

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

EUROBANK TEKFEN A.Ş.

**PUBLICLY ANNOUNCED CONSOLIDATED
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 consolidated balance sheet of Eurobank Tekfen A.Ş. ("the Bank") and its consolidated subsidiaries at 31 December 2008 and the related consolidated 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 consolidated financial statements; and for selecting and applying appropriate accounting policies in compliance with the Regulation on Accounting Applications for Banks and Safeguarding of Documents 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 consolidated financial statements present fairly, in all material respects, the financial position of Eurobank Tekfen A.Ş. and its consolidated subsidiaries 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 articles 37 and 38 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 detail in Note I. of Section Three, the effects of differences between accounting principles and standards set out by regulations in conformity with articles 37 and 38 of the Banking Act No. 5411, accounting principles generally accepted in countries in which the accompanying consolidated financial statements are to be distributed and International Financial Reporting Standards ("IFRS") have not been quantified in the accompanying consolidated financial statements. Accordingly, the accompanying consolidated financial statements are not intended to present the financial position, results of operations and changes in financial position and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

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

Alper Önder, SMMM
Partner

Istanbul, 12 March 2009

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

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

Address : Eski Büyükdere Caddesi. Tekfen Tower No:209 34330 4.Levent / İstanbul
Telephone : 0 212 357 07 07
Fax : 0 212 357 08 08
Web site : www.eurobanktekfен.com
E-mail : bilgi@eurobanktekfен.com

The consolidated 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 GROUP
- **Section Two** CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP
- **Section Three** EXPLANATIONS ON ACCOUNTING POLICIES
- **Section Four** INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP
- **Section Five** EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
- **Section Six** OTHER EXPLANATIONS AND NOTES
- **Section Seven** EXPLANATIONS ON INDEPENDENT AUDITOR'S REPORT

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

Subsidiaries	Investment in Associates	Joint Ventures
1. EFG Finansal Kiralama A.Ş.	-	-
2. EFG İstanbul Menkul Değerler A.Ş.	-	-

The accompanying consolidated financial statements and notes to these financial statements which are expressed, unless otherwise stated, in thousands of 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 CİĞA
Head of Accounting,
Tax, and
Reporting Unit

O. Reha YOLALAN
Head of Audit Committee

Piergiorgio PRADELLI
Member of the Audit
Committee

Paula HADJISOTIRIOU
Member of the Audit
Committee

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

Name-Surname / Title: Ahmet CİĞA/Manager
Telephone Number : 0 212 357 07 07
Fax Number : 0 212 357 08 21

INDEX

SECTION ONE

GENERAL INFORMATION ABOUT THE GROUP

	<u>PAGE</u>
I. Parent Bank's foundation date, start-up statute, history about the changes in this mentioned statute.....	1
II. Explanation about the Parent Bank's capital structure, shareholders of the Parent Bank who are in charge of the management and/or auditing of the Parent Bank directly or indirectly, changes in these matters (if any) and the group the Parent Bank belongs to	2
III. Explanation on the Board of directors, members of the audit committee, president and executive vice presidents, changes in these matters (if any) and shares of the Parent Bank they possess.....	3
IV. Explanation on shareholders having control shares.....	4
V. Information on the Parent Bank's service type and field of operations	4

SECTION TWO

CONSOLIDATED FINANCIAL STATEMENTS

I. Consolidated balance sheet.....	6-7
II. Consolidated off-balance sheet commitments	8
III. Consolidated income statement	9
IV. Consolidated statement of income and expense items accounted in equity.....	10
V. Consolidated statement of changes in shareholders' equity.....	11-12
VI. Consolidated statement of cash flows.....	13
VII. Profit appropriation statement	14

SECTION THREE

EXPLANATIONS ON ACCOUNTING POLICIES

I. Basis of presentation.....	15
II. Explanations on strategy of using financial instruments and foreign currency transactions.....	16
III. Explanations on investments in associates, subsidiaries and joint ventures.....	16
IV. Explanations on forward transactions, options and derivative instruments	17
V. Explanations on interest income and expense.....	17
VI. Explanations on fee and commission income and expense.....	17
VII. Explanations on financial assets	18-19
VIII. Explanations on impairment of financial assets.....	19
IX. Explanations on offsetting financial assets.....	19
X. Explanations on sales and repurchase agreements and securities lending transactions	20
XI. Explanations on assets held for resale and discontinued operations	20
XII. Explanations on goodwill and other intangible assets	20-21
XIII. Explanations on property and equipment	21
XIV. Explanations on leasing transactions	22
XV. Explanations on provisions and contingent commitments	22
XVI. Explanations on contingent assets	22
XVII. Explanations on obligations related to employee rights	23
XVIII. Explanations on taxation	23-24
XIX. Explanations on borrowings	24
XX. Explanations on issuance of share certificates.....	24
XXI. Explanations on avalized drafts and acceptances	24
XXII. Explanations on government grants.....	24
XXIII. Explanations on profit reserves and profit distribution.....	24
XXIV. Explanations on earnings per share	25
XXV. Explanations on related parties.....	25
XXVI. Explanations on cash and cash equivalents	25
XXVII. Explanations on segment reporting	25
XXVIII. Reclassifications	25
XXIX. Turkish Lira.....	26

INDEX (Continued)

SECTION FOUR

INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP

PAGE

I.	Explanations on consolidated capital adequacy ratio.....	27-29
II.	Explanations on consolidated credit risk	30-35
III.	Explanations on consolidated market risk	36
IV.	Explanations on consolidated operational risk.....	37
V.	Explanations on consolidated currency risk	37-38
VI.	Explanations on consolidated interest rate risk.....	39-41
VII.	Explanations on consolidated liquidity risk.....	42-45
VIII.	Explanations regarding the presentation of financial assets and liabilities at their fair values.....	46
IX.	Explanations regarding the activities carried out on behalf and account of other parties	46
X.	Explanations on operating segments	47

SECTION FIVE

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS

I.	Explanations and notes related to consolidated assets	48-64
II.	Explanations and notes related to consolidated liabilities.....	65-72
III.	Explanations and notes related to consolidated off-balance sheet accounts	73-75
IV.	Explanations and notes related to consolidated income statement.....	76-81
V.	Explanations and notes related to consolidated changes in shareholders' equity	82-83
VI.	Explanations and notes related to consolidated statement of cash flows	83-84
VII.	Explanations and notes related to Group's risk group	84-87
VIII.	Explanations and notes related to the domestic, foreign off-shore branches and foreign representatives of the Parent Bank	88
IX.	Explanations and notes related to subsequent events.....	88

SECTION SIX

OTHER EXPLANATIONS

I.	Other explanations related to Group's operations.....	89
----	---	----

SECTION SEVEN

EXPLANATIONS ON INDEPENDENT AUDITOR'S REPORT

I.	Explanations on independent auditor's report	89
II.	Explanations and notes prepared by independent auditor.....	89

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

SECTION ONE

GENERAL INFORMATION ABOUT THE GROUP

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

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

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

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

EFG Eurobank Ergasias S.A. (“Eurobank EFG”) and Tekfen Holding A.Ş. (“Tekfen Group”) signed an agreement as 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.

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

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

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

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED 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 PARENT 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.

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

IV. EXPLANATIONS ON SHAREHOLDERS HAVING CONTROL SHARES IN THE PARENT BANK:

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

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

In accordance with the Shareholders Agreement signed among Eurobank EFG Holding (Luxembourg), Tekfen Holding A.Ş. and TST International Finance S.A. Luxembourg on 16 March 2007, at any time between the 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 Parent Bank has not been changed.

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

As of 31 December 2008, the Parent Bank has 42 branches operating in Turkey (31 December 2007: 36). The Parent Bank's core business activities include corporate and commercial banking, retail banking and banking services in treasury fields. As of 31 December 2008, the Parent Bank has 661 (31 December 2007: 549) employees and the Group has 733 (31 December 2007: 620) employees.

SECTION TWO
CONSOLIDATED FINANCIAL STATEMENTS

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

**EUROBANK TEKFEN A.Ş.
CONSOLIDATED BALANCE SHEETS AT 31 DECEMBER 2008 AND 31 DECEMBER 2007**
(Unless otherwise stated amounts are expressed in thousands of Turkish Lira ("TL").)

