED 31 DECEMBER 2008 AND 31 DECEMBER 2007

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

VI. STATEMENT OF CASH FLOWS	Note (Section Five)	(31/12/2008)	(31/12/2007)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		(4.084)	16.561
1.1.1 Interest received		393.080	173.033
1.1.2 Interest paid		(368.555)	(149.948)
1.1.3 Dividend received		117	97
1.1.4 Fees and commissions received		20.559	14.899
1.1.5 Other income		-	-
1.1.6 Collections from previously written-off loans and other receivables		6.835	4.721
1.1.7 Payments to personnel and service suppliers		(38.870)	(26.756)
1.1.8 Taxes paid		(1.719)	(4.276)
1.1.9 Other	VI-b	(15.531)	4.791
1.2 Changes in operating assets and liabilities		444.051	958.560
1.2.1 Net (increase)/decrease in trading securities		(100.620)	(77.708)
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		(194.763)	(331.799)
1.2.5 Net (increase)/decrease in other assets		42.650	(23.949)
1.2.6 Net increase/(decrease) in bank deposits		(6.697)	12.082
1.2.7 Net increase/(decrease) in other deposits		647.167	379.595
1.2.8 Net increase/(decrease) in funds borrowed		70.730	975.082
1.2.9 Net increase/(decrease) in payables		-	-
1.2.10 Net increase/(decrease) in other liabilities	VI-b	(14.416)	25.257
I. Net cash provided from banking operations		439.967	975.121
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from investing activities		(200.745)	(1.277.219)
2.1 Cash paid for acquisition of investments, associates and subsidiaries		-	(112.100)
2.2 Cash obtained from disposal of investments, associates and subsidiaries		-	-
2.3 Purchases of property and equipment		(14.918)	(4.526)
2.4 Disposals of property and equipment		143	139
2.5 Cash paid for purchase of investments available -for-sale		(193.597)	(302.278)
2.6 Cash obtained from sale of investments available -for-sale		-	-
2.7 Cash paid for purchase of investment securities		-	(911.943)
2.8 Cash obtained from sale of investment securities		7.627	53.489
2.9 Other		-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash provided from financing activities		(939)	131.613
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		(939)	(3.387)
3.6 Other		-	135.000
IV. Effect of change in foreign exchange rate on cash and cash equivalents		(181)	123
V. Net (decrease)/increase in cash and cash equivalents (I+II+III+IV)		238.102	(170.362)
VI. Cash and cash equivalents at beginning of the period		135.791	306.153
VII. Cash and cash equivalents at end of the period	VI-a	373.893	135.791

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

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

**PROFIT APPROPRIATION STATEMENT FOR THE YEARS ENDED
31 DECEMBER 2008 AND 31 DECEMBER 2007**

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

VII. PROFIT APPROPRIATION STATEMENT	(31/12/2008) (*)	(31/12/2007) (**)
I. DISTRIBUTION OF CURRENT YEAR INCOME		
1.1 CURRENT YEAR INCOME	15.515	22.445
1.2 TAXES AND DUTIES PAYABLE (-)	(3.148)	(3.947)
1.2.1 Corporate Tax (Income tax)	(1.875)	(10.346)
1.2.2 Income withholding tax	-	-
1.2.3 Other taxes and duties	(1.273)	6.399
A. NET INCOME FOR THE YEAR (1.1-1.2)	12.367	18.498
1.3 PRIOR YEAR LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	-
1.5 OTHER STATUTORY RESERVES (-)	-	-
B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5)) (*)]	-	18.498
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1 To Owners of Ordinary Shares	-	-
1.6.2 To Owners of Privileged Shares	-	-
1.6.3 To Owners of Preferred Shares	-	-
1.6.4 To Profit Sharing Bonds	-	-
1.6.5 To Holders of Profit and Loss Sharing Certificates	-	-
1.7 DIVIDENDS TO PERSONNEL (-)	-	-
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1 To Owners of Ordinary Shares	-	-
1.9.2 To Owners of Privileged Shares	-	-
1.9.3 To Owners of Preferred Shares	-	-
1.9.4 To Profit Sharing Bonds	-	-
1.9.5 To Holders of Profit and Loss Sharing Certificates	-	-
1.10 SECOND LEGAL RESERVES (-)	-	-
1.11 STATUTORY RESERVES (-)	-	-
1.12 EXTRAORDINARY RESERVES	-	18.498
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
II. DISTRIBUTION OF RESERVES		
2.1 APPROPRIATED RESERVES	-	-
2.2 SECOND LEGAL RESERVES (-)	-	-
2.3 DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1 To owners of ordinary shares	-	-
2.3.2 To owners of privileged shares	-	-
2.3.3 To owners of preferred shares	-	-
2.3.4 To profit sharing bonds	-	-
2.3.5 To holders of profit and loss sharing certificates	-	-
2.4 DIVIDENDS TO PERSONNEL (-)	-	-
2.5 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III. EARNINGS PER SHARE (***)		
3.1 TO OWNERS OF ORDINARY SHARES	0,484	1,189
3.2 TO OWNERS OF ORDINARY SHARES (%)	90	90
3.3 TO OWNERS OF PRIVILEGED SHARES	1,237	1,850
3.4 TO OWNERS OF PRIVILEGED SHARES (%)	10	10
IV. DIVIDEND PER SHARE		
4.1 TO OWNERS OF ORDINARY SHARES	-	-
4.2 TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3 TO OWNERS OF PRIVILEGED SHARES	-	-
4.4 TO OWNERS OF PRIVILEGED SHARES (%)	-	-

(*) Authorised body for profit appropriation of the current period is the General Assembly. On the preparation date of these financial statements, yearly ordinary meeting of the General Assembly has not been held yet.

(**) Presents the approved “Profit Distribution Statement” in the General Assembly Meeting held on 28 March 2008.

(***) Disclosed as 1.000 nominal in full TL.

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

**CONVENIENCE TRANSLATION OF PUBLICLY
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EUROBANK TEKFEN A.Ş.
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES

I. BASIS OF PRESENTATION:

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

The accounting policies and valuation principles applied in the preparation of these 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 XXIX below.

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**EUROBANK TEKFEN A.Ş.
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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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 unconsolidated financial statements are to be distributed and International Financial Reporting Standards (“IFRS”) have not been quantified in these unconsolidated financial statements. Accordingly, these unconsolidated 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.

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

The general strategy of the Bank 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 Bank 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 Bank 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 Bank 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 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:

Based on the “Turkish Accounting Standard for Consolidated and Separate Financial Statements” (“TAS 27”), Turkish Lira denominated investments in associates and subsidiaries are accounted at cost and are reflected to the unconsolidated financial statements after deducting the provision for impairment, if one exists.

The Bank has no joint ventures as of 31 December 2008 and 31 December 2007.

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.

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

The Bank 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 Bank 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 Bank 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.

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**EUROBANK TEKFEN A.Ş.
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(Unless otherwise stated amounts are expressed in thousands of Turkish Lira (“TL”).)

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. EXPLANATIONS ON FINANCIAL ASSETS:

The Bank 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 Bank 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.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

The Bank provides general and specific provisions based on the assessments and estimates of the management, by considering the “Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks’ Loans and Other Receivables and the Provision for These Loans and Other Receivables” published in the Official Gazette No. 26333 dated 1 November 2006. In this context, the revised credit risk, general structure of the current loan portfolio, 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 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.

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

IX. EXPLANATIONS ON OFFSETTING FINANCIAL ASSETS:

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

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

Securities subject to repurchase agreements (“Repo”) are classified as “Financial assets at fair value through profit or loss”, “Available-for-sale” and “Held-to-maturity” according to the investment purposes of the Bank 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 Bank 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 Bank has no discontinued operations.

XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS:

a. Goodwill

As of 31 December 2008 and 31 December 2007, the Bank has no goodwill.

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.

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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 Bank 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 Section Five Note b.4 of Part VII is presented in the financial statements by considering the sales option regarding the share transfer of the Bank.

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%

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.

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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 Bank 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 Bank does not provide financial leasing services as a “Lessor”.

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 Bank 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 Bank, 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.

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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 Bank 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 Bank arising from this liability.

XVIII. EXPLANATIONS ON TAXATION:

a. Current tax:

Many clauses of Corporate Tax Law No. 5520 which are valid starting from 1 January 2006, was taken into effect after being published in the Official Gazette dated 21 June 2006 No. 26205. According to the New Tax Law, the corporate tax rate in Turkey is payable at the rate of 20% for 2008 (2007: 20%). The corporate tax rate is calculated on the total income of the Bank after adjusting for certain disallowable expenses, exempt income and other allowances. No further tax is payable unless the profit is distributed.

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

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

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

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

b. Deferred tax:

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

XX. EXPLANATIONS ON ISSUANCE OF SHARE CERTIFICATES:

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

XXI. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES:

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

XXII. EXPLANATIONS ON GOVERNMENT GRANTS:

As of 31 December 2008 and 31 December 2007, the Bank has no government grants.

XXIII. EXPLANATIONS ON PROFIT RESERVES AND PROFIT DISTRIBUTION:

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

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

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EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XXIV. EXPLANATIONS ON EARNINGS PER SHARE:

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

	31 December 2008	31 December 2007
Net Income / (Loss) to be Appropriated to Ordinary Shareholders	11.130	16.648
Weighted Average Number of Issued Ordinary Shares (Thousand)	23.000.000	14.000.000
Earnings Per Ordinary Shares (Disclosed as 1.000 nominal in full TL)	0,484	1,189
Net Income / (Loss) to be Appropriated to Privileged Shareholders	1.237	1.850
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 TL)	1,237	1,850

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

XXVIII. RECLASSIFICATIONS:

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

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XXIX. TURKISH LIRA:

In accordance with the Article 1 of the Law No. 5083 concerning the “Currency of the Republic of Turkey” and according to the Decision of The Council of Ministers dated 4 April 2007 and No: 2007/11963, the prefix “New” used in the “New Turkish Lira” and the “New Kuruş” will be removed as of January 1, 2009. When the prior currency, New Turkish lira (“YTL”), values are converted into TL and Kr, one YTL (TL1) and one YKr (YKr1) shall be equivalent to one TL (TL1) and one Kr (Kr1).

All references made to New Turkish Lira or Lira in laws, other legislation, administrative transactions, court decisions, legal transactions, negotiable instruments and other documents that produce legal effects as well as payment and exchange instruments shall be considered to have been made to TL at the conversion rate indicated above. Within this context, the financial statements and footnotes that will be announced to public prepared as of 31 December 2008, including previous period amounts that shall be used for comparison are presented in TL in terms of currency.

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SECTION FOUR

INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK

I. EXPLANATIONS ON CAPITAL ADEQUACY RATIO:

- a. As of 31 December 2008, the unconsolidated capital adequacy ratio of the Bank is 17,89% (31 December 2007: 21,78%) which satisfies the requirement of being above both the minimum ratio of 8% stated in the related legislation and above the 12% stated in the Bank's risk parameters.
- b. The capital adequacy ratio of the Bank 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 (*)			
	0%	20%	50%	100%
Amount subject to credit risk				
Balance sheet items (Net)	2.005.578	42.546	374.057	861.430
Cash	16.608	-	-	-
Matured marketable securities	-	-	-	-
The Central Bank of the Republic of Turkey	124.849	-	-	-
Domestic, foreign banks, foreign head offices and branches	140.000	22.436	-	761
Interbank money market placements	70.000	-	-	-
Receivables from reverse repurchase transactions	-	-	-	-
Reserve requirements with the Central Bank of the Republic of Turkey	34.209	-	-	-
Loans	19.356	20.040	354.419	636.423
Non-performing receivables (Net)	-	-	-	38.500
Lease receivables	-	-	-	-
Available-for-sale financial assets	576.316	-	-	950
Held-to-maturity investments	886.303	-	-	-
Receivables from the disposal of assets	-	-	-	-
Miscellaneous receivables	-	-	-	399
Interest and income accruals	130.468	70	19.638	23.785
Investments in associates, subsidiaries and joint ventures (Net)	-	-	-	121.562
Fixed assets	-	-	-	39.009
Other assets	7.469	-	-	41
Off-balance sheet items	30.538	18.671	436.949	507.190
Non-cash loans and commitments	30.538	10.955	436.949	506.322
Derivative financial instruments	-	7.716	-	868
Non-risk weighted accounts	-	-	-	-
Total Risk Weighted Assets	2.036.116	61.217	811.006	1.368.620

(*) 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 Banks' 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 BANK (Continued)

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

	31 December 2008	31 December 2007
Amount subject to credit risk “ASCR”	1.786.366	1.135.348
Amount subject to market risk “ASMR”	115.465	33.100
Amount subject to operational risk “ASOR”	108.645	83.197
Shareholders’ equity	359.577	272.587
Shareholders’ equity/(ASCR+ASMR+ASOR)	17,89%	21,78%

e. Information about shareholders’ equity items:

	31 December 2008	31 December 2007
CORE CAPITAL		
Paid-in capital	230.000	230.000
Nominal capital	230.000	230.000
Capital commitments (-)	-	-
Inflation adjustment to share capital	1.567	1.567
Share premium	-	-
Share cancellation profits	-	-
Legal reserves	7.080	7.080
First legal reserve (Turkish Commercial Code 466/1)	3.175	3.175
Second legal reserve (Turkish Commercial Code 466/2)	3.905	3.905
Other legal reserve per special legislation	-	-
Status reserves	-	-
Extraordinary reserves	28.556	10.058
Reserves allocated by the General Assembly	28.556	10.058
Retained earnings	-	-
Accumulated loss	-	-
Foreign currency share capital exchange difference	-	-
Inflation adjustment of legal reserves, status reserves and extraordinary reserves	-	-
Profit	12.367	18.498
Current period profit	12.367	18.498
Prior period profit	-	-
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 (-)	-	-
Current period loss (net)	-	-
Prior period loss	-	-
Special costs (-)	-	2.451
Prepaid expenses (-)	2.215	1.168
Intangible assets (-)	3.359	1.036
Deferred tax asset amount exceeding 10% of core capital (-)	-	-
Limit exceeding amount regarding the third clause of article 56 of the Law(-)	-	-
Total Core Capital	279.570	267.203

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SUPPLEMENTARY CAPITAL	31 December 2008	31 December 2007
General provisions	12.127	8.526
45% of the movables revaluation fund	-	-
45% of the immovables revaluation fund	3.218	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	84.820	-
45% of marketable securities valuation reserve	(14.159)	1.013
From investments in associates and subsidiaries	-	-
Available-for-sale financial assets	(14.159)	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)	-	-
Total Supplementary Capital	86.006	10.485
TIER III CAPITAL	-	-
CAPITAL	365.576	277.688
DEDUCTIONS FROM THE CAPITAL (*)	5.999	5.101
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	425	446
Other	-	-
TOTAL SHAREHOLDERS' EQUITY	359.577	272.587

(*) 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.

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II. EXPLANATIONS ON CREDIT RISK:

Credit risk represents the risks and losses that could arise when the other party in a contract to which the Bank is a party does not comply with the requirements of the contract and cannot timely fulfill its liabilities either completely or partly. With respect to credit risk, debtor and debtor groups are subject to risk limitations envisaged in the Banking Law. There is no risk limitation in terms of geographical region. Sectoral concentration limit has been specified as 30% in the Bank Risk Parameters. Credit limits allocated are subject to revision once a year. When a revision becomes due, limits for which the credit worthiness has not been reviewed are suspended (except for cash provisions).

Regarding the maintenance of credit risk under control, there are other limitations in the scope of Bank Risk Parameters apart from the Banking Law limitations related to Management Levels’ Authority limits in credit allocation.

Limits regarding credit extension are specified as:

- Authority to decide to make a credit available within preapproved limits belongs to the Branch Manager. However, the Branch Manager can delegate this authority to the Marketing Unit Director in writing.
- Maturity extension authority belongs to the Corporate Credits Allocation Director; it cannot be delegated.
- Providing the circumstances set by Board of Directors, credit limit transfer is under the authorization of Branch Manager.
- No transaction can be put into effect without a General Credit Contract (except for Financial Institutions).
- No credit can be allocated to firms with total negative equity except for credits with cash collateral.

The creditworthiness of debtors of credit and other receivables is periodically followed-up in accordance with the relevant legislation. Account status documents taken for the credits have been audited in the manner specified in the legislation. However, account status documents do not need to be audited for cash-based transactions. As a result of the periodical follow-up of creditworthiness, credit limits are changed, when necessary. Taking the creditworthiness into account, collaterals are received for credits and other receivables. With the aim of controlling the credit risk, certain limitations exist in the Bank’s Risk Parameters in relation to customer selection. According to this:

- Credits shall not be given for speculative purposes,
- Credits shall also not be given to real or legal persons who have been subjected to continuing sequestration, bankruptcy and schemes of arrangement with creditors and those who have bounced cheques and notes without an acceptable explanation.

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The Bank’s derivative transactions are mainly composed of foreign exchange and interest rate swaps, money and interest options and forward transactions. The credit risks of these products are managed by deducting them from the company’s credit limit in proportion to the term of the transaction. Market risk is managed by the Treasury.

In forward transactions no type of coercive action outside of the other party’s consent is taken.

Indemnified non-cash credits are subjected to the same risk weight as the credits which are past due date.

With regard to the credits renewed and re-structured with a new payment plan by the Bank, the method adopted is the one specified by the relevant legislation. Within the framework of risk management systems a risk separation is not practiced as to the maturity of the liabilities.

The Bank does not perform any kind of banking activity abroad.

When evaluated within the context of the financial operations of other financial institutions acting as active participants in the international banking market, the Bank does not have significant credit risk concentration.

In the current period, the share of the Bank’s receivables due to cash loans extended to its 100 largest customers is 35% (31 December 2007: 38%) within the total cash loan portfolio.

In the current period, the share of the Bank’s receivables due to non-cash loans extended to its 100 largest customers is 52% (31 December 2007: 51%) within the total non-cash loans portfolio.

In the current period, the share of the Bank’s receivables due to the total of cash and non cash loans extended to its 100 largest customers is 44% (31 December 2007: 43%) within cash loans in balance sheet and non-cash loans in off-balance sheet.

As of 31 December 2008, the Bank’s general loan loss provision is amounting to TL12.127 (31 December 2007: TL8.526).

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a. Information on types of loans and specific provisions:

31 December 2008	Corporate	Consumer	Credit Cards	Factoring Receivables	Total
Standard Loans	943.512	14.355	2.873	20.146	980.886
Loans under close monitoring	91.947	352	67	948	93.314
Non-performing loans	74.908	960	119	27	76.014
Specific provision (-)	36.602	766	119	27	37.514
Total	1.073.765	14.901	2.940	21.094	1.112.700

31 December 2007	Corporate	Consumer	Credit Cards	Factoring Receivables	Total
Standard Loans	837.700	12.629	2.980	14.236	867.545
Loans under close monitoring	13.155	722	92	-	13.969
Non-performing loans	33.128	1.057	117	-	34.302
Specific provision (-)	19.005	731	109	-	19.845
Total	864.978	13.677	3.080	14.236	895.971

b. Information on loans and receivables past due but not impaired

31 December 2008	Corporate	Consumer	Credit Cards	Factoring Receivables	Total
Past due up to 30 days	74.845	990	146	1.193	77.174
Past due 30-60 days	11.885	247	30	-	12.162
Past due 60-90 days	5.479	-	-	208	5.687
Total	92.209	1.237	176	1.401	95.023

31 December 2007	Corporate	Consumer	Credit Cards	Factoring Receivables	Total
Past due up to 30 days	17.144	1.143	216	-	18.503
Past due 30-60 days	614	386	24	-	1.024
Past due 60-90 days	152	94	-	-	246
Total	17.910	1.623	240	-	19.773

c. Information on debt securities, treasury bills and other bills:

31 December 2008	Financial Assets at Fair Value through P/L (Net)	Available for Sale Financial Assets (Net)	Held to Maturity Securities (Net)	Total
Fitch's Rating				
BB (*)	188.677	615.725	971.550	1.775.952
Total	188.677	615.725	971.550	1.775.952

(*) Consists of Turkish Republic government bonds and treasury bills.

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31 December 2007	Financial Assets at Fair Value through P/L (Net)	Available for Sale Financial Assets (Net)	Held to Maturity Securities (Net)	Total
Fitch’s Rating				
BB (*)	84.048	431.259	961.606	1.476.913
Total	84.048	431.259	961.606	1.476.913

(*) Consists of Turkish Republic government bonds and treasury bills.

d. Information on rating concentration:

The Bank evaluates its credit risk based on an internal rating system and the portfolio is classified from least probability of default to highest. Beginning from the last quarter of 2007, the Bank uses a new rating system for corporate loans. As of 31 December 2008, financial institutions have been excluded from the scope of the rating system. Different rating systems have been used for corporate loans, consumer loans and credit cards. The information about the concentration of cash and non cash loans which are classified with the rating system is presented below.

	31 December 2008	31 December 2007
Above average (%)	23,40	35,55
Average (%)	58,03	47,12
Below average (%)	16,09	6,56
Not rated (%)	2,48	10,77

e. Information on the amount subject to credit risk :

	31 December 2008	31 December 2007
Balance sheet items subject to credit risk:	3.248.756	2.605.711
Loans and advances to banks and financial institutions	256.992	155.050
Loans and advances to customers	1.090.561	849.483
- Corporate	1.051.626	818.490
- Consumer	14.901	13.677
- Credit cards	2.940	3.080
- Factoring receivables	21.094	14.236
Trading Financial Assets	188.677	84.048
- Government bonds	188.677	84.048
Investment Securities	1.588.225	1.393.815
- Government bonds	1.587.275	1.392.865
- Share certificates	950	950
Other assets	124.301	123.315
Off- balance sheet items subject to credit risk:	1.658.766	865.870
Financial guarantees	1.177.325	656.561
Credit commitments and other liabilities	481.441	209.309
Total	4.907.522	3.471.581

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f. Fair value of collateral (loans and advances to customers):

31 December 2008	Corporate Loans	Consumer Loans	Credit Cards	Financial Lease Receivables	Factoring Receivables	Total
Loans under close monitoring	67.758	102	-	-	573	68.433
Non-performing loans	40.227	356	-	-	-	40.583
Total	107.985	458	-	-	573	109.016

31 December 2007	Corporate Loans	Consumer Loans	Credit Cards	Financial Lease Receivables	Factoring Receivables	Total
Loans under close monitoring	10.991	389	-	-	-	11.380
Non-performing loans	13.973	453	-	-	-	14.426
Total	24.964	842	-	-	-	25.806

Type of Collaterals	31 December 2008	31 December 2007
Real-estate mortgage	82.529	16.098
Car pledge	1.618	2.543
Cash and cash equivalents	24.869	7.165
Total	109.016	25.806

g. Concentration of credit risk based on borrowers and geographical regions:

	Loans and Advances given to customers		Loans and Advances given to Banks and other financial Institutions		Marketable Securities (*)		Other Loans (**)	
	31 Dec 2008	31 Dec 2007	31 Dec 2008	31 Dec 2007	31 Dec 2008	31 Dec 2007	31 Dec 2008	31 Dec 2007
Loan concentration based on type of borrowers	1.090.561	849.483	22.139	46.488	1.776.902	1.477.863	2.017.920	1.097.747
Private Sector	1.069.041	813.729	12.135	39.992	-	-	1.425.891	666.384
Public Sector	4.670	20.155	-	-	1.775.952	1.476.913	-	3.779
Banks	-	-	10.004	6.496	-	-	452.712	285.180
Individuals	16.850	15.599	-	-	-	-	17.755	20.842
Share certificates	-	-	-	-	950	950	121.562	121.562
Concentration based on geographical regions	1.090.561	849.483	22.139	46.488	1.776.902	1.477.863	2.017.920	1.097.747
Domestic	1.089.928	849.483	22.139	41.153	1.776.902	1.477.863	1.652.100	861.481
European Union Countries	624	-	-	4.300	-	-	351.410	184.286
OECD Countries (***)	-	-	-	-	-	-	2.170	5.223
Off-shore banking regions	-	-	-	-	-	-	-	-
USA, Canada	9	-	-	131	-	-	10.512	41.455
Other Countries	-	-	-	904	-	-	1.728	5.302
Total	1.090.561	849.483	22.139	46.488	1.776.902	1.477.863	2.017.920	1.097.747

(*) Consist of marketable securities classified as Financial Assets at FV through P/L, Available for Sale Financial Assets and Held to Maturity Securities.