I. BALANCE SHEET	ASSETS	Note (Section Five)	(31/12/2008)			(31/12/2007)		
			TL	FC	Total	TL	FC	Total
I.	CASH AND BALANCES WITH CENTRAL BANK	I-a	115.866	63.408	179.274	41.486	59.761	101.247
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT or LOSS (Net)	I-b	195.450	459	195.909	95.795	159	95.954
2.1	Trading Financial Assets		194.719	-	194.719	95.795	-	95.795
2.1.1	Government Debt Securities		193.476	-	193.476	91.148	-	91.148
2.1.2	Share Certificates		109	-	109	-	-	-
2.1.3	Other Marketable Securities		1.134	-	1.134	4.647	-	4.647
2.2	Financial Assets Designated at Fair Value through Profit or Loss		-	-	-	-	-	-
2.2.1	Government Debt Securities		-	-	-	-	-	-
2.2.2	Share Certificates		-	-	-	-	-	-
2.2.3	Other Marketable Securities		-	-	-	-	-	-
2.3	Trading Derivative Financial Assets		731	459	1.190	-	159	159
III.	BANKS	I-c	141.710	35.319	177.029	8.040	144.823	152.863
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	456.179	160.515	616.694	327.231	105.007	432.238
5.1	Share Certificates		969	-	969	979	-	979
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	770.116	322.198	1.092.314	622.391	259.344	881.735
6.1	Loans		730.908	322.198	1.053.106	607.93	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		76.953	-	76.953	34.345	-	34.345
6.3	Specific Provisions (-)		37.745	-	37.745	19.888	-	19.888
VII.	FACTORING RECEIVABLES	I-e	11.455	9.639	21.094	14.197	39	14.236
VIII.	HELD-TO-MATURITY SECURITIES (Net)	I-f	971.969	-	971.969	960.093	1.863	961.956
8.1	Government Debt Securities		971.969	-	971.969	960.093	1.863	961.956
8.2	Other Marketable Securities		-	-	-	-	-	-
IX.	INVESTMENTS IN ASSOCIATES (Net)	I-g	-	-	-	-	-	-
9.1	Consolidated Based on Equity Method		-	-	-	-	-	-
9.2	Unconsolidated		-	-	-	-	-	-
9.2.1	Financial Investments in Associates		-	-	-	-	-	-
9.2.2	Non-financial Investments in Associates		-	-	-	-	-	-
X.	SUBSIDIARIES (Net)	I-h	-	-	-	-	-	-
10.1	Unconsolidated Financial Subsidiaries		-	-	-	-	-	-
10.2	Unconsolidated Non-Financial Subsidiaries		-	-	-	-	-	-
XI.	JOINT VENTURES (Net)	I-i	-	-	-	-	-	-
11.1	Consolidated Based on Equity Method		-	-	-	-	-	-
11.2	Unconsolidated		-	-	-	-	-	-
11.2.1	Financial Joint Ventures		-	-	-	-	-	-
11.2.2	Non-Financial Joint Ventures		-	-	-	-	-	-
XII.	LEASE RECEIVABLES (Net)	I-j	6.926	108.614	115.540	6.796	32.006	38.802
12.1	Financial Lease Receivables		8.867	135.034	143.901	8.679	40.266	48.945
12.2	Operational Lease Receivables		-	-	-	-	-	-
12.3	Other		-	-	-	-	-	-
12.4	Unearned Income (-)		1.941	26.420	28.361	1.883	8.260	10.143
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	39.228	-	39.228	24.499	-	24.499
XV.	INTANGIBLE ASSETS (Net)	I-m	67.542	-	67.542	65.12	-	65.121
15.1	Goodwill		63.973	-	63.973	63.973	-	63.973
15.2	Other		3.569	-	3.569	1.148	-	1.148
XVI.	INVESTMENT PROPERTY (Net)	I-n	-	-	-	-	-	-
XVII.	TAX ASSET	I-o	9.660	-	9.660	7.017	-	7.017
17.1	Current Tax Asset		1.081	-	1.081	415	-	415
17.2	Deferred Tax Asset		8.579	-	8.579	6.602	-	6.602
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	9.459	19.208	28.667	13.685	14.627	28.312
	TOTAL ASSETS		2.866.418	720.990	3.587.408	2.187.551	618.963	2.806.514

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

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

**EUROBANK TEKFEN A.Ş.
CONSOLIDATED BALANCE 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	1.139.974	577.599	1.717.573	621.051	527.231	1.148.282
1.1 Deposits of Bank's Risk Group		544.212	121.925	666.137	224.882	175.213	400.095
1.2 Other		595.762	455.674	1.051.436	396.169	352.018	748.187
II. TRADING DERIVATIVE FINANCIAL LIABILITIES	II-b	101	584	685	10	165	175
III. BORROWINGS	II-c	914.182	187.464	1.101.646	1.008.566	91.427	1.099.993
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		10.376	13.160	23.536	10.353	23.339	33.692
VIII. OTHER LIABILITIES	II-d	8.875	963	9.838	15.26	1.900	17.161
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. LEASE PAYABLES (Net)	II-e	-	151	151	-	181	181
10.1 Financial Lease Payables		-	161	161	-	201	201
10.2 Operational Lease Payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred Financial Lease Expenses (-)		-	10	10	-	20	20
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	25.754	13.685	39.439	19.547	9.590	29.137
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		13.152	-	13.152	10.291	-	10.291
12.4 Insurance Technical Provisions (Net)		-	-	-	-	-	-
12.5 Other Provisions		4.965	9.195	14.160	3.579	6.741	10.320
XIII. TAX LIABILITY	II-h	14.834	-	14.834	9.584	-	9.584
13.1 Current Tax Liability		14.813	-	14.813	9.584	-	9.584
13.2 Deferred Tax Liability		21	-	21	-	-	-
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	320.472	(14.930)	305.542	275.981	826	276.807
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	2.103	-	2.103
16.2.5 Intangible Assets Revaluation Reserve		-	-	-	-	-	-
16.2.6 Investment Property Revaluation Reserve		-	-	-	-	-	-
16.2.7 Bonus Shares Obtained from Investments in Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-
16.2.8 Hedging Reserves (Effective portion)		-	-	-	-	-	-
16.2.9 Value Differences of Assets Held for Resale and Discontinued Operations		-	-	-	-	-	-
16.2.10 Other Capital Reserves		1.567	-	1.567	1.567	-	1.567
16.3 Profit Reserves		39.289	-	39.289	18.457	-	18.457
16.3.1 Legal Reserves		8.577	-	8.577	7.382	-	7.382
16.3.2 Status Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		30.712	-	30.712	11.075	-	11.075
16.3.4 Other Profit Reserves		-	-	-	-	-	-
16.4 Income or (Loss)		41.693	-	41.693	22.430	-	22.430
16.4.1 Prior Years' Income or (Loss)		1.598	-	1.598	(4.289)	-	(4.289)
16.4.2 Current Year Income or (Loss)		40.095	-	40.095	26.719	-	26.719
16.5 Minority Shares		-	-	-	-	-	-
TOTAL LIABILITIES		2.779.714	807.694	3.587.408	2.116.389	690.125	2.806.514

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

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

**EUROBANK TEKFEN A.Ş.
CONSOLIDATED OFF-BALANCE SHEET COMMITMENTS AT
31 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)		497.315	1.344.483	1.841.798	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	190.03	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	-	2.641
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	90.481	325.978	416.459	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		90.481	143.362	233.843	118.354	118.354	
3.2.1	Forward Foreign Currency Buy/Sell Transactions		15.639	15.491	31.130	71.883	71.883	
3.2.1.1	Forward Foreign Currency Transactions-Buy		11.867	3.824	15.691	35.955	35.955	
3.2.1.2	Forward Foreign Currency Transactions-Sell		3.772	11.667	15.439	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		105	-	105	-	-	
B	CUSTODY AND PLEDGES RECEIVED (IV+V+VI)		3.389.628	4.861.105	8.250.733	2.394.483	2.412.738	4.807.218
IV	ITEMS HELD IN CUSTODY		1.123.986	247.889	1.371.875	692.258	117.193	809.451
4.1	Customer Fund and Portfolio Balances		11.578	-	11.578	15.712	7.515	23.227
4.2	Investment Securities Held in Custody		382.433	10.855	393.288	199.557	10.798	210.355
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		369.740	169.705	539.445	431.709	35.845	467.554
4.8	Custodians		-	-	-	-	-	-
V	PLEDGES RECEIVED		2.265.642	4.613.216	6.878.858	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		933.149	1.840.866	2.774.015	644.228	872.238	1.516.466
5.6	Other Pledged Items		26.830	20.122	46.952	42.549	13.159	55.708
5.7	Pledged Items-Depository		-	-	-	-	-	-
VI	ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
	TOTAL OFF-BALANCE SHEET COMMITMENTS (A+B)		3.886.943	6.205.588	10.092.531	2.680.859	3.120.972	5.801.831

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

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

**EUROBANK TEKFEN A.Ş.
CONSOLIDATED INCOME STATEMENT FOR THE 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	469.959	278.455
1.1 Interest on Loans		179.452	117.170
1.2 Interest Received from Reserve Requirements		13.040	7.608
1.3 Interest Received from Banks		15.617	15.702
1.4 Interest Received from Money Market Transactions		6.508	3.060
1.5 Interest Received from Marketable Securities Portfolio		234.808	131.935
1.5.1 Trading Financial Assets		1.920	864
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		157.226	98.447
1.6 Financial Lease Income		7.737	2.685
1.7 Other Interest Income		12.797	295
II. INTEREST EXPENSE (-)	IV-b	378.656	207.021
2.1 Interest on Deposits (-)		170.742	85.497
2.3 Interest on Funds Borrowed (-)		155.296	97.013
2.4 Interest Expense on Money Market Transactions (-)		41.297	24.372
2.5 Interest on Securities Issued (-)		-	-
2.6 Other Interest Expenses (-)		11.321	139
III. NET INTEREST INCOME (I - II)		91.303	71.434
IV. NET FEES AND COMMISSIONS INCOME/EXPENSE	IV-1	63.781	27.211
4.1 Fees and Commissions Received		68.174	29.249
4.1.1 Non-cash Loans		18.544	9.273
4.1.2 Other		49.630	19.976
4.2 Fees and Commissions Paid (-)		4.393	2.038
4.2.1 Non-cash Loans (-)		279	114
4.2.2 Other (-)		4.114	1.924
V. DIVIDEND INCOME	IV-c	156	97
VI. TRADING INCOME / (LOSS) (Net)	IV-d	16.426	3.446
6.1 Trading Gains/(Losses) on Securities		4.051	(2.749)
6.2 Foreign Exchange Gains/(Losses)		12.375	6.195
VII. OTHER OPERATING INCOME	IV-e	8.809	3.563
VIII. TOTAL OPERATING INCOME (III+IV+V+VI+VII)		180.475	105.751
IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	IV-f	22.333	10.301
X. OTHER OPERATING EXPENSES (-)	IV-g	108.761	62.713
XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)		49.381	32.737
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	49.381	32.737
XVI. TAX PROVISION FOR CONTINUING OPERATIONS (-)	IV-i	9.286	6.018
16.1 Current Tax Provision		8.404	12.738
16.2 Deferred Tax Provision		882	(6.720)
XVII. NET INCOME/(LOSS) FROM CONTINUING OPERATIONS (XV- XVI)	IV-j	40.095	26.719
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	40.095	26.719
23.1 Income / (Loss) of the Group		40.095	26.719
23.2 Income / (Loss) of Minority Interest		-	-
Earnings / (Loss) per share (1.000 nominal in TL full)		1,569	1,718

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

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

**EUROBANK TEKFEN A.Ş.
CONSOLIDATED STATEMENT OF INCOME AND EXPENSE ITEMS ACCOUNTED IN EQUITY
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
CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED
IN TURKISH, SEE NOTE I. OF SECTION THREE