(**) Including the items defined as loan in Article 48 of the Banking Act No. 5411 other than those listed in first three columns of Uniform Chart of Accounts (“UCA”).

(***) OECD countries other than EU countries, USA and Canada.

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h. Information according to geographical concentration:

	Assets	Liabilities	Non-Cash Loans	Capital Expenditures	Net Profit
31 December 2008					
Domestic	3.159.686	1.996.792	1.158.455	41.964	12.367
European Union Countries	148.290	1.209.249	14.056	-	-
OECD Countries (*)	-	277	2.170	-	-
Off-shore banking regions	-	-	-	-	-
USA, Canada	9.605	308	916	-	-
Other Countries	-	1.918	1.728	-	-
Subsidiaries, Investments and Joint Ventures	-	-	-	121.562	-
Unallocated Assets/Liabilities (**)	-	-	-	-	-
Total	3.317.581	3.208.544	1.177.325	163.526	12.367
31 December 2007					
Domestic	2.503.803	1.440.541	631.593	24.931	18.498
European Union Countries	61.870	1.027.302	14.841	-	-
OECD Countries (*)	189	179	2.719	-	-
Off-shore banking regions	-	-	-	-	-
USA, Canada	27.173	66	2.109	-	-
Other Countries	907	791	5.299	-	-
Subsidiaries, Investments and Joint Ventures	-	-	-	121.562	-
Unallocated Assets/Liabilities (**)	-	-	-	-	-
Total	2.593.942	2.468.879	656.561	146.493	18.498

(*) OECD Countries other than EU countries, USA and Canada

(**) Unallocated assets / liabilities which could not be distributed according to a consistent principle

i. Sectoral concentration for cash loans:

	31 December 2008				31 December 2007			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	24.733	3,33	7.233	2,18	32.515	5,23	4.169	1,61
Farming and Livestock	19.675	2,65	7.233	2,18	24.230	3,89	4.085	1,57
Forestry	4.930	0,66	-	-	8.285	1,33	84	0,03
Fishing	128	0,02	-	-	-	-	-	-
Manufacturing	365.129	49,18	172.141	51,87	296.917	47,73	106.324	41,00
Mining	9.150	1,23	1.795	0,54	13.465	2,16	1.143	0,44
Production	352.774	47,52	170.346	51,33	275.387	44,27	105.181	40,56
Electric, Gas, Water	3.205	0,43	-	-	8.065	1,30	-	-
Construction	92.498	12,46	21.489	6,48	90.179	14,50	15.713	6,06
Services	228.518	30,78	130.894	39,45	181.720	29,21	131.141	50,56
Wholesale and Retail Trade	109.830	14,79	11.482	3,46	120.690	19,40	35.070	13,52
Hotel and Food Services	25.228	3,40	99.351	29,94	9.518	1,53	84.867	32,72
Transportation and Telecommunication	22.089	2,98	16.150	4,87	9.630	1,55	4.631	1,79
Financial Institutions	24.632	3,32	295	0,09	40.166	6,45	6.573	2,53
Real Estate and Leasing Services	29.268	3,94	-	-	-	-	-	-
Professional Services	-	-	-	-	-	-	-	-
Education Services	2.109	0,28	-	-	1.716	0,28	-	-
Health and Social Services	15.362	2,07	3.616	1,09	-	-	-	-
Other	31.485	4,25	80	0,02	20.800	3,33	2.036	0,78
Total	742.363	100,00	331.837	100,00	622.131	100,00	259.383	100,00

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III. EXPLANATIONS ON MARKET RISK:

Risk calculations are performed both with the standard method and the internal method. Regular legal reporting is performed on a 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.

Limit and risk monitoring for treasury operations, the calculation of risk parameters and various control processes have been more effectively performed with the implementation of Kondor program in 2008.

The below table represents the details of the “Calculation of Market Risk with Standard Method” 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	8.632
(II) Capital to be Employed for Specific Risk -Standard Method	-
(III) Capital to be Employed for Currency Risk - Standard Method	581
(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	24
(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)	9.237
(IX) Amount Subject to Market Risk 12,5xVIII) or (12,5xVII)	115.463

b. Average Market Risk Table of Calculated Market Risk during the Period at Month Ends:

	31 December 2008			31 December 2007		
	Average	Maximum	Minimum	Average	Maximum	Minimum
Interest Rate Risk	7.353	9.540	5.948	683	2.341	22
Share Certificates Risk	-	-	-	-	-	-
Currency Risk	638	345	480	221	635	133
Commodity Risk	-	-	-	-	-	-
Clearance Risk	-	-	-	-	-	-
Option Risk	16	-	-	-	-	-
Total Amount Subject to Risk	100.088	123.563	80.350	11.300	37.200	1.938

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IV. EXPLANATIONS ON OPERATIONAL RISK:

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

V. EXPLANATIONS ON CURRENCY RISK:

The difference between the Bank’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 Bank due to the free floating currency regime.

The 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>EUR</u>		<u>USD</u>		<u>100 Japanese Yen</u>	
	<u>31 December 2008</u>	<u>31 December 2007</u>	<u>31 December 2008</u>	<u>31 December 2007</u>	<u>31 December 2008</u>	<u>31 December 2007</u>
31 December 2008/ 31 December 2007						
Bid rate	TL2,1332	TL1,7060	TL1,5218	TL1,1593	TL1,6812	TL1,0331
1. Day bid rate	TL2,1332	TL1,7060	TL1,5218	TL1,1593	TL1,6812	TL1,0331
2. Day bid rate	TL2,1408	TL1,7102	TL1,5123	TL1,1647	TL1,6732	TL1,0279
3. Day bid rate	TL2,1518	TL1,6976	TL1,5065	TL1,1708	TL1,6648	TL1,0216
4. Day bid rate	TL2,1070	TL1,6912	TL1,4971	TL1,1715	TL1,6525	TL1,0242
5. Day bid rate	TL2,1119	TL1,6917	TL1,5074	TL1,1746	TL1,6640	TL1,0269

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

	<u>EUR</u>		<u>USD</u>		<u>100 Japanese Yen</u>	
	<u>31 December 2008</u>	<u>31 December 2007</u>	<u>31 December 2008</u>	<u>31 December 2007</u>	<u>31 December 2008</u>	<u>31 December 2007</u>
Arithmetic average -30 days	TL2,0775	TL1,7080	TL1,5375	TL1,1739	TL1,6909	TL1,0419

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Information on currency risk of the Bank:

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

	EUR	USD	Yen	Other FC	Total
31 December 2008					
Assets					
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with The Central Bank of the Republic of Turkey	6.168	57.020	2	218	63.408
Due From Banks	1.575	20.484	7	1.072	23.138
Financial Assets at Fair Value Through Profit or Loss	18	2		1	21
Interbank Money Market Placements	-	-	-	-	-
Available-for-sale Financial Assets	-	160.515	-	-	160.515
Loans (*)	208.751	285.040	-	19	493.810
Investments in Associates, Subsidiaries and Joint Ventures	-	-	-	-	-
Held-to-maturity Investments	-	-	-	-	-
Hedging Derivative Financial Assets	-	1.630	-	-	1.630
Tangible Assets	-	-	-	-	-
Intangible Assets	-	-	-	-	-
Other Assets	30	119	-	-	149
Total Assets (*)	216.542	524.810	9	1.310	742.671
Liabilities					
Bank Deposits	4.288	148	-	12	4.448
Foreign Currency Deposits	141.493	453.923	1	4.738	600.155
Funds From Interbank Money Market	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	34.400	15.384	-	1	49.785
Marketable Securities Issued	-	-	-	-	-
Miscellaneous Payables	241	6.600	-	3	6.844
Hedging Derivative Financial Liabilities	-	29.018	-	-	29.018
Other Liabilities	207	12.478	-	82	12.767
Total Liabilities (**)	180.629	517.551	1	4.836	703.017
Net On-balance Sheet Position	35.913	7.259	8	(3.526)	39.654
Net Off-balance Sheet Position	(35.920)	(14.407)	227	4.717	(45.383)
Financial Derivative Assets	7.701	57.289	227	6.027	71.244
Financial Derivative Liabilities	43.621	71.696	-	1.310	116.627
Non-Cash Loans (**)	351.083	616.087	1.819	21.102	990.091
31 December 2007					
Total Assets (*)	184.658	443.382	7	2.431	630.478
Total Liabilities (*)	161.571	475.392	15	2.254	639.232
Net On-balance Sheet Position	23.087	(32.010)	(8)	177	(8.754)
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 Bank’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 TL161.973 (31 December 2007: TL94.476) classified as Turkish Lira assets in the 31 December 2008 financial statements are added to the table above. Besides this, in assets “Income Accruals of Derivative Financial Instruments” amounting to TL438 (31 December 2007: TL136), in liabilities “Expense Accruals of Derivative Financial Instruments” amounting to TL563 (31 December 2007: TL143), “General Provisions” amounting to TL4.490 (31 December 2007: TL2.849) and “Marketable Securities Valuation Reserve” amounting to TL(14.930) (31 December 2007: TL826) 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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VI. EXPLANATIONS ON 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 Bank’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 bi weekly.

The 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 Bank closely monitors the maturity gap between liabilities and assets that may arise in the balance sheet to manage the interest rate risk better. Liquidity management is critical in the combination of investments, available-for-sale assets and the trading portfolio. Through using these precautions, the possible loss effects on the shareholders’ equity due to both credit risk and interest risk during the volatile periods of the market are minimised.

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

31 December 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	111.255	-	-	-	-	68.016	179.271
Due From Banks	159.918	-	-	-	-	4.906	164.824
Financial Assets at Fair Value Through Profit/Loss	153.761	448	14.775	20.883	-	-	189.867
Interbank Money Market Placements	70.029	-	-	-	-	-	70.029
Available-for-Sale Financial Assets	3.908	129.341	96.922	260.526	125.028	950	616.675
Loans	653.020	141.947	162.830	94.268	22.135	38.500	1.112.700
Held-to-Maturity Investments	-	-	-	971.550	-	-	971.550
Other Assets	1.630	-	-	-	-	174.561	176.191
Total Assets	1.153.521	271.736	274.527	1.347.227	147.163	286.933	3.481.107
Liabilities							
Bank Deposits	4.267	-	-	-	-	6.294	10.561
Other Deposits	1.352.504	285.164	21.650	-	-	125.645	1.784.963
Funds From Interbank Money Market	254.538	-	-	-	-	-	254.538
Miscellaneous Payables	-	-	-	-	-	15.460	15.460
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	11.201	34.570	33.823	974.464	-	-	1.054.058
Other Liabilities (*)	28.738	216	4.772	1.393	-	326.408	361.527
Total Liabilities	1.651.248	319.950	60.245	975.857	-	473.807	3.481.107
Balance Sheet Long Position	-	-	214.282	371.370	147.163	-	732.815
Balance Sheet Short Position	(497.727)	(48.214)	-	-	-	(186.874)	(732.815)
Off-balance Sheet Long Position	92.209	-	-	-	-	-	92.209
Off-balance Sheet Short Position	-	(35)	(2.744)	(15.218)	(76.090)	-	(94.087)
Total Position	(405.518)	(48.249)	211.538	356.152	71.073	(186.874)	(1.878)

(*) Shareholders’ Equity is presented in Non Interest Bearing column.