EUROBANK TEKFEN A.Ş.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE 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 Equity Except for Minority Interest	Minority Interest	Total Shareholders' Equity	
I.	Period Opening Balance		50.000	37.005	-	-	7.344	-	3.169	-	13.118	99	250	3.128	-	-	-	114.113	-	114.113	
II.	Changes in Accounting Policies according to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.1	Effects of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
2.2	Effects of the Changes in Accounting Policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
III.	New Balance (I+II)		50.000	37.005	-	-	7.344	-	3.169	-	13.118	99	250	3.128	-	-	-	114.113	-	114.113	
	Changes in the Period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
IV.	Increase/Decrease due to the Merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
V.	Marketable Securities Valuation Differences	(V-d)	-	-	-	-	-	-	-	-	-	-	2.000	-	-	-	-	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	(V-e)	-	-	-	-	-	-	-	-	-	-	-	(1.025)	-	-	-	(1.025)	-	(1.025)	
VIII.	Revaluation Differences of Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
IX.	Bonus Shares Obtained from 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	-	135.000	
14.1	Cash		135.000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	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		-	-	-	-	-	-	-	26.719	-	-	-	-	-	-	-	26.719	-	26.719	
XX.	Profit Distribution		-	-	-	-	38	-	7.906	9.562	(13.118)	(4.388)	-	-	-	-	-	-	-	-	
20.1	Dividend Paid		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
20.2	Transfers to Reserves		-	-	-	-	38	-	7.906	9.562	(13.118)	(4.388)	-	-	-	-	-	-	-	-	
20.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	Period End Balance (III+IV+V+...+XX)		230.000	1.567	-	-	7.382	-	11.075	-	26.719	(4.289)	2.250	2.103	-	-	-	276.807	-	276.807	

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

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

EUROBANK TEKFEN A.Ş.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE 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 Equity Except for Minority Interest	Minority Interest	Total Shareholders' Equity
I. Prior Period End Balance		230.000	1.567	-	-	7.382	-	11.075	-	26.719	(4.289)	2.250	2.103	-	-	-	276.807	-	276.807
II. Increase/Decrease due to the Merger																			
III. Marketable Securities Valuation Differences	(V-d)											(16.409)					(16.409)		(16.409)
IV. Hedging Reserves (Effective Portion)																			
4.1 Cash Flow Hedge																			
4.2 Foreign Investment Hedge																			
V. Revaluation Differences of Tangible Assets	(V-e)												5.049				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										40.095							40.095		40.095
XVIII. Profit Distribution						1.195		19.637		(26.719)	5.887								
18.1 Dividend Paid						1.195		19.637		(26.719)	5.887								
18.2 Transfers to Reserves																			
18.3 Other																			
Period End Balance (I+II+III+...+XVII+XVIII)		230.000	1.567	-	-	8.577	-	30.712	-	40.095	1.598	(14.159)	7.152	-	-	-	305.542	-	305.542

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

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

**EUROBANK TEKFEN A.Ş.
CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE 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	(31/12/2008)	(31/12/2007)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		(1.031)	23.847
1.1.1 Interest received		405.572	176.965
1.1.2 Interest paid		(372.098)	(150.334)
1.1.3 Dividend received		156	97
1.1.4 Fees and commissions received		63.781	30.464
1.1.5 Other income		-	-
1.1.6 Collections from previously written-off loans and other receivables		6.835	4.889
1.1.7 Payments to personnel and service suppliers		(61.638)	(30.738)
1.1.8 Taxes paid		(9.048)	(5.276)
1.1.9 Other	VI-b	(34.591)	(2.220)
1.2 Changes in operating assets and liabilities		410.597	947.927
1.2.1 Net (increase)/decrease in trading securities		(94.952)	(89.455)
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		(271.602)	(347.613)
1.2.5 Net (increase)/decrease in other assets		35.831	(49.773)
1.2.6 Net increase/(decrease) in bank deposits		(6.697)	12.082
1.2.7 Net increase/(decrease) in other deposits		572.807	378.410
1.2.8 Net increase/(decrease) in funds borrowed		165.519	1.005.925
1.2.9 Net increase/(decrease) in payables		-	-
1.2.10 Net increase/(decrease) in other liabilities	VI-b	9.691	38.351
I. Net cash provided from banking operations		409.566	971.774
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from investing activities		(203.315)	(1.229.794)
2.1 Cash paid for acquisition of investments, associates and subsidiaries		-	(63.973)
2.2 Cash obtained from disposal of investments, associates and subsidiaries		-	-
2.3 Purchases of property and equipment		(15.366)	(5.274)
2.4 Disposals of property and equipment		154	139
2.5 Cash paid for purchase of investments available-for-sale		(195.686)	(302.287)
2.6 Cash obtained from sale of investments available-for-sale		-	-
2.7 Cash paid for purchase of investment securities		(391)	(912.724)
2.8 Cash obtained from sale of investment securities		7.974	54.325
2.9 Other		-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash provided from financing activities		(77)	131.848
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		(77)	(3.152)
3.6 Other		-	135.000
IV. Effect of change in foreign exchange rate on cash and cash equivalents		(181)	123
V. Net increase/decrease in cash and cash equivalents (I+II+III+IV)		205.993	(126.049)
VI. Cash and cash equivalents at beginning of the period		180.104	306.153
VII. Cash and cash equivalents at end of the period	VI-a	386.097	180.104

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

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

**EUROBANK TEKFEN A.Ş.
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
ANNOUNCED CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED
IN TURKISH, SEE NOTE I. OF SECTION THREE**

EUROBANK TEKFEN A.Ş.

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

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

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

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

Additional paragraph for convenience translation into English:

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

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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

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

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

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

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

Consolidation principles for subsidiaries:

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

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

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

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

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

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

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

V. EXPLANATIONS ON INTEREST INCOME AND EXPENSE:

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

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

VI. EXPLANATIONS ON FEE AND COMMISSION INCOME AND EXPENSE:

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

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

VII. EXPLANATIONS ON FINANCIAL ASSETS:

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

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

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

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

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

b. Held-to-maturity financial assets:

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

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

c. Loans and receivables:

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

The Group provides general and specific provisions based on the assessments and estimates of the management, by considering the "Communiqué Related to Principles and Procedures on Determining the Qualifications of Banks' Loans and Other Receivables and the Provision for These Loans and Other Receivables" published in the Official Gazette No. 26333 dated 1 November 2006.

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

In this context, the revised credit risk, general structure of the current loan portfolio, financial conditions of the customers, non-financial information and economic conjuncture on the basis of the prudence principle are taken into consideration by the Parent Bank in determining the estimates.

Provision expenses are deducted from the net income of the year. If there is a collection from a receivable that is provisioned previously, the amount is deducted from the “Specific Provisions” account and recorded as an income to “Provision for Loan Losses and Other Receivables” shown as net with the provisions recorded in the year. Uncollectible receivables are written-off after all the legal procedures have been finalised.

d. Available-for-sale financial assets:

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

Government bonds included in the available-for-sale financial assets are subsequently re-measured at fair value. When fair value calculations, based on market prices, cannot be obtained reliably, the available-for-sale financial assets are carried at amortised cost using the effective interest method. Available-for-sale equity securities that have a quoted market price in an active market and whose fair values can be reliably measured are carried at fair value. Available-for-sale equity securities that do not have a quoted market price in an active market and whose fair values cannot be reliably measured are carried at cost, less provision for impairment.

“Unrealised gains and losses” arising from changes in the fair value of financial assets classified as available-for-sale are recognised in the shareholders’ equity as “Marketable Securities Valuation Reserve”, until there is a permanent decline in the fair values of such assets or they are disposed of. When these financial assets are disposed of or impaired, the related fair value differences accumulated in the shareholders’ equity are transferred to the income statement.

VIII. EXPLANATIONS ON IMPAIRMENT OF FINANCIAL ASSETS:

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

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

IX. EXPLANATIONS ON OFFSETTING FINANCIAL ASSETS:

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

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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

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

Funds given against securities purchased under agreements (“Reverse repo”) to resell are accounted under “Receivables from Reverse Repurchase Agreements” on the balance sheet. The difference between the purchase and determined resell price is accrued over the life of repurchase agreements using the “effective interest method”. The Group has no securities lending transactions.

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

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

The Group has no discontinued operations.

XII. EXPLANATIONS ON GOODWILL AND OTHER INTANGIBLE ASSETS:

a. Goodwill

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

In line with “Turkish Financial Reporting Standard for Business Combinations (“TFRS 3”), the goodwill is not subject to depreciation, but is tested annually for impairment and carried at cost less accumulated impairment losses, if any, in line with “Turkish Accounting Standard for Impairment on Assets” (“TAS 36”). For the purpose of impairment testing, goodwill acquired in a business combination must be allocated from the acquisition date to each of the acquirer’s cash generating units that are expected to benefit from the synergies of the business combination.

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

b. Other intangible assets

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

XIII. EXPLANATIONS ON PROPERTY AND EQUIPMENT:

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

The Group has adopted the “revaluation method” in accordance with the “Communiqué Regarding the Principles and Procedures for the Tangible Assets (“TAS 16”)” for its buildings. Independent expert appraisal values are presented in the financial statements. However, the revaluation amount of the building acquired within the context of the financial lease agreement explained in detail in 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 Group.

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

Buildings	2%
Movables, Movables Acquired by Financial Leasing	5-50%

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.

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XIV. EXPLANATIONS ON LEASING TRANSACTIONS:

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

Leased assets are included in the property and equipment and depreciation is charged on a straight-line basis over the useful life of the asset. If there is any diminution in value of the leased asset, a “Provision for value decrease” is recognised. Liabilities arising from the leasing transactions are included in “Financial Lease Payables” on the balance sheet. Interest and foreign exchange expenses regarding lease transactions are charged to the income statement. The Group realizes financial leasing transactions in the capacity of “lessor” by means of EFG Finansal Kiralama A.Ş. which is the consolidated subsidiary of the Group. The asset subject to financial leasing is disclosed as net financial leasing receivable in the balance sheet. The interest income is determined in a way to form a fixed revenue return ratio using net investment method related to leased asset of the lessor, and the portion of interest income which does not take part in the related term is followed under unearned interest income account.

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

XV. EXPLANATIONS ON PROVISIONS AND CONTINGENT COMMITMENTS:

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

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

XVI. EXPLANATIONS ON CONTINGENT ASSETS:

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

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

XVII. EXPLANATIONS ON OBLIGATIONS RELATED TO EMPLOYEE RIGHTS:

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

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

XVIII. EXPLANATIONS ON TAXATION :

a. Current tax:

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

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

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

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

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

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

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

b. Deferred tax:

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

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

XIX. EXPLANATIONS ON BORROWINGS:

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

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

XX. EXPLANATIONS ON ISSUANCE OF SHARE CERTIFICATES:

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

XXI. EXPLANATIONS ON AVALIZED DRAFTS AND ACCEPTANCES:

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

XXII. EXPLANATIONS ON GOVERNMENT GRANTS:

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

XXIII. EXPLANATIONS ON PROFIT RESERVES AND PROFIT DISTRIBUTION:

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

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

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

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/(loss) for the year to the weighted average number of shares outstanding during the period concerned.

	30 December 2008	31 December 2007
Net Income / (Loss) to be Appropriated to Ordinary Shareholders	36.085	24.047
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)	1,569	1,718
Net Income / (Loss) to be Appropriated to Privileged Shareholders	4.010	2.672
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)	4,010	2,672

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

XXV. EXPLANATIONS ON RELATED PARTIES:

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

XXVI. EXPLANATIONS ON CASH AND CASH EQUIVALENTS:

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

XXVII. EXPLANATIONS ON SEGMENT REPORTING:

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

XXVIII. RECLASSIFICATIONS:

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

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

EXPLANATIONS ON ACCOUNTING POLICIES (Continued)

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 Kurus” 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 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.

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

SECTION FOUR

INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP

I. EXPLANATIONS ON CONSOLIDATED CAPITAL ADEQUACY RATIO:

- a. As of 31 December 2008, the consolidated capital adequacy ratio of the Group is 15,94% (31 December 2007: 17,17%) which satisfies the requirement of being above both the minimum ratio of 8% stated in the related legislation and above the 12% stated in the Group's risk parameters.
- b. The capital adequacy ratio of the Group is calculated in accordance with the "Regulation Regarding the Measurement and Evaluation of Banks' Capital Adequacy Ratio" and "Regulation Regarding Banks' Shareholders' Equity" (together referred as "Regulation Regarding Capital Adequacy") published as of 1 November 2006. The following tables show the details of "Risk weighted assets" and the calculation of "Shareholders' Equity" for the capital adequacy ratio calculation.
- c. **Information related to capital adequacy ratio:**

	Risk Weights (*)							
	0%	Parent Bank			Consolidated			
		20%	50%	100%	0%	20%	50%	100%
Amount subject to credit risk								
Balance sheet items (Net)	2.005.578	42.546	374.057	861.430	2.014.952	54.751	375.660	873.530
Cash	16.608	-	-	-	16.611	-	-	-
Matured marketable securities	-	-	-	-	-	-	-	-
The Central Bank of the Republic of Turkey	124.849	-	-	-	124.849	-	-	-
Domestic, foreign banks, foreign head offices and branches	140.000	22.436	-	761	140.000	34.638	-	761
Interbank money market	70.000	-	-	-	70.000	-	-	-
Receivables from reverse repurchase transactions	-	-	-	-	-	-	-	-
Reserve requirements with the Central Bank of the Republic of Turkey	34.209	-	-	-	34.209	-	-	-
Loans	19.356	20.040	354.419	636.423	19.356	20.040	354.419	636.423
Non-performing receivables (Net)	-	-	-	38.500	-	-	-	39.208
Lease receivables	-	-	-	-	6.637	-	1.603	106.241
Available-for-sale financial assets	576.316	-	-	950	576.316	-	-	969
Held-to-maturity investments	886.303	-	-	-	886.694	-	-	-
Receivables from the disposal of assets	-	-	-	-	-	-	-	-
Miscellaneous receivables	-	-	-	399	-	-	-	404
Interest and income accruals	130.468	70	19.638	23.785	130.496	73	19.638	25.517
Investments in associates, subsidiaries and joint ventures (Net)	-	-	-	121.562	-	-	-	-
Fixed assets	-	-	-	39.009	-	-	-	39.632
Other assets	7.469	-	-	41	9.784	-	-	24.375
Off-balance sheet items	30.538	18.671	436.949	507.190	30.538	18.671	436.949	506.702
Non-cash loans and commitments	30.538	10.955	436.949	506.322	30.538	10.955	436.949	506.322
Derivative financial instruments	-	7.716	-	868	-	7.716	-	380
Non-risk weighted accounts	-	-	-	-	-	-	-	-
Total Risk Weighted Assets	2.036.116	61.217	811.006	1.368.620	2.045.490	73.422	812.609	1.380.232

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

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP (Continued)

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

	Parent Bank		Consolidated	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007
Amount subject to credit risk "ASCR"	1.786.366	1.135.348	1.801.221	1.087.528
Amount subject to market risk "ASMR"	115.463	33.138	132.113	69.713
Amount subject to operational risk "ASOR"	108.645	83.197	121.345	85.677
Shareholders' equity	359.577	272.587	327.579	213.466
Shareholders' equity/(ASCR+ASMR+ASOR)	17,89%	21,78%	15,94%	17,17%

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	8.577	7.382
First legal reserve (Turkish Commercial Code 466/1)	4.635	3.440
Second legal reserve (Turkish Commercial Code 466/2)	3.942	3.942
Other legal reserve per special legislation	-	-
Status reserves	-	-
Extraordinary reserves	30.712	11.075
Reserves allocated by the General Assembly	30.712	11.075
Retained earnings	-	-
Accumulated loss	-	-
Foreign currency share capital exchange difference	-	-
Inflation adjustment of legal reserves, status reserves and extraordinary reserves	-	-
Profit	41.693	26.719
Current period profit	40.095	26.719
Prior period profit	1.598	-
Provisions for possible risks (up to 25% of core capital)	-	-
Profit on disposal of associates, subsidiaries and immovables to be transferred to share capital	-	-
Primary subordinated loans (up to 15% of core capital)	-	-
Uncovered portion of loss with reserves (-)	-	4.289
Current period loss (net)	-	-
Prior period loss	-	4.289
Special costs (-)	-	2.451
Prepaid expenses (-)	3.009	1.455
Intangible assets (-)	3.569	1.148
Deferred tax asset amount exceeding 10% of core capital (-)	-	-
Limit exceeding amount regarding the third clause of article 56 of the Law(-)	-	-
Consolidation goodwill (net) (-)	63.973	63.973
Total Core Capital	248.576	208.481

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP (Continued)

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	-	-
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)	-	-
Minority Interest	-	-
Total Supplementary Capital	86.006	10.485
TIER III CAPITAL	-	-
CAPITAL	334.582	218.966
DEDUCTIONS FROM THE CAPITAL (*)	7.003	5.500
Shares in unconsolidated banks and financial institutions	-	-
The secondary subordinated loans extended to banks, financial institutions (domestic or foreign) or significant shareholders of the bank and the debt instruments of a primary or secondary subordinated loan nature purchased from them	-	-
Shares of banks and financial institutions final equity method applied but assets and liabilities are not consolidated	-	-
Loans extended as contradictory to the articles 50 and 51 of the Law	-	-
The net book value of bank's immovables that are over 50% of shareholders' equity and immovables or commodities that are received on behalf of the receivables from customers and are to be disposed of according to banking law article 57 as they have been held for more than five years from the acquisition date	425	446
Other	-	-
TOTAL SHAREHOLDERS' EQUITY	327.579	213.466

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

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP (Continued)

II. EXPLANATIONS ON CONSOLIDATED CREDIT RISK:

Credit risk represents the risks and losses that could arise when the other party in a contract to which the Group 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 the Parent 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 sequestration, bankruptcy and schemes of arrangement with creditors and those who have bounced cheques and notes without an acceptable explanation.

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP (Continued)

The Parent 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. Such transactions are rare, and normally never occur.

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 Parent 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 Group 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 Group does not have significant credit risk concentration.

In the current period, the share of the Group’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 Group’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 Group’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 Group’s general loan loss provision is amounting to TL12.127 (31 December 2007: TL8.526).

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP (Continued)

a. Information on types of loans and specific provisions:

31 December 2008	Corporate	Consumer	Credit Cards	Financial Lease Receivables	Factoring Receivables	Total
Standard Loans	943.512	14.355	2.873	103.634	20.146	1.084.520
Loans under close monitoring	91.947	352	67	11.906	948	105.220
Non-performing loans	74.908	960	119	939	27	76.953
Specific provision (-)	36.602	766	119	231	27	37.745
Total	1.073.765	14.901	2.940	116.248	21.094	1.228.948

31 December 2007	Corporate	Consumer	Credit Cards	Financial Lease Receivables	Factoring Receivables	Total
Standard Loans	837.700	12.629	2.980	38.186	14.236	905.731
Loans under close monitoring	13.155	722	92	616	-	14.585
Non-performing loans	33.128	1.057	117	43	-	34.345
Specific provision (-)	19.005	731	109	43	-	19.888
Total	864.978	13.677	3.080	38.802	14.236	934.773

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

31 December 2008	Corporate	Consumer	Credit Cards	Financial Lease Receivables	Factoring Receivables	Total
Past due up to 30 days	74.845	990	146	10.900	1.193	88.074
Past due 30-60 days	11.885	247	30	6.145	-	18.307
Past due 60-90 days	5.479	-	-	3.874	208	9.561
Total	92.209	1.237	176	20.919	1.401	115.942

31 December 2007	Corporate	Consumer	Credit Cards	Financial Lease Receivables	Factoring Receivables	Total
Past due up to 30 days	17.144	1.143	216	7.634	-	26.137
Past due 30-60 days	614	386	24	629	-	1.653
Past due 60-90 days	152	94	-	85	-	331
Total	17.910	1.623	240	8.348	-	28.121

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 (*)	193.476	615.725	971.969	1.781.170
Not rated	1.134	-	-	1.134
Total	194.610	615.725	971.969	1.782.304