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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	-	-	-	-	14.744	101.235
Due From Banks	83.889	-	-	-	-	24.673	108.562
Financial Assets at Fair Value Through Profit/Loss	233	50	9.449	74.475	-	-	84.207
Interbank Money Market Placements	-	-	-	-	-	-	-
Available-for-Sale Financial Assets	61.880	54.067	74.847	135.460	105.005	950	432.209
Loans	463.337	172.787	184.433	59.826	1.131	14.457	895.971
Held-to-Maturity Investments	3.953	-	4.563	953.090	-	-	961.606
Other Assets	1.163	171	-	-	-	155.311	156.645
Total Assets	700.946	227.075	273.292	1.222.851	106.136	210.135	2.740.435
Liabilities							
Bank Deposits	17.008	-	-	-	-	257	17.265
Other Deposits	594.160	159.132	169.465	-	-	211.852	1.134.609
Funds From Interbank Money Market	177.544	-	-	-	-	-	177.544
Miscellaneous Payables	-	-	-	-	-	19.842	19.842
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	4.844	43.817	39.177	969.912	-	-	1.057.750
Other Liabilities	248	124	475	14.379	-	318.199	333.425
Total Liabilities	793.804	203.073	209.117	984.291	-	550.150	2.740.435
Balance Sheet Long Position	-	24.002	64.175	238.560	106.136	-	432.873
Balance Sheet Short Position	(92.858)	-	-	-	-	(340.015)	(432.873)
Off-balance Sheet Long Position	57.965	-	11.593	-	-	-	69.558
Off-balance Sheet Short Position	(27)	-	-	-	(69.558)	-	(69.585)
Total Position	(34.920)	24.002	75.768	238.560	36.578	(340.015)	(27)

Interest Rate Risk Sensitivity Analysis:

Change in interest rates	Effect on income statement	Effect on equity
(+) 1%	(1.772)	(8.704)
(-) 1%	1.805	9.187

The effect of changes in interest rates by (+) 1% and (-) 1% on income statement and equity is demonstrated on the above table as net off tax amounts.

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b. Average interest rates for monetary financial instruments:

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

31 December 2008	EUR	USD	Yen	TL
Assets	%	%	%	%
Cash (Cash in Vault, Effectives, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of the Republic of Turkey	-	-	-	12,00
Due From Banks	-	0,20	-	17,97
Financial Assets at Fair Value Through Profit/Loss	-	-	-	16,69
Interbank Money Market Placements	-	-	-	15,00
Available-for-Sale Financial Assets	-	7,85	-	17,01
Loans	8,24	9,42	-	27,23
Held-to-Maturity Investments	-	-	-	18,07
Liabilities				
Bank Deposits	2,15	-	-	-
Other Deposits (*)	5,51	6,24	-	19,91
Funds From Interbank Money Market	-	-	-	14,92
Miscellaneous Payables	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Borrowed From Other Financial Institutions	5,51	4,33	-	15,67

31 December 2007	EUR	USD	Yen	TL
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	-	4,67	-	-
Financial Assets at Fair Value Through Profit/Loss	-	-	-	16,82
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	6,40	6,09	-	15,47

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

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VII. EXPLANATIONS ON 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 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.

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 publication of the regulation. Liquidity ratios realized in 2008 are as follows:

	First Maturity Period		Second Maturity Period		Stock Values
	FC	FC + TL	FC	FC+TL	FC + TL
Average (%)	147,36	273,12	110,51	182,58	9,30
Maximum (%)	238,93	371,85	189,52	249,43	15,89
Minimum (%)	97,20	192,35	80,68	139,33	6,85

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Breakdown of assets and liabilities according to their outstanding maturities:

31 December 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	16.619	162.652	-	-	-	-	-	179.271
Due From Banks	4.906	159.128	-	-	-	-	790	164.824
Financial Assets at Fair Value Through Profit or Loss	-	153.664	91	14.775	21.337	-	-	189.867
Interbank Money Market Placements	-	70.029	-	-	-	-	-	70.029
Available-for-Sale Financial Assets	-	-	17.449	96.922	376.326	125.028	950	616.675
Loans	-	380.462	273.176	303.887	94.540	22.135	38.500	1.112.700
Held-to-Maturity Investments	-	-	-	-	971.550	-	-	971.550
Other Assets (*)	-	2.191	105	2.084	7.344	17	164.450	176.191
Total Assets	21.525	928.126	290.821	417.668	1.471.097	147.180	204.690	3.481.107
Liabilities								
Bank Deposits	6.294	4.267	-	-	-	-	-	10.561
Other Deposits	125.645	1.352.504	285.164	21.650	-	-	-	1.784.963
Funds Borrowed From Other Financial Institutions	-	5.361	9.154	39.663	999.880	-	-	1.054.058
Funds From Interbank Money Market	-	254.538	-	-	-	-	-	254.538
Marketable Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	-	7.261	231	-	-	-	7.968	15.460
Other Liabilities (**)	-	16.993	11.393	3.901	5.555	21.073	302.612	361.527
Total Liabilities	131.939	1.640.924	305.942	65.214	1.005.435	21.073	310.580	3.481.107
Net Liquidity Gap	(110.414)	(712.798)	(15.121)	352.454	465.662	126.107	(105.890)	-
31 December 2007								
Total Assets	39.417	387.711	245.402	506.376	1.291.639	106.136	163.754	2.740.435
Total Liabilities	212.109	827.081	182.234	214.315	1.001.865	-	302.831	2.740.435
Net Liquidity Gap	(172.692)	(439.370)	63.168	292.061	289.774	106.136	(139.077)	-

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

(**) Shareholders' equity is presented under "Other liabilities" item in the "Unclassified" column.

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Financial liabilities according to their remaining maturities:

31 December 2008	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Total
Liabilities						
Bank deposits	10.561	-	-	-	-	10.561
Other deposits	1.490.477	290.561	22.705	-	-	1.803.743
Borrowings	66.061	20.861	113.848	1.225.022	-	1.425.792
Funds from money market	254.784	-	-	-	-	254.784
Total	1.821.883	311.422	136.553	1.225.022	-	3.494.880

31 December 2007	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Total
Liabilities						
Bank deposits	17.274	-	-	-	-	17.274
Other deposits	784.849	162.805	213.792	-	-	1.161.446
Borrowings	44.710	31.008	118.271	1.170.203	-	1.364.192
Funds from money market	177.620	-	-	-	-	177.620
Total	1.024.453	193.813	332.063	1.170.203	-	2.720.532

Contractual maturity analysis of the Bank’s derivative instruments:

31 December 2008	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Total
Trading Derivative Instruments						
Foreign exchange derivatives:						
- Inflow	100.721	3.518	30.798	-	-	135.037
- Outflow	99.824	3.551	33.536	-	-	136.911
Interest rate derivatives:						
- Inflow	-	-	-	1.295	-	1.295
- Outflow	-	-	-	1.294	-	1.294
Hedging Derivative Instruments						
Foreign exchange derivatives:						
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
Interest rate derivatives:						
- Inflow	1.094	-	1.071	8.605	93.912	104.682
- Outflow	2.450	-	3.125	21.750	96.246	123.571
Total cash inflow	101.815	3.518	31.869	9.900	93.912	241.014
Total cash outflow	102.274	3.551	36.661	23.044	96.246	261.776

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31 December 2007	Up to 1 month	1-3 months	3-12 months	1-5 years	5 years and over	Total
Trading Derivative Instruments						
Foreign exchange derivatives:						
- Inflow	54.142	-	-	-	-	54.142
- Outflow	54.169	-	-	-	-	54.169
Interest rate derivatives:						
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	1.856	142	1.998
Hedging Derivative Instruments						
Foreign exchange derivatives:						
- Inflow	-	-	-	-	-	-
- Outflow	-	-	-	-	-	-
Interest rate derivatives:						
- Inflow	1.285	-	2.498	16.061	78.106	97.950
- Outflow	2.840	-	3.232	25.852	81.108	113.032
Total cash inflow	55.427	-	2.498	16.061	78.106	152.092
Total cash outflow	57.009	-	3.232	27.708	81.250	169.199

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**VIII. EXPLANATION REGARDING THE PRESENTATION OF FINANCIAL ASSETS AND
LIABILITIES AT THEIR FAIR VALUES:**

The fair values of held-to-maturity assets are determined based on market prices or when this price is not available, based on market prices quoted for other securities subject to the same redemption qualifications in terms of interest, maturity and other similar conditions.

The expected fair value of the demand placements and deposits represents the amount to be paid upon request. The expected fair value of the fixed rate deposits is determined by calculating the discounted cash flow using the Bank’s current interest rates as of balance sheet date.

The expected fair value of loans and receivables are determined by calculating the discounted cash flows using the Bank’s current interest rates for fixed interest loans. For the loans with floating interest rates, it is assumed that the carrying value reflects the fair value.

The expected fair value of bank placements, money market placements and bank deposits are determined by calculating the discounted cash flows using the current market interest rates of similar assets and liabilities.

The following table summarises the carrying values and fair values of some financial assets and liabilities of the Bank.

	Carrying Value		Fair Value	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
Financial Assets				
Due from Money Market	70.029	-	70.030	-
Due from Banks	164.824	108.562	164.946	107.953
Available-for-Sale Financial Assets	616.675	432.209	616.675	432.209
Held-to-maturity Investments	971.550	961.606	982.767	986.511
Loans	1.112.700	881.735	1.125.709	888.465
Financial Liabilities				
Bank Deposits	10.561	17.265	10.561	17.266
Other Deposits	1.784.963	1.134.609	1.792.109	1.135.711
Borrowings	1.054.058	1.057.750	1.050.756	994.055
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	15.460	19.842	15.460	19.842

**IX. EXPLANATION REGARDING THE ACTIVITIES CARRIED OUT ON BEHALF AND
ACCOUNT OF OTHER PARTIES:**

The Bank carries out marketable security trading and custody services on behalf of customers and on their account. The details of items held in custody is given in off-balance sheet commitments.

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INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK (Continued)

X. EXPLANATIONS ON OPERATING SEGMENTS:

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

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

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

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

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

31 December 2008	Retail Banking	Corporate Banking	Treasury	Total Operations of the Bank
Segment revenue	22.891	46.573	46.138	115.602
Unallocated costs				(100.204)
Net Operating Profit	22.891	46.573	46.138	15.398
Dividend income		-	-	117
Profit Before Tax				15.515
Tax expense		-	-	(3.148)
Net Profit				12.367
Segment assets	122.385	1.012.039	2.172.122	3.306.546
Investments in associates, subsidiaries and joint ventures				121.562
Unallocated assets				52.999
Total Assets	122.385	1.012.039	2.172.122	3.481.107
Segment liabilities	721.385	1.090.983	1.341.126	3.153.494
Unallocated liabilities				327.613
Total Liabilities	721.385	1.090.983	1.341.126	3.481.107

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SECTION FIVE

EXPLANATIONS AND NOTES RELATED TO UNCONSOLIDATED FINANCIAL STATEMENTS

I. EXPLANATIONS AND NOTES RELATED TO ASSETS

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

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

	31 December 2008		31 December 2007	
	TL	FC	TL	FC
Cash/Foreign currency	4.597	12.011	5.477	9.255
CBRT	111.266	51.397	35.997	50.506
Other	-	-	-	-
Total	115.863	63.408	41.474	59.761

2. Information on the account of the CBRT:

	31 December 2008		31 December 2007	
	TL	FC	TL	FC
Demand Unrestricted Amount	111.266	17.123	35.997	13.784
Time Unrestricted Amount	-	-	-	-
Time Restricted Amount	-	34.274	-	36.722
Total	111.266	51.397	35.997	50.506

3. Information on reserve requirements:

In accordance with “Communiqué Regarding the Reserve Requirements” No. 2005/1 issued by the CBRT, banks operating in Turkey are required to place reserves in the CBRT with a rate of 6% for their TL liabilities and 9% for USD and/or EUR for their foreign currency liabilities. The CBRT makes quarterly interest payments over the TL reserve requirements based on the interest rates set. As of 31 December 2008 the interest rate for TL is 12%.