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

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP (Continued)

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 (*)	91.148	431.259	961.956	1.484.363
Not rated	4.647	-	-	4.647
Total	95.795	431.259	961.956	1.489.010

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

d. Information on rating concentration:

The Group 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 Group 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 (%)	23,22	35,79
Average (%)	57,78	46,90
Below average (%)	16,66	6,59
Not rated (%)	2,34	10,73

e. Information on the amount subject to credit risk :

	31 December 2008	31 December 2007
Balance sheet items subject to credit risk:	3.287.930	2.605.854
Loans and advances to banks and financial institutions	269.197	199.352
Loans and advances to customers	1.206.809	888.285
- Corporate	1.051.626	818.490
- Consumer	14.901	13.677
- Credit cards	2.940	3.080
- Factoring receivables	21.094	14.236
- Financial lease receivables	116.248	38.802
Trading Financial Assets	194.719	95.795
- Government bonds	193.476	91.148
- Other securities	1.243	4.647
Investment Securities	1.588.663	1.394.194
- Government bonds	1.587.694	1.393.215
- Share certificates	969	979
Other assets	28.542	28.228
Off- balance sheet items subject to credit risk:	1.634.177	865.870
Financial guarantees	1.177.325	656.561
Credit commitments and other liabilities	456.852	209.309
Total	4.922.107	3.471.724

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP (Continued)

f. Fair value of collaterals (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	-	5.514	573	73.947
Non-performing loans	40.227	356	-	-	-	40.583
Total	107.985	458	-	5.514	573	114.530

31 December 2007	Corporate Loans	Consumer Loans	Credit Cards	Financial Lease Receivables	Factoring Receivables	Total
Loans under close monitoring	10.991	389	-	196	-	11.576
Non-performing loans	13.973	453	-	-	-	14.426
Total	24.964	842	-	196	-	26.002

Type of Collaterals	31 December 2008	31 December 2007
Real-estate mortgage	88.043	16.294
Car pledge	1.618	2.543
Cash and cash equivalents	24.869	7.165
Total	114.530	26.002

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	1.091.269	849.483	22.139	46.488	1.783.382	1.489.989	2.025.317	1.085.764
Private Sector	1.069.749	813.729	12.135	39.992	1.134	4.647	1.542.543	731.660
Public Sector	4.670	20.155	-	-	1.781.170	1.484.363	-	3.779
Banks	-	-	10.004	6.496	-	-	465.019	329.483
Individuals	16.850	15.599	-	-	-	-	17.755	20.842
Share certificates	-	-	-	-	1.078	979	-	-
Concentration based on geographical regions	1.091.269	849.483	22.139	46.488	1.783.382	1.489.989	2.025.317	1.085.764
Domestic	1.090.636	849.483	22.139	41.153	1.783.377	1.489.984	1.653.613	832.904
European Union Countries	624	-	-	4.300	-	-	356.292	192.313
OECD Countries (***)	-	-	-	-	-	-	2.170	12.391
Off-shore banking regions	-	-	-	-	-	-	-	-
USA, Canada	9	-	-	131	-	-	10.512	41.789
Other Countries	-	-	-	904	5	5	2.730	6.367
Total	1.091.269	849.483	22.139	46.488	1.783.382	1.489.989	2.025.317	1.085.764

(*) 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.

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP (Continued)

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

	Assets	Liabilities	Non-Cash Loans	Capital Expenditures	Net Profit
31 December 2008					
Domestic	3.316.856	1.930.526	1.158.455	106.770	40.095
European Union Countries	153.174	1.347.646	14.056	-	-
OECD Countries (*)	-	277	2.170	-	-
Off-shore banking regions	-	1.058	-	-	-
USA, Canada	10.479	382	916	-	-
Other Countries	129	1.977	1.728	-	-
Subsidiaries, Investments and Joint Ventures	-	-	-	-	-
Unallocated Assets/Liabilities (**)	-	-	-	-	-
Total	3.480.638	3.281.866	1.177.325	106.770	40.095
31 December 2007					
Domestic	2.673.857	1.453.840	631.593	25.647	26.719
European Union Countries	70.158	1.070.107	14.841	-	-
OECD Countries (*)	7.357	179	2.719	-	-
Off-shore banking regions	-	-	-	-	-
USA, Canada	27.518	66	2.109	-	-
Other Countries	1.977	5.515	5.299	-	-
Subsidiaries, Investments and Joint Ventures	-	-	-	-	-
Unallocated Assets/Liabilities (**)	-	-	-	-	-
Total	2.780.867	2.529.707	656.561	25.647	26.719

(*) 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	1,58
Forestry	4.930	0,66	-	-	8.285	1,35	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	3,35	2.036	0,78
Total	742.363	100,00	331.837	100,00	622.131	100,00	259.383	100,00

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP (Continued)

III. EXPLANATIONS ON CONSOLIDATED MARKET RISK:

Risk calculations are performed both with the standard method and the internal method. Regular legal reporting is performed on a weekly and monthly basis with the standard method. Fluctuations in risks are actively followed and are communicated to the top management. The Market Risk Committee also reports legally on a consolidated basis quarterly. The limitations in the treasury risk parameters, as approved by the Board of Directors, are summarized as follows:

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

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	8.642
(II) Capital to be Employed for Specific Risk -Standard Method	18
(III) Capital to be Employed for Currency Risk - Standard Method	1.885
(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)	10.569
(IX) Amount Subject to Market Risk (I2,5xVIII) or (I2,5xVII)	132.113

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	7.443	7.270	5.978	912	2.591	22
Share Certificates Risk	42	70	64	-	-	-
Currency Risk	2.545	3.426	2.720	942	2.986	131
Commodity Risk	-	-	-	-	-	-
Clearance Risk	-	-	-	-	-	-
Option Risk	6	-	-	-	-	-
Total Amount Subject to Risk	125.450	134.575	109.525	23.175	69.713	1.913

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP (Continued)

IV. EXPLANATIONS ON CONSOLIDATED OPERATIONAL RISK:

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

V. EXPLANATIONS ON CONSOLIDATED CURRENCY RISK:

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

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

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

	EUR		USD		100 Japanese Yen	
	31 December 2008	31 December 2007	31 December 2008	31 December 2007	31 December 2008	31 December 2007
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 Parent Bank’s foreign exchange bid rates for the last thirty days preceding the balance sheet date for major foreign currencies are shown below:

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

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP (Continued)

Information on currency risk of the Group:

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

	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	1.592	32.648	7	1.072	35.319
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	75.760	51.905	-	157	127.822
Total Assets (*)	292.289	588.760	9	1.467	882.525
Liabilities					
Bank Deposits	4.288	148	-	12	4.448
Foreign Currency Deposits	131.811	436.637	1	4.702	573.151
Funds From Interbank Money Market	-	-	-	-	-
Funds Borrowed From Other Financial Institutions (*)	120.232	67.231	-	1	187.464
Marketable Securities Issued	-	-	-	-	-
Miscellaneous Payables	6.207	6.948	-	5	13.160
Hedging Derivative Financial Liabilities	-	29.018	-	-	29.018
Other Liabilities	207	10.041	-	82	10.330
Total Liabilities (**)	262.745	550.023	1	4.802	817.571
Net On-balance Sheet Position	29.544	38.737	8	(3.335)	64.954
Net Off-balance Sheet Position	(8.231)	(39.101)	227	4.717	(42.388)
Financial Derivative Assets	7.701	32.595	227	6.027	46.550
Financial Derivative Liabilities	15.932	71.696	-	1.310	88.938
Non-Cash Loans (**)	351.083	616.087	1.819	21.102	990.091
31 December 2007					
Total Assets (*)	214.895	495.928	7	2.473	713.303
Total Liabilities (*)	190.633	493.405	15	2.254	686.307
Net On-balance Sheet Position	24.262	2.523	(8)	219	26.996
Net Off-balance Sheet Position	(22.860)	26.320	3	-	3.463
Financial Derivative Assets	3.412	40.166	9.397	-	52.975
Financial Derivative Liabilities	26.272	13.846	9.394	-	49.512
Non-Cash Loans (**)	227.055	204.312	215	13.388	444.970

(*) The above table shows the Group's foreign currency net position based on main currencies. Foreign currency indexed assets, classified as Turkish Lira assets in the financial statements according to the Uniform Chart of Accounts, are considered as foreign currency assets for the calculation of Net Foreign Currency Position. Due to this, foreign currency indexed loans amounting to 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".

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP (Continued)

VI. EXPLANATIONS ON CONSOLIDATED INTEREST RATE RISK:

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

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

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

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

31 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	-	-	-	-	68.019	179.274
Due From Banks	171.867	-	-	-	-	5.162	177.029
Financial Assets at Fair Value Through Profit/Loss	153.761	5.247	14.775	20.883	-	1.243	195.909
Interbank Money Market Placements	70.029	-	-	-	-	-	70.029
Available-for-Sale Financial Assets	3.908	129.341	96.922	260.526	125.028	969	616.694
Loans	653.020	141.947	162.830	94.268	22.135	39.208	1.113.408
Held-to-Maturity Investments	-	-	419	971.550	-	-	971.969
Other Assets	6.170	4.512	19.536	70.364	16.588	145.926	263.096
Total Assets	1.170.010	281.047	294.482	1.417.591	163.751	260.527	3.587.408
Liabilities							
Bank Deposits	4.267	-	-	-	-	6.294	10.561
Other Deposits	1.274.733	285.164	21.650	-	-	125.465	1.707.012
Funds From Interbank Money Market	254.538	-	-	-	-	-	254.538
Miscellaneous Payables	-	-	-	-	-	23.536	23.536
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Borrowed From Other Financial Institutions	14.209	35.330	33.822	1.062.952	45.940	-	1.192.254
Other Liabilities (*)	28.627	16	1.153	59	-	369.652	399.507
Total Liabilities	1.576.374	320.510	56.626	1.063.011	45.940	524.947	3.587.408
Balance Sheet Long Position	-	-	237.856	354.580	117.811	-	710.247
Balance Sheet Short Position	(406.364)	(39.463)	-	-	-	(264.420)	(710.247)
Off-balance Sheet Long Position	92.209	-	251	-	-	-	92.460
Off-balance Sheet Short Position	-	(35)	-	(15.218)	(76.090)	-	(91.343)
Total Position	(314.155)	(39.498)	238.107	339.362	41.721	(264.420)	1.117

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

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP (Continued)

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

Interest Rate Risk Sensitivity Analysis:

Change in interest rates	Effect on income statement	Effect on equity
(+) 1%	(1.812)	(8.704)
(-) 1%	1.846	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.