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

1. As of 31 December 2008, there are no financial assets at fair value through profit or loss subject to repo transactions (31 December 2007: TL23.757).

2. Positive differences related to trading derivative financial assets:

	31 December 2008		31 December 2007	
	TL	FC	TL	FC
Forward Transactions	110	259	-	136
Swap Transactions	621	1	-	-
Futures Transactions	-	-	-	-
Options	-	199	-	23
Other	-	-	-	-
Total	731	459	-	159

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c. Information on banks:

1. Information on banks:

	31 December 2008		31 December 2007	
	TL	FC	TL	FC
Banks	141.686	23.138	47	108.515
Domestic	60	9.132	47	25.177
Foreign	141.626	14.006	-	83.338
Headquarters and Branches Abroad	-	-	-	-
Total	141.686	23.138	47	108.515

2. Information on foreign banks account :

	Unrestricted Amount		Restricted Amount	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
EU Countries	146.036	56.169	-	-
USA, Canada	9.596	27.020	-	-
OECD Countries (*)	-	146	-	-
Off-shore Banking Regions	-	-	-	-
Other	-	3	-	-
Total	155.632	83.338	-	-

(*) OECD countries except EU countries, USA and Canada

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

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

As of 31 December 2008, there are no available-for-sale financial assets given as collateral/blocked amounted to TL3.836 (31 December 2007: TL1.465) and those subject to repurchase agreements amounted to TL124.653 (31 December 2007: TL137.352).

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

	31 December 2008	31 December 2007
Debt Securities	617.723	431.259
Quoted on Stock Exchange	455.841	326.252
Not Quoted (*)	161.882	105.007
Share Certificates	950	950
Quoted on Stock Exchange	-	-
Not Quoted	950	950
Impairment Provision (-)	1.998	-
Total	616.675	432.209

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

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e. Explanations on loans:

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

	31 December 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 (*)	167.385	23.499	607	21.703
Loans Granted To Employees	929	-	792	-
Total	168.314	23.499	1.399	21.703

(*) The balance includes TL141.626 interbank placement with the Bank’s indirect shareholder EFG Eurobank Ergasias S.A. where the total amount is cash collateralized.

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	980.886	-	93.206	108
Discount and Purchase Notes	6.576	-	-	-
Export Loans	220.238	-	14.104	-
Import Loans	-	-	-	-
Loans Granted to Financial Sector	22.139	-	-	-
Foreign Loans (*)	633	-	-	-
Consumer Loans	14.355	-	352	-
Credit Cards	2.873	-	67	-
Precious Metal Loans	-	-	-	-
Other (*)	714.072	-	78.683	108
Specialised Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	980.886	-	93.206	108

(*) TL633 of the total factoring receivables amounting to TL21.094 is included in foreign loans, and the remaining part is presented in other non-specialised loans.

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3. Loans according to their maturity structure:

	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
Short-term Loans and Other Receivables	794.515	-	72.027	-
Non-specialised Loans	794.515	-	72.027	-
Specialised Loans	-	-	-	-
Other Receivables	-	-	-	-
Medium and Long-Term Loans and Other Receivables	186.371	-	21.179	108
Non-specialised Loans	186.371	-	21.179	108
Specialised Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	980.886	-	93.206	108

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

	Short-term	Medium and Long-term	Total
Consumer Loans-TL	3.138	7.125	10.263
Real estate loans	-	47	47
Automotive loans	15	649	664
Consumer loans	3.123	6.429	9.552
Other	-	-	-
Consumer Loans-FC Indexed	-	2.320	2.320
Real estate loans	-	2.320	2.320
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Consumer Loans-FC	-	-	-
Real estate loans	-	-	-
Automotive loans	-	-	-
Consumer loans	-	-	-
Other	-	-	-
Individual Credit Cards-TL	1.841	-	1.841
With instalments	-	-	-
Without instalments	1.841	-	1.841
Individual Credit Cards- FC	81	-	81
With instalments	-	-	-
Without instalments	81	-	81
Personnel Loans-TL	368	532	900
Real estate loans	-	-	-
Automotive loans	-	8	8
Consumer loans	368	524	892
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-TL	28	-	28
With instalments	-	-	-
Without instalments	28	-	28
Personnel Credit Cards-FC	1	-	1
With instalments	-	-	-
Without instalments	1	-	1
Credit Deposit Account-TL (Real Person)	1.224	-	1.224
Credit Deposit Account-FC (Real Person)	-	-	-
Total	6.681	9.977	16.658

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

	Short-term	Medium and long-term	Total
Commercial Instalments Loans-TL	12.153	51.014	63.167
Real estate Loans	-	-	-
Automotive Loans	140	2.221	2.361
Consumer Loans	12.013	48.793	60.806
Other	-	-	-
Commercial Instalments Loans-FC Indexed	-	-	-
Real estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Commercial Instalments Loans-FC	-	-	-
Real estate Loans	-	-	-
Automotive Loans	-	-	-
Consumer Loans	-	-	-
Other	-	-	-
Corporate Credit Cards-TL	933	-	933
With instalment	-	-	-
Without instalment	933	-	933
Corporate Credit Cards-FC	56	-	56
With instalment	-	-	-
Without instalment	56	-	56
Credit Deposit Account-TL (Legal Person)	5.023	-	5.023
Credit Deposit Account-FC (Legal Person)	-	-	-
Total	18.165	51.014	69.179

6. Loans according to types of borrowers:

	31 December 2008	31 December 2007
Public	4.670	20.155
Private	1.069.530	861.359
Total	1.074.200	881.514

7. Distribution of domestic and foreign loans:

	31 December 2008	31 December 2007
Domestic Loans	1.073.567	876.179
Foreign Loans	633	5.335
Total	1.074.200	881.514

8. Loans given to investments in associates and subsidiaries:

None. (31 December 2007: None).

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9. Specific provisions provided against loans:

	31 December 2008	31 December 2007
Loans and Other Receivables with Limited Collectability	1.230	229
Loans and Other Receivables with Doubtful Collectability	1.873	1.290
Uncollectible Loans and Other Receivables	34.411	18.326
Total	37.514	19.845

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

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

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
31 December 2008			
(Gross amounts before the Specific Reserves)		-	-
Restructured Loans and Other Receivables		-	41
Rescheduled Loans and Other Receivables	208	41	130
31 December 2007			
(Gross amounts before the Specific Reserves)		-	-
Restructured Loans and Other Receivables		-	-
Rescheduled Loans and Other Receivables	169	41	6.552

10(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	26.496
Additions (+)	36.385	4.720	7.442
Transfers from Other Categories of Non performing Loans (+)	-	16.903	22.272
Transfers to Other Categories of Non-performing Loans (-)	22.313	16.862	-
Collections (-)	2.185	2.635	2.015
Write-offs (-)			
Corporate and Commercial Loans			
Consumer Loans			
Credit Cards			
Other			
Balance at the End of the Period	13.652	8.167	54.195
Specific Provision (-)	1.230	1.873	34.411
Net Balance on Balance Sheet	12.422	6.294	19.784

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

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
31 December 2008			
Period-End Balance	1.484	4.924	11.766
Specific Provision (-)	74	1.286	8.634
Net Balance on balance sheet	1.410	3.638	3.132
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	-

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

	III. Group	IV. Group	V. Group
	Loans and other receivables with limited collectability	Loans and other receivables with doubtful collectability	Uncollectible loans and other receivables
Current Period (Net)	12.422	6.294	19.784
Loans Given to Real Persons and Legal Persons (Gross)	13.652	8.167	53.972
Specific Provision Amount (-)	1.230	1.873	34.188
Loans Given to Real Persons and Legal Persons (Net)	12.422	6.294	19.784
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	223
Specific Provision Amount (-)	-	-	223
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)	1.536	4.751	8.170
Loans Given to Real Persons and Legal Persons (Gross)	1.765	6.041	26.282
Specific Provision Amount (-)	229	1.290	18.112
Loans Given to Real Persons and Legal Persons (Net)	1.536	4.751	8.170
Banks (Gross)	-	-	-
Specific Provision Amount (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	214
Specific Provision Amount (-)	-	-	214
Other Loans and Receivables (Net)	-	-	-

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11. Policy followed-up for the collection of uncollectible loans and other receivables (Net) :

The Bank aims to collect uncollectible loans and other receivables through the liquidation of collaterals and by legal procedures.

12. Explanations on the write-off policy:

Uncollectible loans where legal verification of the inability of collection is obtained are written-off from the Bank’s assets with the decision of the Board of Directors.

13. Information on the provision movement of total non-performing loans:

	Corporate Loans	Consumer Loans	Credit Cards	Total
1 January 2008	19.005	731	109	19.845
Additions	18.922	308	20	19.250
Reversals (-)	1.298	273	10	1.581
Write-offs	-	-	-	-
31 December 2008	36.629	766	119	37.514

	Corporate Loans	Consumer Loans	Credit Cards	Total
1 January 2007	11.723	558	115	12.396
Additions	14.918	341	70	15.329
Reversals (-)	7.636	168	76	7.880
Write-offs	-	-	-	-
31 December 2007	19.005	731	109	19.845

f. Information on held-to-maturity investments:

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

	31 December 2008		31 December 2007	
	TL	FC	TL	FC
Bill	-	-	-	-
Bond and Similar Securities	90.090	-	5.375	-
Other	-	-	-	-
Total	90.090	-	5.375	-

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

	31 December 2008		31 December 2007	
	TL	FC	TL	FC
Bill	-	-	-	-
Bond and Similar Securities	121.296	-	249.559	-
Other	-	-	-	-
Total	121.296	-	249.559	-

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

	31 December 2008	31 December 2007
Government Bond	971.550	961.606
Treasury Bill	-	-
Other Debt Securities	-	-
Total	971.550	961.606

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

	31 December 2008	31 December 2007
Debt Securities	971.550	961.606
Quoted	971.550	959.743
Not Quoted (*)	-	1.863
Impairment Provision (-)	-	-
Total	971.550	961.606

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

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

	31 December 2008	31 December 2007
Beginning Balance	893.930	35.620
Foreign Currency Differences on Monetary Assets	-	(144)
Purchases During Year	-	911.943
Disposals through Sales and Redemptions	(7.627)	(53.489)
Impairment Provision (-)	-	-
Period End Balance	886.303	893.930

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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 subsidiaries that are consolidated in consolidated accounts:

	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	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit / Loss	Prior Period Profit / Loss	Fair value
1	154.936	10.226	-	12.211	2.890	2.537	1.197	-
2	92.321	80.341	623	8.723	1.508	25.191	16.156	-

5. Movement schedules of subsidiaries:

	31 December 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. have been purchased by the Bank for a consideration of TL112.100 at 3 October 2007.