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP (Continued)

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		2,30		17,97
Financial Assets at Fair Value Through Profit/Loss				16,78
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 (*)	5,40	6,33		19,92
Funds From Interbank Money Market				14,92
Miscellaneous Payables				
Marketable Securities Issued				
Funds Borrowed From Other Financial Institutions	5,61	4,62		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		4,75		16,00
Financial Assets at Fair Value Through Profit/Loss				17,21
Interbank Money Market Placements				
Available-for-Sale Financial Assets		8,26		17,35
Loans	6,60	7,45		21,78
Held-to-Maturity Investments	10,33			18,10
Liabilities				
Bank Deposits				16,76
Other Deposits (*)	2,89	3,62		15,90
Funds From Interbank Money Market		5,47		16,65
Miscellaneous Payables				
Marketable Securities Issued				
Funds Borrowed From Other Financial Institutions	6,08	5,75		15,48

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

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP (Continued)

VII. EXPLANATIONS ON CONSOLIDATED LIQUIDITY RISK:

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

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

When the foreign markets are appropriate, the Parent 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 Parent 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 2008. 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

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP (Continued)

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	16.622	162.652	-	-	-	-	-	179.274
Due From Banks	5.162	171.077	-	-	-	-	790	177.029
Financial Assets at Fair Value Through Profit or Loss	-	153.664	91	14.775	26.136	-	1.243	195.909
Interbank Money Market Placements	-	70.029	-	-	-	-	-	70.029
Available-for-Sale Financial Assets	-	-	17.449	96.922	376.326	125.028	969	616.694
Loans	-	380.462	273.176	303.887	94.540	22.135	39.208	1.113.408
Held-to-Maturity Investments	-	-	-	419	971.550	-	-	971.969
Other Assets (*)	-	8.989	5.788	22.153	78.943	16.605	130.618	263.096
Total Assets	21.784	946.873	296.504	438.156	1.547.495	163.768	172.828	3.587.408
Liabilities								
Bank Deposits	6.294	4.267	-	-	-	-	-	10.561
Other Deposits	125.465	1.274.733	285.164	21.650	-	-	-	1.707.012
Funds Borrowed From Other Financial Institutions	-	8.369	9.914	39.663	1.088.368	45.940	-	1.192.254
Funds From Interbank Money Market	-	254.538	-	-	-	-	-	254.538
Marketable Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	-	8.970	231	-	-	-	14.335	23.536
Other Liabilities (**)	-	17.704	13.972	6.282	4.242	21.073	336.234	399.507
Total Liabilities	131.759	1.568.581	309.281	67.595	1.092.610	67.013	350.569	3.587.408
Net Liquidity Gap	(109.975)	(621.708)	(12.777)	370.561	454.885	96.755	(177.741)	-
31 December 2007								
Total Assets	47.335	451.248	249.591	517.339	1.316.935	113.410	110.656	2.806.514
Total Liabilities	211.996	835.919	183.375	232.058	1.020.951	6.825	315.390	2.806.514
Net Liquidity Gap	(164.661)	(384.671)	66.216	285.281	295.984	106.585	(204.734)	-

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

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

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP (Continued)

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	1.411.782	290.561	22.705	-	-	1.725.048
Borrowings	67.665	21.657	129.341	1.293.473	51.851	1.563.987
Funds from money market	254.784	-	-	-	-	254.784
Total	1.744.792	312.218	152.046	1.293.473	51.851	3.554.380

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	781.241	162.805	213.792	-	-	1.157.838
Borrowings	44.710	31.647	135.022	1.193.908	7.225	1.412.512
Funds from money market	177.620	-	-	-	-	177.620
Total	1.020.845	194.452	348.814	1.193.908	7.225	2.765.244

Contractual maturity analysis of the Group'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	6.104	-	-	110.343
- Outflow	99.824	3.551	5.847	-	-	109.222
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	7.175	9.900	93.912	216.320
Total cash outflow	102.274	3.551	8.972	23.044	96.246	234.087

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP (Continued)

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

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP (Continued)

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 Parent 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 Parent 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 Group.

	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	177.029	152.863	177.059	152.254
Available-for-Sale Financial Assets	616.694	432.238	616.694	432.238
Held-to-maturity Investments	971.969	961.956	983.190	986.861
Loans	1.113.408	881.735	1.126.417	888.465
Financial Liabilities				
Bank Deposits	10.561	17.265	10.561	17.266
Other Deposits	1.707.013	1.131.017	1.713.937	1.132.119
Borrowings	1.192.254	1.099.993	1.202.674	1.036.391
Marketable Securities Issued	-	-	-	-
Miscellaneous Payables	23.536	33.692	23.536	33.692

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.

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

INFORMATION RELATED TO FINANCIAL POSITION OF THE GROUP (Continued)

X. EXPLANATIONS ON CONSOLIDATED OPERATING SEGMENTS:

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

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

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

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

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

31 December 2008	Retail Banking	Corporate Banking	Treasury	Other(*)	Total Operations of the Group
Segment revenue	22.891	46.276	46.138	65.014	180.319
Unallocated costs	-	-	-	(31.046)	(131.094)
Net Operating Profit	22.891	46.276	46.138	33.968	49.225
Dividend income	-	-	-	-	156
Profit Before Tax					49.381
Tax expense	-	-	-	-	(9.286)
Net Profit					40.095
Segment assets	122.385	1.012.039	2.172.122	227.863	3.534.409
Investments in associates, subsidiaries and joint ventures	-	-	-	-	-
Unallocated assets	-	-	-	-	52.999
Total Assets	122.385	1.012.039	2.172.122	227.863	3.587.408
Segment liabilities	721.385	1.007.616	1.341.126	189.668	3.259.795
Unallocated liabilities	-	-	-	-	327.613
Total Liabilities	721.385	1.007.616	1.341.126	189.668	3.587.408

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

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

SECTION FIVE

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS

I. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED ASSETS

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

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

	31 December 2008		31 December 2007	
	TL	FC	TL	FC
Cash/Foreign currency	4.600	12.011	5.489	9.255
CBRT	111.266	51.397	35.997	50.506
Other	-	-	-	-
Total	115.866	63.408	41.486	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:

- 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).
- 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

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

c. Information on banks:

1. Information on banks:

	31 December 2008		31 December 2007	
	TL	FC	TL	FC
Banks	141.710	35.319	8.040	144.823
Domestic	84	21.313	8.040	61.485
Foreign	141.626	14.006	-	83.338
Headquarters and Branches Abroad	-	-	-	-
Total	141.710	35.319	8.040	144.823

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, available-for-sale financial assets given as collateral/blocked amounted to TL3.836 (31 December 2007: TL1.481) 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	970	979
Quoted on Stock Exchange	7	16
Not Quoted	963	963
Impairment Provision (-)	1.999	-
Total	616.694	432.238

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

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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.

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

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

8. Loans given to investments in associates and subsidiaries:

None (31 December 2007: None).

9. Specific provisions provided against loans:

	31 December 2008	31 December 2007
Loans and Other Receivables with Limited Collectability	1.407	229
Loans and Other Receivables with Doubtful Collectability	1.873	1.290
Uncollectible Loans and Other Receivables	34.465	18.369
Total	37.745	19.888

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

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

	III. Group Loans and other receivables with limited collectability	IV. Group Loans and other receivables with doubtful collectability	V. Group 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

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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	26.539
Additions (+)	37.270	4.720	7.453
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	14.537	8.167	54.249
Specific Provision (-)	1.407	1.873	34.465
Net Balance on Balance Sheet	13.130	6.294	19.784

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	-

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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)	13.130	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)	885	-	277
Specific Provision Amount (-)	177	-	277
Other Loans and Receivables (Net)	708	-	-
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)	-	-	257
Specific Provision Amount (-)	-	-	257
Other Loans and Receivables (Net)	-	-	-

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

The Group 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 Group's assets with the decision of the Board of Directors.

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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

	Corporate Loans	Consumer Loans	Credit Cards	Total
1 January 2008	19.048	731	109	19.888
Additions	19.153	308	20	19.481
Reversals (-)	1.341	273	10	1.624
Write-offs	-	-	-	-
31 December 2008	36.860	766	119	37.745

	Corporate Loans	Consumer Loans	Credit Cards	Total
1 January 2007	11.827	558	115	12.500
Additions	14.921	341	70	15.332
Reversals (-)	7.700	168	76	7.944
Write-offs	-	-	-	-
31 December 2007	19.048	731	109	19.888

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	-	249.909	-
Other	-	-	-	-
Total	121.296	-	249.909	-

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

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

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

	31 December 2008	31 December 2007
Government Bond	971.969	961.956
Treasury Bill	-	-
Other Debt Securities	-	-
Total	971.969	961.956

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

	31 December 2008	31 December 2007
Debt Securities	971.969	961.956
Quoted	971.969	960.093
Not Quoted (*)	-	1.863
Impairment Provision (-)	-	-
Total	971.969	961.956

(*) 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	894.277	35.878
Foreign Currency Differences on Monetary Assets	-	(144)
Purchases During Year	391	912.868
Disposals through Sales and Redemptions	(7.974)	(54.325)
Impairment Provision (-)	-	-
Period End Balance	886.694	894.277

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

g. Information on investments in associates (Net):

None.

h. Information on subsidiaries (Net):

1. Information on unconsolidated subsidiaries:

None.

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

None.

3. Information on consolidated subsidiaries:

	Title	Address (City/ Country)	Bank's share percentage, if different voting percentage (%)	Other shareholders' share percentage(%)
1	EFG Finansal Kiralama A.Ş.	Istanbul/Turkey	99,99	0,01
2	EFG İstanbul Menkul Değerler A.Ş.	Istanbul/Turkey	99,99	0,01

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

	Total Assets	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 Parent Bank for a consideration of TL112.100 at 3 October 2007.