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

Subsidiaries	31 December 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):

None.

k. Information on hedging derivative financial assets:

	31 December 2008		31 December 2007	
	TL	FC	TL	FC
Fair value hedge	-	1.630	-	1.334
Cash flow hedge	-	-	-	-
Net foreign investment hedge	-	-	-	-
Total	-	1.630	-	1.334

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

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I. Information on property and equipment (Net):

31 December 2007	Immovables	Motor Vehicles	Other Tangible Assets	Total
31 December 2006				
Cost	22.110	2.684	35.623	60.417
Accumulated depreciation (-)	1.577	1.907	32.616	36.100
Net book value	20.533	777	3.007	24.317
31 December 2007				
Net book value at beginning of the period	20.533	777	3.007	24.317
Additions	350	-	3.339	3.689
Disposals (-) (net)	-	491	-	491
Impairment	-	-	-	-
Depreciation (-)	452	163	1.724	2.339
Revaluation Increase	(1.281)	-	-	(1.281)
Cost at Period End	21.194	1.373	38.965	61.532
Accumulated Depreciation at Period End (-)	2.044	1.250	34.343	37.637
Closing Net Book Value at Period End	19.150	123	4.622	23.895

31 December 2008	Immovables	Motor Vehicles	Other Tangible Assets	Total
31 December 2007				
Cost	21.194	1.373	38.965	61.532
Accumulated depreciation (-)	2.044	1.250	34.343	37.637
Net book value	19.150	123	4.622	23.895
31 December 2008				
Net book value at beginning of the period	19.150	123	4.622	23.895
Additions	-	-	11.799	11.799
Disposals (-) (net)	-	-	-	-
Impairment	-	-	-	-
Depreciation (-)	501	40	2.864	3.405
Revaluation Increase	6.316	-	-	6.316
Cost at Period End	27.510	604	50.269	78.383
Accumulated Depreciation at Period End (-)	2.545	521	36.712	39.778
Closing Net Book Value at Period End	24.965	83	13.557	38.605

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m. Information on intangible assets:

1. Book value and accumulated depreciation at the beginning and the end of the period:

	31 December 2008	31 December 2007
Gross Book Value	15.920	12.801
Accumulated Depreciation (-)	12.561	11.765
Net Book Value	3.359	1.036

2. Information on movements between the beginning and end of the period:

	31 December 2008	31 December 2007
Beginning of the Period	1.036	950
Internally Generated Amounts	-	-
Additions due to Mergers, Transfers and Acquisitions	3.119	837
Disposals	-	-
Amount Accounted under Revaluation Reserve	-	-
Impairment	-	-
Impairment Reversal	-	-
Amortisation (-)	796	751
Net Foreign Currency Difference From Foreign Investments in Associates	-	-
Other Changes in Book Value	-	-
End of the Period	3.359	1.036

n. Information on investment property:

None.

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o. Information on deferred tax asset:

As of 31 December 2008, the Bank has netted-off the calculated deferred tax asset of TL10.008 (31 December 2007: TL7.318) and deferred tax liability of TL2.664 (31 December 2007: TL1.539) in accordance with “TAS 12” and has recorded a net deferred tax asset of TL7.344 (31 December 2007: TL5.779) in the financial statements.

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

	Accumulated Temporary Differences		Deferred Tax Assets/Liabilities	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
Valuation Differences of Marketable Securities	29.881	25.063	5.977	5.013
Provision for Legal Cases	9.543	6.890	1.909	1.378
Valuation Differences of Derivative Instruments	6.851	1.055	1.370	211
Reserve for Employment Termination Benefit and Unused Vacation	3.760	3.581	752	716
Deferred Tax Assets			10.008	7.318
Difference Between Book Value and Tax Base of Tangible and Intangible Assets	13.165	6.223	2.633	1.245
Valuation Differences of Marketable Securities		1.032	-	206
Other	154	442	31	88
Deferred Tax Liabilities			2.664	1.539
Deferred Tax Assets/(Liabilities) (Net)			7.344	5.779

Movement of deferred tax asset/ liabilities is presented below:

	31 December 2008	31 December 2007
Balance as of 1 January	5.779	(303)
Current year deferred tax income/(expense) (net)	(1.273)	6.399
Deferred tax charged to equity (net)	2.838	(317)
Balance at the End of the Period	7.344	5.779

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

The Bank has assets held for resale amounting to TL829 (31 December 2007: TL1.200) and has no discontinued operations.

Prior Period	31 December 2008	31 December 2007
Cost	1.307	1.152
Accumulated Depreciation (-)	107	64
Net Book Value	1.200	1.088
Current Period		
Net book value at beginning of the period	1.200	1.088
Additions	362	394
Disposals (-), net	695	217
Impairment (-)	11	22
Depreciation (-)	27	43
Cost	935	1.307
Accumulated Depreciation (-)	106	107
Closing Net Book Value	829	1.200

q. Information on other assets:

As of 31 December 2008, other assets amount to TL2.862 (31 December 2007: TL1.839) and do not exceed 10% of the total assets excluding off-balance sheet commitments.

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II. EXPLANATIONS AND NOTES RELATED TO LIABILITIES

a. Information on deposits:

1. Information on maturity structure of deposits:

(i) 31 December 2008:

	Demand	With 7 days notifications	Up to 1 month	1-3 months	3-6 months	6 months -1 year	1 year and over	Accum. Deposit	Total
Saving Deposits	10.736	-	27.501	515.883	12.331	8.900	985	-	576.336
Foreign Currency Deposits	64.003	-	162.890	344.185	19.072	9.816	189	-	600.155
Residents in Turkey	62.997	-	128.755	332.296	18.578	8.533	189	-	551.348
Residents Abroad	1.006	-	34.135	11.889	494	1.283	-	-	48.807
Public Sector Deposits	7.396	-	-	7	-	-	-	-	7.403
Commercial Deposits	43.089	-	410.888	130.286	15.964	18	-	-	600.245
Other Institutions Deposits	421	-	58	322	15	8	-	-	824
Precious Metal Deposits	-	-	-	-	-	-	-	-	-
Bank Deposits	6.294	-	4.267	-	-	-	-	-	10.561
The CBRT	-	-	-	-	-	-	-	-	-
Domestic Banks	187	-	4.267	-	-	-	-	-	4.454
Foreign Banks	6.107	-	-	-	-	-	-	-	6.107
Special Financial Institutions	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	131.939	-	605.604	990.683	47.382	18.742	1.174	-	1.795.524

(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	36.20	-	425.096
Foreign Currency Deposits	165.156	-	88.428	211.824	54.319	10.783	-	-	530.510
Residents in Turkey	164.141	-	88.294	209.394	47.201	9.452	-	-	518.482
Residents Abroad	1.015	-	134	2.430	7.118	1.331	-	-	12.028
Public Sector Deposits	8.829	-	-	14	-	-	-	-	8.843
Commercial Deposits	28.630	-	80.701	54.425	5.455	19	-	-	169.230
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	212.109	-	209.219	495.254	83.284	115.807	36.201	-	1.151.874

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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	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
Saving Deposits				
Saving Deposits	124.926	97.268	451.410	327.828
Foreign Currency Savings Deposit	43.395	44.384	220.236	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	168.321	141.652	671.646	505.411

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

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

	31 December 2008	31 December 2007
Deposits and Other Accounts in Foreign Branches	-	-
Deposits and Other Accounts of Main Shareholders and their Families	133.750	134.161
Deposits and Other Accounts of President of Board of Directors, Members of Board of Directors, Vice General Managers and Their Families	275	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	134.025	135.442

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b. Information on trading derivative financial liabilities:

Schedule of negative differences concerning trading derivative financial liabilities:

Trading Derivative Financial Liabilities	31 December 2008		31 December 2007	
	TL	FC	TL	FC
Forward Transactions	2.886	311	10	99
Swap Transactions	42	22	-	44
Futures Transactions	-	-	-	-
Options	-	251	-	22
Other	-	-	-	-
Total	2.928	584	10	165

c. Information on borrowings:

1. Information on banks and other financial institutions:

	31 December 2008		31 December 2007	
	TL	FC	TL	FC
The CBRT Borrowings	-	-	-	-
From Domestic Banks and Institutions	25.954	49.117	29.308	49.699
From Foreign Banks, Institutions and Funds	887.711	668	978.743	-
Total	913.665	49.785	1.008.051	49.699

2. Information on maturity structure of borrowings:

	31 December 2008		31 December 2007	
	TL	FC	TL	FC
Short-term	25.717	20.958	25.599	21.473
Medium and Long-term	887.948	28.827	982.452	28.226
Total	913.665	49.785	1.008.051	49.699

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

The Bank’s main funding sources are deposits and borrowings. As of 31 December 2008, deposits and borrowings from Bank’s risk group comprise 41% of total deposits and 92% of total borrowings.

d. Information on other foreign liabilities:

Other foreign liabilities amounting to TL9.838 (31 December 2007: TL17.161) 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 instalments of financial lease contracts are determined by the price of commodity, market interest rates and the maturity of funding. The financial leasing contracts do not have any conditions which place significant commitments on the Bank.

	31 December 2008		31 December 2007	
	Gross	Net	Gross	Net
Less than 1 year	1.363	1.195	752	673
Between 1-4 years	1.507	1.393	455	421
More than 4 years	-	-	-	-
Total	2.870	2.588	1.207	1.094

f. Information on hedging derivative financial liabilities:

	31 December 2008		31 December 2007	
	TL	FC	TL	FC
Fair value hedge	-	29.018	-	13.958
Cash flow hedge	-	-	-	-
Net foreign investment hedge	-	-	-	-
Total	-	29.018	-	13.958

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

g. Information on provisions:

1. Information on general provisions:

	31 December 2008	31 December 2007
Provisions for Group I loans and receivables	6.655	6.140
Provisions for Group II loans and receivables	1.947	143
Provisions for non cash loans	1.866	957
Other	1.659	1.286
Total	12.127	8.526

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2. Information on reserve for employment termination benefits:

Under the Turkish Labour Law, the Bank 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 TL2.173,18 (31 December 2007: TL2.030,19). 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 Bank. There are assumptions in the calculation as discount rate, employee turnover and expected salary increases. In this context, the following actuarial assumptions were used in the calculation of total liabilities.

	31 December 2008	31 December 2007
Discount rate (%)	6,26	5,71
Salary increase rate (%)	6,40	7,00
Average remaining work period (Year)	10,82	10,24

Movement of reserve for employment termination benefits during the period:

	31 December 2008	31 December 2007
Prior Period Ending Balance	2.321	2.398
Provisions Recognised During the Period	609	1.006
Paid During the Period (-)	513	1.083
Balance at the End of the Period	2.417	2.321

In addition, as of 31 December 2008 the Bank has accounted for vacation rights provision amounting to TL1.343 (31 December 2007: TL1.260) and personnel bonus provision amounting to TL2.783(31 December 2007: TL2.600).

3. Other provisions:

(i) Information on provisions for possible risks:

None.

(ii) Information on other provisions:

The Bank set aside reserves amounting to TL9.406 (31 December 2007: TL6.890) for lawsuits, TL2.805 (31 December 2007: TL1.689) for non-cash loans, TL1.699 (31 December 2007: TL887) for customer cheques commitments, TL18 (31 December 2007: TL28) for credit card loyalty points and TL232 (31 December 2007: TL73) for doubtful receivables.

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

As of 31 December 2008, the provision related to the foreign currency difference of foreign indexed loans amounts to TL714 (31 December 2007: TL6.595) and is netted from the loan amount in the financial statements.

h. Information on taxes payable:

1. Information on tax provision:

As of 31 December 2008, TL1.875 has been provided for corporate tax provision (31 December 2007: TL1.719).

2. Information on taxes payable:

	31 December 2008	31 December 2007
Corporate Tax Payable	1.875	1.719
Taxation of Marketable Securities	4.855	1.164
Property Tax	98	41
Banking Insurance Transaction Tax	1.947	1.080
Foreign Exchange Transaction Tax	-	166
Value Added Tax Payable	139	75
Other	1.622	506
Total	10.536	4.751

3. Information on premium payables:

	31 December 2008	31 December 2007
Social Security Premiums–Employee	241	170
Social Security Premiums–Employer	351	252
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	17	11
Unemployment Insurance–Employer	33	23
Other	-	-
Total	642	456

4. The Bank has no deferred tax liability due to presenting deferred tax asset and deferred tax liability as net in the financial statements (31 December 2007: None).

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i. Information on payables for assets held for resale and discontinued operations:

None.

j. Information on subordinated loans:

Information regarding the number of the subordinated loans, their maturity, interest rate and the institutions that subordinated loans are provided from and the linkage to derivative instruments ,if any:

Institution	Amount	Opening date	Maturity	Interest rate (%)
EFG Eurobank Ergasias S.A.	90.608	28 July 2008	5+2 years	16

Loan will not be directly or indirectly collateralized or linked to any derivative instruments.

1. Information about subordinated loan:

	31 December 2008		31 December 2007	
	TL	FC	TL	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	90.608	-	-	-
From Other Foreign Institutions	-	-	-	-
Total	90.608	-	-	-

k. Information on shareholders' equity:

1. Presentation of paid-in capital:

	31 December 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 TL230.000 and does not apply the registered share capital system.