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

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

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):

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

	31 December 2008		31 December 2007	
	Gross	Net	Gross	Net
Less than 1 year	38.216	28.588	14.636	11.418
Between 1-4 years	86.965	70.364	22.278	17.367
More than 4 years	18.720	16.588	12.031	10.017
Total	143.901	115.540	48.945	38.802

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 Parent 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.

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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	35.969	60.763
Accumulated depreciation (-)	1.577	1.907	32.962	36.446
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	305	3.662	4.317
Disposals (-), (net)	-	491	-	491
Impairment	-	-	-	-
Depreciation (-)	452	175	1.736	2.363
Revaluation Increase	(1.281)	-	-	(1.281)
Cost at Period End	21.194	1.678	39.634	62.506
Accumulated Depreciation at Period End (-)	2.044	1.262	34.701	38.007
Closing Net Book Value at Period End	19.150	416	4.933	24.499

31 December 2008	Immovables	Motor Vehicles	Other Tangible Assets	Total
31 December 2007				
Cost	21.194	1.678	39.634	62.506
Accumulated depreciation (-)	2.044	1.262	34.701	38.007
Net book value	19.150	416	4.933	24.499
31 December 2008				
Net book value at beginning of the period	19.150	416	4.933	24.499
Additions	157	157	11.953	12.110
Disposals (-), (net)	-	141	-	141
Impairment	-	-	-	-
Depreciation (-)	501	101	2.954	3.556
Revaluation Increase	6.316	-	-	6.316
Cost at Period End	27.508	885	51.693	80.086
Accumulated Depreciation at Period End (-)	2.543	554	37.761	40.858
Closing Net Book Value at Period End	24.965	331	13.932	39.228

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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	80.584	77.151
Accumulated Depreciation (-)	13.042	12.030
Net Book Value	67.542	65.121

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

	31 December 2008	31 December 2007
Beginning of the Period	65.121	960
Internally Generated Amounts	-	-
Additions due to Mergers, Transfers and Acquisitions	3.256	64.930
Disposals	-	-
Amount Accounted under Revaluation Reserve	-	-
Impairment	-	-
Impairment Reversal	-	-
Amortisation (-)	835	769
Net Foreign Currency Difference From Foreign Investments in Associates	-	-
Other Changes in Book Value	-	-
End of the Period	67.542	65.121

n. Information on investment property:

None.

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

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

o. Information on deferred tax asset:

As of 31 December 2008, the Group has netted-off the calculated deferred tax asset of TL11.330 (31 December 2007: TL8.166) and deferred tax liability of TL2.772 (31 December 2007: TL1.564) in accordance with “TAS 12” and has recorded a net deferred tax asset of TL8.579 (31 December 2007: TL6.602) and a net deferred tax liability of TL21 (31 December 2007: None) 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	29.883	25.068	5.977	5.014
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	4.072	3.955	814	791
Other	6.299	3.862	1.260	772
Deferred Tax Assets			11.330	8.166
Valuation Differences of Marketable Securities	13.349	6.336	2.670	1.267
Difference Between Book Value and Tax Base of Tangible and Intangible Assets	-	1.032	-	206
Other	509	453	102	91
Deferred Tax Liabilities			2.772	1.564
Deferred Tax Assets / (Liabilities) (Net)			8.558	6.602

Movement of deferred tax asset/liabilities is presented below:

	31 December 2008	31 December 2007
Balance as of 1 January	6.602	(183)
Current year deferred tax income/(expense) (net)	(882)	6.720
Deferred tax charged to equity (net)	2.838	(317)
Additions due to acquisition during the period	-	382
Balance at the End of the Period	8.558	6.602

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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

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

Prior Period End:	31 December 2008	31 December 2007
Cost	1.307	1.152
Accumulated Depreciation (-)	107	64
Net Book Value	1.200	1.088
Current Year End:		
Net book value at beginning of the period	1.200	1.088
Additions	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 TL28.667 (31 December 2007: TL28.312) and do not exceed 10% of the total assets excluding off-balance sheet commitments.

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

II. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED 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	63.839	-	138.186	342.049	19.072	9.816	189	-	573.151
Residents in Turkey	62.833	-	104.051	330.160	18.578	8.533	189	-	524.344
Residents Abroad	1.006	-	34.135	11.889	494	1.283	-	-	48.807
Public Sector Deposits	7.396	-	-	7	-	-	-	-	7.403
Commercial Deposits	43.073	-	369.997	120.246	15.964	18	-	-	549.298
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	131.759	-	540.009	978.507	47.382	18.742	1.174	-	1.717.573

(ii) 31 December 2007:

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

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

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

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 Parent 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

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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	59	311	10	99
Swap Agreements	42	22	-	44
Futures Transactions	-	-	-	-
Options	-	251	-	22
Other	-	-	-	-
Total	101	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	888.228	138.347	979.258	41.728
Total	914.182	187.464	1.008.566	91.427

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	888.465	166.506	982.967	69.954
Total	914.182	187.464	1.008.566	91.427

3. Additional information on the major concentration of the Group's liabilities:

The Group's main funding sources are deposits and borrowings. As of 31 December 2008, deposits and borrowings from Group's risk group comprise 39% of total deposits and 93% of total borrowings.

d. Information on other foreign liabilities:

Other foreign liabilities amounting to TL9.838 (31 December 2008: TL17.161) do not exceed 10% of the total balance sheet excluding off-balance sheet commitments.

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

e. Information on financial lease agreements:

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

	31 December 2008		31 December 2007	
	Gross	Net	Gross	Net
Less than 1 year	101	92	78	65
Between 1-4 years	60	59	123	116
More than 4 years	-	-	-	-
Total	161	151	201	181

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 Parent 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

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

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

2. Information on reserve for employment termination benefits:

Under the Turkish Labour Law, the Group is required to pay a specific amount to the employees who have been working more than one year, when employment is terminated due to obligatory reasons or they retire, when they have fulfilled 25 working years (women 20) and are eligible for retirement (for women 58 years, for men 60 years), when they have been called up for military service or when they die. After the amendment of legislation on 23 May 2002, some of the transition process articles related to 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 Group. There are assumptions in the calculation as discount rate, employee turnover and expected salary increases. In this context, the following actuarial assumptions were used in the calculation of total liabilities.

	31 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	2.511	2.499
Additions due to acquisition during the period	699	1.095
Paid During the Period (-)	513	1.083
Balance at the End of the Period	2.697	2.511

In addition, as of 31 December 2008 the Group has accounted for vacation rights provision amounting to TL1.672(31 December 2007: TL1.444) and personnel bonus provision amounting to TL8.783 (31 December 2007: TL6.336).

3. Other provisions:

(i) Information on provisions for possible risks:

None.

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

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

(ii) Information on other provisions:

The Group 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. As of 31 December 2007 the Group had provision for an administrative fine amount to TL753.

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, the corporate tax provision is TL4.654 (31 December 2007: TL4.301).

2. Information on taxes payable:

	31 December 2008	31 December 2007
Corporate Tax Payable	4.654	4.301
Taxation of Marketable Securities	5.242	2.466
Property Tax	98	41
Banking Insurance Transaction Tax	2.013	1.274
Foreign Exchange Transaction Tax	-	166
Value Added Tax Payable	178	101
Other	1.883	694
Total	14.068	9.043

3. Information on premium payables:

	31 December 2008	31 December 2007
Social Security Premiums-Employee	333	250
Social Security Premiums-Employer	361	256
Bank Social Aid Pension Fund Premiums-Employee	-	-
Bank Social Aid Pension Fund Premiums-Employer	-	-
Pension Fund Membership Fee and Provisions-Employee	-	-
Pension Fund Membership Fee and Provisions-Employer	-	-
Unemployment Insurance-Employee	18	11
Unemployment Insurance-Employer	33	24
Other	-	-
Total	745	541

4. Information on deferred tax liability:

As of 31 December 2008, the Group has netted-off the calculated deferred tax asset of TL11.330 (31 December 2007: TL8.166) and deferred tax liability of TL2.772 (31 December 2007: TL1.564) in accordance with "TAS 12" and has recorded a net deferred tax asset of TL8.579 (31 December 2007: TL6.602) and a net deferred tax liability of TL21 (31 December 2007: None) in the financial statements.

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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 Parent Bank has paid-in-capital of TL230.000 and does not apply the registered share capital system.

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

None.

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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

None.

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

None.

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

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

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

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

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.

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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

a. Information on off balance sheet commitments:

1. The amount and type of irrevocable commitments:

	31 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

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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 concentration on 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 Group has non-cash loans classified as non-performing loans, amounting to TL15.154 As of 31 December 2008, the Group has recorded a TL2.805 provision regarding these risks.

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

b. Information on derivative financial instruments:

	31 December 2008	31 December 2007
Types of Trading Transactions		
Foreign currency related derivative transactions (I)	197.450	96.690
Currency forward transactions	31.130	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	-	-
Other Trading Derivative Instruments (III)	105	-
A. Total trading derivative transactions (I+II+III)	233.843	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)	416.459	257.470

c. Mutual Funds:

As of 31 December 2008, the Parent 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 Parent Bank is TL12.338 (31 December 2007: TL8.898) and the Group sets aside a provision of TL9.406 (31 December 2007: TL6.890) regarding these risks.

e. Brief information on the Parent 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

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

IV. EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED INCOME STATEMENT

a. Information on interest income:

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

	31 December 2008		31 December 2007	
	TL	FC	TL	FC
Interest Income on Loans				
Short-term Loans	134.933	18.320	92.268	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	152.776	26.676	102.756	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	4.915	1.550	6.519	2.285
From Foreign Banks	8.442	553	2.419	4.240
Headquarters and Branches Abroad	-	-	-	-
Total	13.357	2.260	8.938	6.764

3. Information on interest income on marketable securities:

	31 December 2008		31 December 2007	
	TL	FC	TL	FC
From Trading Financial Assets	1.920		864	-
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	157.210	16	98.273	174
Total	224.640	10.168	128.575	3.360

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

None (31 December 2007: None).