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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 Bank’s profitability, prior period indicators on liquidity and uncertainty on these indicators:

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

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

Based on the Principal Agreement, the 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.

8. Information on marketable securities valuation reserve:

	31 December 2008		31 December 2007	
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures			-	-
Valuation Difference	771	(14.930)	1.424	826
Foreign Currency Difference		-	-	-
Total	771	(14.930)	1.424	826

9. Information on tangible assets revaluation reserve:

	31 December 2008		31 December 2007	
	TL	FC	TL	FC
Movables	-	-	-	-
Immovables	7.152	-	2.103	-
Common Stocks of Investments in Associates, Subsidiaries that will be added to the Capital and Sales Income from Immovables	-	-	-	-
Total	7.152	-	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 TL18.498 is allocated as extraordinary reserves.

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

a. Information on off balance sheet commitments:

1. The amount and type of irrevocable commitments:

	31 December 2008	31 December 2007
Asset purchase and sales commitments	149.445	1.852
Commitments for cheques	43.472	43.472
Foreign currency buy/sell commitments	33.795	11.621
Commitments for credit card limits	8.433	11.817
Loan limit commitments	7.352	5.609
Blocked cheques given to customers	3.109	3.570
Tax and fund obligations arising from export commitments	2.408	2.641
Commitments for reserve deposit requirements	-	-
Total	248.014	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:

	31 December 2008	31 December 2007
Other guarantees	773.600	245.007
Letter of guarantees	267.278	299.328
Letter of credits	114.542	106.365
Bank acceptance loans	18.642	5.861
Factoring guarantees	3.263	-
Total	1.177.325	656.561

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

	TL	FC
Irrevocable letters of guarantee	145.441	71.568
Guarantees given to customs	22.770	40
Revocable letters of guarantee	16.243	2.460
Letters of guarantee given in advance	1.662	5.854
Other letters of guarantee	996	244
Total	187.112	80.166

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

	31 December 2008	31 December 2007
Non-cash loans given against cash loans	774.797	251.718
With original maturity of 1 year or less than 1 year	-	5.497
With original maturity of more than 1 year	774.797	246.221
Other non-cash loans	402.528	404.843
Total	1.177.325	656.561

(ii) Information on sectoral concentration of non-cash loans:

	31 December 2008				31 December 2007			
	TL	(%)	FC	(%)	TL	(%)	FC	(%)
Agricultural	1.921	1,03	9.325	0,94	1.338	0,63	8.891	2,00
Farming and Livestock	1.666	0,89	8.244	0,83	790	0,37	4.970	1,12
Forestry	255	0,14	1.066	0,11	548	0,26	3.921	0,88
Fishing	-	-	15	-	-	-	-	-
Manufacturing	62.421	33,35	560.168	56,58	87.437	41,32	236.426	53,13
Mining	2.672	1,43	28.300	2,86	3.134	1,48	10.122	2,27
Production	57.604	30,77	502.091	50,71	83.481	39,45	224.769	50,52
Electric, Gas, Water	2.145	1,15	29.777	3,01	822	0,39	1.535	0,34
Construction	64.647	34,53	104.223	10,53	56.924	26,90	60.700	13,64
Services	50.865	27,17	313.272	31,65	63.285	29,91	131.066	29,46
Wholesale and Retail Trade	20.889	11,16	88.718	8,96	44.143	20,86	43.325	9,74
Hotel and Food Services	2.315	1,24	161.306	16,29	22	0,01	49.302	11,08
Transportation and Telecommunication	13.391	7,15	16.032	1,62	491	0,23	740	0,17
Financial Institutions	8.902	4,75	33.137	3,35	18.612	8,80	37.699	8,47
Real Estate and Leasing Ser.	5.164	2,76	13.318	1,35	-	-	-	-
Professional Services	-	-	-	-	-	-	-	-
Education Services	6	-	-	-	17	0,01	-	-
Health and Social Services	198	0,11	761	0,08	-	-	-	-
Other	7.380	3,92	3.103	0,30	2.607	1,24	7.887	1,77
Total	187.234	100,00	990.091	100,00	211.591	100,00	444.970	100,00

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

	Group I		Group II	
	TL	FC	TL	FC
Non-cash Loans (*)	176.773	950.911	7.503	26.984
Letters of Guarantee	176.651	79.009	7.503	1.157
Bank Acceptances	-	18.084	-	430
Letters of Credit	-	112.892	-	771
Endorsements	-	-	-	-
Underwriting Commitments	-	-	-	-
Factoring Guarantees	122	2.724	-	417
Other Commitments and Contingencies	-	738.202	-	24.209

(*) In addition to non-cash loans stated above, the Bank has non-cash loans classified as non-performing loans, amounting to TL15.154. As of 31 December 2008, the Bank has recorded a TL2.805 provision regarding these risks.

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b. Information on derivative financial instruments :

	31 December 2008	31 December 2007
Types of Trading Transactions		
Foreign currency related derivative transactions (I)	249.833	96.690
Currency forward transactions	83.513	71.883
Currency swap transactions	151.984	24.807
Futures transactions	-	-
Options	14.336	-
Interest related derivative transactions (II)	36.288	21.664
Forward rate agreements	-	-
Interest rate swaps	-	-
Interest rate options	36.288	21.664
Interest rate futures	-	-
A. Total trading derivative transactions (I+II)	286.121	118.354
Types of hedging transactions	182.616	139.116
Fair value hedges	182.616	139.116
Cash flow hedges	-	-
Foreign currency investment hedges	-	-
B. Total hedging related derivatives	182.616	139.116
Total derivative transactions (A+B)	468.737	257.470

c. Mutual Funds:

As of 31 December 2008, the Bank is the founder of 2 mutual funds (31 December 2007: 2) with a total fund value of TL14.056 (31 December 2007: TL12.241). The shares of the mutual funds established in accordance with the Capital Markets Board legislation are kept dematerialized by Central Registry Agency, Inc..

d. Information on contingent assets and contingent liabilities:

As of 31 December 2008, the total amount of legal cases against the Bank is TL12.259 (31 December 2007: TL8.898) and the Bank sets aside a provision of TL9.406 (31 December 2007: TL6.890) regarding these risks.

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

MOODY’S (Dated on 31 December 2007 out of data from 25 November 2008)

(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 INCOME STATEMENT

a. Information on interest income:

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

	31 December 2008		31 December 2007	
	TL	FC	TL	FC
Interest Income on Loans				
Short-term Loans	135.015	18.320	92.292	9.450
Medium/Long-term Loans	17.203	8.356	10.278	4.964
Interest on Loans Under Follow-up	640	-	210	-
Premiums Received from Resource Utilisation Support Fund	-	-	-	-
Total	152.858	26.676	102.780	14.414

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

2. Information on interest income on banks:

	31 December 2008		31 December 2007	
	TL	FC	TL	FC
From the CBRT	-	157	-	239
From Domestic Banks	4.017	381	6.125	1.893
From Foreign Banks	8.442	553	2.419	4.240
Headquarters and Branches Abroad	-	-	-	-
Total	12.459	1.091	8.544	6.372

3. Information on interest income on marketable securities:

	31 December 2008		31 December 2007	
	TL	FC	TL	FC
From Trading Financial Assets	412	-	382	-
From Financial Assets At Fair Value Through Profit or Loss	-	-	-	-
From Available-for-Sale Financial Assets	65.510	10.152	29.438	3.186
From Held-to-Maturity Investments	157.147	16	98.220	174
Total	223.069	10.168	128.040	3.360

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

	31 December 2008	31 December 2007
Interest Received From Investments in Associates and Subsidiaries	81	24

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b. Information on interest expense:

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

	31 December 2008		31 December 2007	
	TL	FC	TL	FC
Banks				
The CBRT		-	-	-
Domestic Banks	3.918	3.076	4.720	3.119
Foreign Banks	143.016	244	87.493	621
Headquarters and Branches Abroad		-	-	-
Other Institutions		-	-	155
Total	146.934	3.320	92.213	3.895

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

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

	31 December 2008	31 December 2007
Interest Paid to Investment in Associates and Subsidiaries	4.991	177

3. Interest expense on issued marketable securities:

None.

4. Maturity structure of the interest expense on deposits :

	Demand Deposit	Time Deposit					Accum. Deposit	Total
		Up to 1 month	Up to 3 Month	Up to 6 month	Up to 1 year	More than 1 year		
TL								
Bank Deposits	31	983	-	-	-	-	-	1.014
Saving Deposits	-	5.599	55.914	2.728	16.231	5.927	-	86.399
Public Sector Deposits	-	-	2	-	-	-	-	2
Commercial Deposits	-	32.230	30.762	2.514	1	-	-	65.507
Other Deposits	-	7	61	1	-	-	-	70
Deposits with 7 Days Notification	-	-	-	-	-	-	-	-
Total	31	38.819	86.739	5.243	16.233	5.927	-	152.992
FC								
Foreign Currency Deposits	-	4.066	14.700	1.748	678	1.111	-	22.303
Bank Deposits	-	438	-	-	-	-	-	438
Deposits with 7 Days Notification	-	-	-	-	-	-	-	-
Precious Metal	-	-	-	-	-	-	-	-
Total	-	4.504	14.700	1.748	678	1.111	-	22.741
Grand Total	31	43.323	101.439	6.991	16.911	7.038	-	175.733

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c. Information on dividend income :

	31 December 2008	31 December 2007
Trading Financial Assets	-	-
Financial Assets at Fair Value through Profit or Loss	-	-
Available-for-Sale Financial Assets	117	97
Other	-	-
Total	117	97

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

	31 December 2008	31 December 2007
Income	1.417.894	349.020
Income from Capital Market Transactions	56.507	26.519
From Derivative Financial Transactions	39.423	14.127
Other	17.084	12.392
Foreign Exchange Gains	1.361.387	322.501
Loss (-)	1.409.534	344.162
Loss from Capital Market Transactions	52.230	29.202
From Derivative Financial Transactions	40.769	28.070
Other	11.461	1.132
Foreign Exchange Loss	1.357.304	314.960
Net Income/(Loss)	8.360	4.858

e. 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 Bank has reached an agreement with the related tax office after withdrawing its continuing legal cases against the Ministry of Finance. Therefore, refund of the corporate tax paid by the Bank amounting to TL3.652 from tax office became definite and related amount has been recorded under “Other Operating Income” account in the financial statements.

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

	31 December 2008	31 December 2007
Specific Provisions for Loans and Other Receivables	19.597	5.042
III. Group Loans and Receivables	3.114	401
IV. Group Loans and Receivables	3.749	2.087
V. Group Loans and Receivables	12.734	2.554
General Provision Expenses	2.548	5.257
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	22.145	10.299

g. Information related to other operating expenses:

	31 December 2008	31 December 2007
Personnel Expenses	38.358	25.751
Reserve For Employee Termination Benefits (*)	692	1.056
Bank Social Aid Pension Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	3.405	2.339
Impairment Expenses of Intangible Assets	-	-
Amortisation Expenses of Intangible Assets	796	751
Impairment Expenses of Equity Participations for which Equity Method is Applied	-	-
Impairment Expenses of Assets Held For Resale	1	22
Depreciation Expenses of Assets Held for Resale	27	43
Impairment Expenses of Fixed Assets Held for Sale	-	-
Other Operating Expenses	28.323	17.139
Operational Lease Expenses	6.077	4.044
Maintenance Expenses	539	359
Advertising Expenses	1.119	156
Other Expense	20.588	12.580
Loss on Sales of Assets	8	15
Other	6.439	8.194
Total	78.059	55.310

(*) As of 31 December 2008, “Reserve for Employee Termination Benefits” includes “Personnel Unused Vacation Provision Expense” amounting to TL83 (30 September 2007: TL50).

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h. Information on income/(loss) before taxes from discontinued or continuing operations:

The Bank has no discontinued operations. The Bank's net income/(loss) before taxes from continuing operations is TL15.515.

i. Information on provision for taxes from discontinued or continuing operations:

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

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

As of 31 December 2008, the Bank has current tax expense amounting to TL1.875 and has deferred tax expense amounting to TL1.273.

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

The Bank has net deferred tax expense amounting to TL1.273 composing from TL1.598 deferred tax income as a result of temporary differences incurred, TL2.871 deferred tax expense due to temporary differences closed. There is no carried financial loss.

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

As of 31 December 2008, the Bank has TL1.273 deferred tax expense arising from temporary differences and there is no carried financial loss as of 31 December 2008.

j. Information on continuing and discontinued operations' current period net profit/(loss):

The Bank has no discontinued operations and the below article (k) represents the current period net profit and loss from continuing operations.

k. 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 Bank, 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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I. Information on other income and expenses:

As of 31 December 2008, the Bank’s fee and commission income amounts to TL22.373 (31 December 2007: TL12.908) and TL3.828 (31 December 2007: TL3.634) the related amount is classified under “Other fee and commission income” account.

	31 December 2008	31 December 2007
Other Fee and Commissions Received		
Transfer Commissions	831	732
Account Operating Fees	596	864
Commissions on Investment Fund Services	544	315
Commissions from Correspondent Banks	251	676
Insurance Commissions	219	351
Other	1.387	696
Total	3.828	3.634

As of 31 December 2008, Bank’s fee and commission expense amounts to TL1.814 (31 December 2007: TL1.165) and TL1.780 (31 December 2007:TL1.116) of the related amount is classified under “Other fee and commission expense” account.

	31 December 2008	30 September 2007
Other Fee and Commissions Given		
Ortak Nokta Clearing Commissions	360	299
Credit Card Transaction Commission	296	257
Commissions Granted to Correspondent Banks	264	233
EFT Commissions	212	125
Transfer Commissions	107	105
Other	541	97
Total	1.780	1.116

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V. EXPLANATIONS AND NOTES RELATED TO CHANGES IN SHAREHOLDERS’ EQUITY

a. Information on change in the shareholder structure of the Bank:

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 A.Ş. and Tekfen Finansal Kiralama A.Ş. which is fully owned by Tekfenbank A.Ş., 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.

In accordance with the Shareholders Agreement signed among Eurobank EFG Holding, 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.

In accordance with the authorization of BRSA dated 21 October 2008; Eurobank Tekfen A.Ş. shares owned by TST International Finance S.A. with a ratio 23,23% are handed over to Tekfen Holding A.Ş. and the qualified share ratio of Tekfen Group in the Bank has not been changed.

b. Information on distribution of profit:

Based on the decision in the General Meeting held on 28 March 2008, the profit of 2007 amounting to TL18.498 is allocated as extraordinary reserves.

c. Information on capital increase:

In year 2007, the Bank increased its paid-in capital by TL180.000 to TL230.000. TL135.000 of the capital increase arise from cash contribution of shareholders and TL45.000 from internal resources. In the year 2008, there is no capital increase.

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d. Information on valuation differences of marketable securities:

Unrealized gains and losses” arising from changes in the fair value of securities classified as available-for-sale are not recognized in current year income statements; they are recognized in the “Marketable securities valuation reserve” account under equity, until the financial assets are sold, disposed or impaired.

	31 December 2008		31 December 2007	
	TL	FC	TL	FC
From Investments in Associates, Subsidiaries, and Joint Ventures	-	-	-	-
Valuation Difference	771	(14.930)	1.424	826
Foreign Currency Difference	-	-	-	-
Total	771	(14.930)	1.424	826

e. Information on revaluation differences of tangible and intangible assets :

The reversal from revaluation reserve for immovables amounting to TL5.049 net of tax (31 December 2007: TL1.025 value increase) is accounted under “Revaluation differences of tangible assets and intangible assets”.

VI. EXPLANATIONS AND NOTES RELATED TO STATEMENT OF CASH FLOWS

a. Information on cash and cash equivalent assets:

1. Components of cash and cash equivalents and the accounting policy applied in their determination:

Cash, foreign currency, cash in transit and purchased bank cheques together with demand deposits at banks including the CBRT are defined as “Cash”; interbank money market and time deposits in banks with original maturities of less than three months are defined as “Cash Equivalents”.

1 (i). Cash and cash equivalents at the beginning of period:

	31 December 2008	31 December 2007
Cash	53.131	38.226
Cash, Foreign Currency and Other	14.732	8.815
Demand Deposits in Banks	38.399	29.411
Cash Equivalents	82.660	267.927
Interbank Money Market	-	45.835
Time Deposits in Bank	82.660	222.092
Total Cash and Cash Equivalents	135.791	306.153

The total amount from the operations that occurred in the prior period is the total cash and cash equivalents amount at the beginning of the current period.

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VI. EXPLANATIONS AND NOTES RELATED TO STATEMENT OF CASH FLOWS(Continuing)

1 (ii). Cash and cash equivalents at the end of the period:

	31 December 2008	31 December 2007
Cash	146.363	53.131
Cash, Foreign Currency and Other	16.608	14.732
Demand Deposits in Banks	129.755	38.399
Cash Equivalents	227.530	82.660
Interbank Money Market	70.000	-
Time Deposits in Bank	157.530	82.660
Total Cash and Cash Equivalents	373.893	135.791

b. Information on other items presented in the statement of cash flows and the effects of the change in foreign exchange rates on cash and cash equivalents :

“Other” items presented in “Net operating income before changes in operating assets and liabilities” amount to TL15.531 (31 December 2007: TL4.791) and mainly consists of other operating income excluding collections from non-performing loans, other operating expenses excluding personnel expenses and foreign exchange gain and loss items.

“Net increase/decrease in liabilities” items presented in “Changes in operating assets and liabilities” amount to TL14.416 (31 December 2007: TL25.257) and consist of changes in other liabilities and miscellaneous payables.

VII. EXPLANATIONS AND NOTES RELATED TO BANK’S RISK GROUP

a. The volume of transactions relating to the Bank’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 items and as at 31 December 2007 for income statement items.

1. 31 December 2008:

Banks’ Risk Group (*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		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	-	1.773	607	21.703	57	335
Balance at the End of the Period	-	2.739	25.759	23.499	70	335
Interest and Commission Income Received	81	1	403	102	2	1

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

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VII. EXPLANATIONS AND NOTES RELATED TO BANK’S RISK GROUP(Continuing)

2. 31 December 2007:

Banks’ Risk Group(*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		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	-	412	1.977	24.432	96	42
Balance at the End of the Period	-	1.773	607	21.703	57	335
Interest and Commission Income Received	24	-	376	71	2	2

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

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

Banks’ Risk Group(*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		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	3.593	2.408	385.230	16.956	14.864	5.553
End of the Period	77.951	3.593	641.805	385.230	24.332	14.864
Interest Expense on Deposits	4.991	100	69.030	4.798	2.432	1.007

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

Banks’ Risk Group(*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		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	-	1.092	928	170	36	69
End of the Period	-	-	-	928	176	36
Interest Expense on Repurchase Transactions	-	77	90	454	32	44

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

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

Banks’ Risk Group(*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Bank		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	24.694	-	59.800	29.619	-	-
Total Profit/Loss	(2.827)	-	1.904	(5)	-	-
Transactions for hedging purposes						
Beginning of the Period	-	-	46.372	-	-	-
Balance at the end of the period	-	-	60.872	46.372	-	-
Total Profit/Loss	-	-	(11.792)	(7.760)	-	-

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

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

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

The Bank 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	145.825	88,47
Loans	25.829	2,32
Non-cash loans	26.573	2,26
Deposit	744.088	41,44
Funds from repurchase transactions	176	0,09
Borrowings	972.480	92,26
Financial lease payables (net)	2.588	100,00

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

The Bank, has financial leasing agreements with EFG Finansal Kiralama A.Ş. and net financial leasing payables arising from these agreements amount to TL2.588 (31 December 2007: TL1.094). The interest expense amount paid for the related financial leasing agreements is TL215 (31 December 2007: TL92).

The Bank has realized operating income of TL156 (31 December 2007: TL120) due to the operational support services given to EFG Finansal Kiralama A.Ş in 2008.

In accordance with the limits in Banking Law, cash and non-cash loans are allocated to the Bank’s risk group and the amount composes 2,29% of the Bank’s total cash and non-cash loans.

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

The Bank’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 Bank, Tekfen Holding A.Ş; under financial leasing agreement and are recorded in the Bank’s immovables at a historical cost of TL12.587. According to the independent expertise valuation report as at 31 December 2008, the fair value of the immovable is determined as TL28.000 and as of 31 December 2008, this immovable was reflected with a gross amount of TL19.648 (net TL18.109) to the financial statements taking into consideration of USD11.900.000 price in the sales option given to Tekfen Holding A.Ş.

As of 31 December 2008, the Bank has paid TL100 to EFG Ergasias SA, TL171 to EFG IT Shared Services SA, TL398 to EFG Factors SA as licence and service charge and TL49 to EFG Audit&Consulting Services

As of 31 December 2008, the Bank paid TL1.220 (31 December 2007: TL1.008) to Tekfen Turizm ve İşletmecilik A.Ş., included in Tekfen’s risk group, for operating Tekfen Tower and the Archive building.

As of 31 December 2008, the Bank paid a rent amount of TL184 (31 December 2007: TL139) to Toros Tarım Sanayi ve Ticaret A.Ş., included in Tekfen’s risk group, for the related management expenses of the Archive building.

As of 31 December 2008, the Bank has paid a rent amount of TL40 (31 December 2007: TL41), and an advertisement share amount of TL25 (31 December 2007: TL56) to Tekfen Holding A.Ş.

c. Information on benefits provided to top management:

As of 31 December 2008, benefits provided to top management amount to TL8.757 (31 December 2007: TL3.159).

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**VIII. EXPLANATIONS AND NOTES RELATED TO THE DOMESTIC, FOREIGN, OFF-SHORE
BRANCHES AND FOREIGN REPRESENTATIVES OF THE BANK**

- a. Information on domestic, foreign branches and foreign representatives:

	Number	Employee number			
Domestic Branch	42	661			
			Country of Incorporation		
Foreign Representative	-	-			
				Total Asset	Statutory share capital
Foreign Branche	-	-		-	-
Off-Shore Banking Region Branch	-	-		-	-

- b. There is no event that would affect opening or closing a domestic branch, a foreign branch or a representative office.

IX. EXPLANATIONS AND NOTES RELATED TO SUBSEQUENT EVENTS

- i. As per the board of director's decision dated 25 December 2008, the Bank has decided to increase its paid-in capital from TL230.000 to TL380.000 where TL125.000 of the capital increase will arise from the cash contribution of shareholders and TL25.000 of the increase will be derived from internal resources. The underlying capital increase was settled at the Extraordinary Board Meeting held on 25 December 2008. At the date of publishment of financial statements, nearly all of the cash capital increase had been paid by the shareholders. Based on the BRSA authorization dated 3 March 2009, TL124.995 paid by shareholders and TL25.000 from internal sources has been accounted as of 11 March 2009.
- ii. The Bank has applied to the BRSA in 26 July 2007 for the conversion of the perpetual loan received from the indirect parent company, EFG Eurobank Ergasias S.A, amounting TL89.139 to tier-II-capital in accordance with the terms mentioned in "The Regulation Regarding to Equity of Banks" published in Official Gazette No. 26333 in 1 November 2006 and the related amount has been recorded as tier-II-capital as of 17 February 2009 in accordance with BRSA authorization dated 14 January 2009.

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

EUROBANK TEKFEN A.Ş.

NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

SECTION SIX

OTHER EXPLANATIONS

I. OTHER EXPLANATIONS RELATED TO BANK’S OPERATIONS

None.

SECTION SEVEN

EXPLANATIONS ON INDEPENDENT AUDITOR’S REPORT

I. EXPLANATIONS ON INDEPENDENT AUDITOR’S REPORT

The unconsolidated financial statements for the period ended 31 December 2008 have been audited by Başaran Nas Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (a member of PricewaterhouseCoopers) and the auditor’s report dated 12 March 2009 has been presented prior to the unconsolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITOR

None.

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