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

b. Information on interest expense:

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

Banks	31 December 2008		31 December 2007	
	TL	FC	TL	FC
The CBRT	-	-	-	-
Domestic Banks	3.918	3.076	4.722	3.119
Foreign Banks	143.237	5.065	87.493	1.524
Headquarters and Branches Abroad	-	-	-	-
Other Institutions	-	-	-	155
Total	147.155	8.141	92.215	4.798

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

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

None (31 December 2007: None).

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	-	29.284	29.052	2.514	1	-	-	60.851
Other Deposits	-	7	61	1	1	-	-	70
Deposits with 7 Days Notification	-	-	-	-	-	-	-	-
Total	31	35.873	85.029	5.243	16.233	5.927	-	148.336
FC								
Foreign Currency Deposits	-	3.733	14.698	1.748	678	1.111	-	21.968
Bank Deposits	-	438	-	-	-	-	-	438
Deposits with 7 Days Notification	-	-	-	-	-	-	-	-
Precious Metal	-	-	-	-	-	-	-	-
Total	-	4.171	14.698	1.748	678	1.111	-	22.406
Grand Total	31	40.044	99.727	6.991	16.911	7.038	-	170.742

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

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

c. Information on dividend income :

	31 December 2008	31 December 2007
Trading Financial Assets	39	-
Financial Assets at Fair Value through Profit or Loss	-	-
Available-for-Sale Financial Assets	117	97
Other	-	-
Total	156	97

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

	31 December 2008	31 December 2007
Income	1.426.769	349.166
Income from Capital Market Transactions	57.478	26.561
From Derivative Financial Transactions	40.124	14.127
Other	17.354	12.434
Foreign Exchange Gains	1.369.291	322.605
Loss (-)	1.410.343	345.720
Loss from Capital Market Transactions	53.427	29.310
From Derivative Financial Transactions	41.630	28.070
Other	11.797	1.240
Foreign Exchange Loss	1.356.916	316.410
Net Income/(Loss)	16.426	3.446

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 Parent 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 Parent 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.

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

f. Provision expenses related to loans and other receivables:

	31 December 2008	31 December 2007
Specific Provisions for Loans and Other Receivables	19.785	5.044
III. Group Loans and Receivables	3.291	401
IV. Group Loans and Receivables	3.749	2.087
V. Group Loans and Receivables	12.745	2.556
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	22.333	10.301

g. Information related to other operating expenses:

	31 December 2008	31 December 2007
Personnel Expenses	61.126	29.731
Reserve For Employee Termination Benefits (*)	927	1.234
Bank Social Aid Pension Fund Deficit Provision	-	-
Impairment Expenses of Fixed Assets	-	-
Depreciation Expenses of Fixed Assets	3.556	2.363
Impairment Expenses of Intangible Assets	-	-
Amortisation Expenses of Intangible Assets	835	769
Impairment Expenses of Equity Participations for which Equity Method is Applied	-	-
Impairment Expenses of Assets Held For Resale	11	22
Depreciation Expenses of Assets Held for Resale	27	43
Impairment Expenses of Fixed Assets Held for Sale	-	-
Other Operating Expenses	35.073	18.691
Operational Lease Expenses	6.408	4.120
Maintenance Expenses	737	413
Advertising Expenses	1.119	156
Other Expense	26.809	14.002
Loss on Sales of Assets	8	15
Other	7.198	9.845
Total	108.761	62.713

(*) As of 31 December 2008, "Reserve for Employee Termination Benefits" include "Personnel Unused Vacation Provision Expense" amounting to TL228 (31 December 2007: TL139).

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

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

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

The Group has no discontinued operations. The Group's net income/(loss) before taxes from continuing operations is TL49.381.

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

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

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

As of 31 December 2008, the Group has deferred tax expense amounting to TL882 and current tax expense amounting to TL8.404.

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

The Group has net deferred tax expense amounting to TL882 composing from TL2.072 deferred tax income as a result of temporary differences incurred, TL2.954 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 Group has TL882 deferred tax expense arising from temporary differences.

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

The Group 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 Group, the composition and amount of these items:

None.

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

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

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

I. Information on other income and expenses:

As of 31 December 2008, the Group's fee and commission income amounts to TL68.174 (31 December 2007: TL29.249) and TL49.630 (31 December 2007: TL19.976) of the related amount is classified under "Other fee and commission income" account.

	31 December 2008	31 December 2007
Other Fee and Commissions Received		
Commissions from brokerage activity in Turkish Derivative Exchange	19.942	6.504
Commissions from brokerage activity in Istanbul Stock Exchange	19.371	7.983
Transfer Commissions	831	732
Expertise and Account Operating Fees	596	864
Commissions on Investment Fund Services	544	315
Commissions from Correspondent Banks	251	676
Insurance Commissions	219	351
Other	7.876	2.551
Total	49.630	19.976

As of 31 December 2008, Group's fee and commission expense amounts to TL4.393 (31 December 2007: TL2.038) and TL4.114 (31 December 2007: TL1.924) of the related amount is classified under "Other fee and commission expense" account.

	31 December 2008	31 December 2007
Other Fee and Commissions Given		
Stock Exchange Contribution Expenses	1.901	756
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	974	149
Total	4.114	1.924

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

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

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

a. Information on change in the shareholder structure of the Parent 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 Parent Bank has not been changed. After the share transfer, 70% of the Parent Bank's capital is owned by Eurobank EFG Holding and 29,13% by Tekfen Holding A.Ş. as of 31 December 2008.

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, Parent 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.

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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:

- 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	61.048	38.226
Cash, Foreign Currency and Other	14.744	8.815
Demand Deposits in Banks	46.304	29.411
Cash Equivalents	119.056	267.927
Interbank Money Market	-	45.835
Time Deposits in Bank	119.056	222.092
Total Cash and Cash Equivalents	180.104	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.

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

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

	31 December 2008	31 December 2007
Cash	146.622	61.048
Cash, Foreign Currency and Other	16.611	14.744
Demand Deposits in Banks	130.011	46.304
Cash Equivalents	239.475	119.056
Interbank Money Market	70.000	-
Time Deposits in Bank	169.475	119.056
Total Cash and Cash Equivalents	386.097	180.104

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 TL34.591 (31 December 2007: TL2.220) 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 TL9.691 (31 December 2007: TL38.351) and consist of changes in other liabilities and miscellaneous payables.

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

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

Prior period financial information is presented as of 31 December 2008 for balance sheet and as at 31 December 2007 for income statements items.

1. 31 December 2008:

Groups’ Risk Group (*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Group		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	607	21.703	57	335
Balance at the End of the Period	-	-	25.759	23.499	70	335
Interest and Commission Income Received	-	-	403	102	2	1

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

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

EXPLANATIONS AND NOTES RELATED TO CONSOLIDATED FINANCIAL STATEMENTS
(Continued)

2. 31 December 2007:

Groups' Risk Group(*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Group		Other real and legal persons that have been included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and Other Receivables						
Balance at the Beginning of the Period	-	-	1.977	24.432	96	42
Balance at the End of the Period	-	-	607	21.703	57	335
Interest and Commission Income Received	-	-	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 Group's risk group:

Groups' Risk Group(*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Group		Other real and legal persons that have been included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposit						
Beginning of the Period	-	-	385.230	16.956	14.864	5.553
End of the Period	-	-	641.805	385.230	24.332	14.864
Interest Expense on Deposits	-	-	69.030	4.798	2.432	1.007

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

Groups' Risk Group(*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Group		Other real and legal persons that have been included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Repurchase Transactions						
Beginning of the Period	-	-	928	170	36	69
End of the Period	-	-	-	928	176	36
Interest Expense on Repurchase Transactions	-	-	90	454	32	44

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

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

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

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

Groups' Risk Group(*)	Investments in associates, subsidiaries and joint ventures		Direct and indirect shareholders of the Group		Other real and legal persons that have been included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions for trading purposes						
Beginning of the Period	-	-	29.619	-	-	-
Balance at the end of the period	-	-	59.800	29.619	-	-
Total Profit/Loss	-	-	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 Group's risk group:

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

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

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

	Total Risk Group	Share in Financial Statements (%)
Banks	145.825	82,37
Loans	25.829	2,32
Non-cash loans	23.834	2,03
Deposit	666.137	38,78
Funds from repurchase transactions	176	0,09
Borrowings	1.110.676	93,16
Financial lease payables (net)	151	100,00

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

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

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

In accordance with the limits in Banking Law, cash and non-cash loans are allocated to the Group's risk group and the amount composes 2,17% of the Group's total cash and non-cash loans.

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

The Group's Head Office Units are located on the independent floors, 21, 22, 23 and 24 and they were purchased from one of the shareholders of the Group, Tekfen Holding A.Ş.; under financial leasing agreement and are recorded in the Group's immovables at a historical cost of 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 Parent 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 Group 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 Group 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 Group 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..

Furthermore, in exchange for the brokerage services provided, EFG İstanbul Menkul Değerler A.Ş has realized commission income TL136 from EFG Eurobank Securities S.A. and TL34 from EFG Eurobank Ergasias S.A.. İstanbul Menkul Değerler A.Ş. has paid a commission amounting to TL237 as letter of guarantee commissions to EFG Eurobank S.A. and paid a consultancy fee of TL140 to as EFG Capital International.

c. Information on benefits provided to top management:

As of 31 December 2008, benefits provided to top management amount to TL13.759 (31 December 2007: TL3.619).

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

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

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

**VIII. EXPLANATIONS AND NOTES RELATED TO THE DOMESTIC, FOREIGN, OFF-SHORE
BRANCHES AND FOREIGN REPRESENTATIVES OF THE PARENT 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 Branch	-	-	-	-	-
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 Parent 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 Parent 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 CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED
IN TURKISH, SEE NOTE I. OF SECTION THREE**

EUROBANK TEKFEN A.Ş.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2008

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

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

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 consolidated 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 consolidated financial statements.

II. EXPLANATIONS AND NOTES PREPARED BY INDEPENDENT AUDITOR

None.

.....