





ANNUAL REPORT'07




TEB






*As TEB,
on our 80th year anniversary, we have
launched the “TEB’s Educated Girls” project to support
1,250 females that cannot continue their education to pursue
their dreams.*





*It has been an honor for us to see that our employees,
solution partners, subsidiaries and BNP Paribas Group
have sincerely supported “TEB’s Educated Girls” project. Upon
the implementation of this project, 1,250 girls will have the
opportunity to continue their education and envision their
future with greater hope and happiness.*

*These designated 1,250 female students will study to realize
their dreams and play a significant role in our society in the
future years to come.*



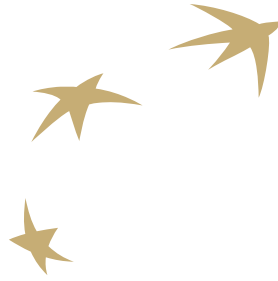
*As TEB, we envisage to continue to support education
through our corporate social responsibility
projects.*





The aim of “TEB’s Educated Girls” project is to ensure that “our girls” continue with their education without any intervention whatsoever.





AGENDA OF THE ORDINARY GENERAL MEETING OF SHAREHOLDERS OF TÜRK EKONOMİ BANKASI A.Ş. DATED 26 MARCH 2008

1. Opening and the formation of the Presidential Board composed of a chairman, two vote collectors and two secretaries,
2. Authorization of the Presidential Board to sign the minutes of the meeting,
3. Approval of the decision on the appointment of a new member in place of a withdrawing member from the Board of Directors in accordance with the provisions of Article 315 of the Turkish Commercial Code,
4. Announcement, discussion and ratification of the Annual Report and the Auditor's Report of 2007, prepared as defined in the relevant laws,
5. Announcement, discussion and ratification of the balance sheet and income statement for 2007, ratification or amendment of the Board of Directors' proposal for dividend distribution, discussion of related suggestions,
6. Announcement of the summary of the annual audit report prepared by the Independent Auditing Firm and decision on the ratification of the Independent Auditing Firm appointed by the Board of Directors,
7. Conveying information to the General Meeting on donations made by the Bank in 2007,
8. Discharge of the members of the Board of Directors and auditors from liabilities with respect to the transactions of 2007,
9. Election of the members of the Board of Directors and auditors and determination of their terms,
10. Determination of attendance fees and other fees to be paid to members of the Board of Directors and the Loan Committee and to Auditors,
11. Authorization of the Board of Directors in connection with matters specified under Articles 334 and 335 of the Turkish Commercial Code,
12. Approval of the decision for the amendment to articles 5, 6, 8, 9 and 10 of the Articles of Association upon obtaining the opinion of the Banking Regulation and Supervision Agency (BRSA) and the Capital Markets Board, and the permission of the Ministry of Industry and Commerce.

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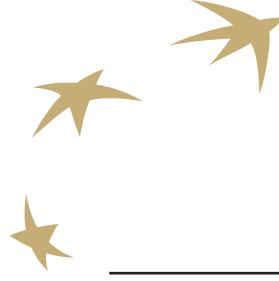
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A BRIEF HISTORY OF TEB

TEB is conducting its activities with its prestigious reputation and position in the Turkish banking industry through its wide network of branch offices and a full range of products and services.

Established in 1927 as a small-scale regional bank, our institution has amended its trade name from Kocaeli Halk Bankası T.A.Ş. to Türk Ekonomi Bankası A.Ş. (TEB) after being acquired by the Çolakoğlu Group in 1982. The bank is the founder and shareholder of the majority of TEB Group's subsidiaries.

During the 1980s, while many banks were providing services via a wide network of branches throughout the country, TEB had gained its reputation mainly by focusing on selective investment consultancy and foreign trade financing activities.

Starting from the early 1990s, TEB has pioneered private banking activities in our country. TEB is conducting its activities with its prestigious reputation and position in the Turkish banking industry through its wide network of branch offices and a full range of products and services, in addition to its other subsidiaries in various areas of the financial sector such as investment, leasing, factoring and portfolio management.

Since 2000, TEB has been listed on the Istanbul Stock Exchange where 15.63% of its shares are currently traded. Further, TEB's shares are traded as GDRs at the London Stock Exchange.

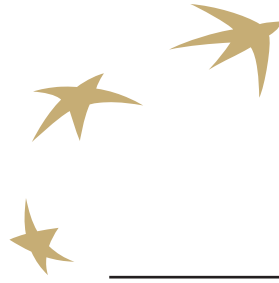
On February 10, 2005, 50% of the holding company's shares of TEB Mali Yatırımlar A.Ş., the majority shareholder of TEB, were sold to BNP Paribas, one of the leading banks in the European Union and in the world. As a result, BNP Paribas has indirectly acquired 42.125% interest in the shares of TEB.

Corporate, commercial, retail, private banking services and Treasury and Capital Markets transactions are core business activities that TEB offers along with a full range of services and products to its customers through its network of 273 branch offices and its alternative distribution channels.



Instead of celebrating the 80th anniversary of our bank through various activities, we, as TEB, have preferred to enlighten the future of those in need by granting “our girls” a scholarship to pursue their education.





REVIEW OF FINANCIAL AND OPERATIONAL RESULTS IN 2007

Financial funding, productivity growth, high foreign currency reserves, disinflation process, growth trend at low volatility, and healthy structure of the banking system have further enhanced global investors' confidence in Turkey.

In 2007, the Turkish economy maintained its macro stability in spite of such influential factors as shock increases in energy and commodity prices, U.S. mortgage crisis, global inflationary pressures and foreign exchange rate volatility, political uncertainty due to presidential and parliamentary elections, and conflicts in our region. In an environment of crisis in the U.S. financial systems with its overwhelming impacts on the global banking system; deteriorating liquidity levels internationally; and decrease in players' risk appetite for cross-border mergers/acquisitions, the Turkish economy managed to finance a low-inflationary economic growth through steady foreign capital inflows. Financial funding, productivity growth, high foreign currency reserves, disinflation process, growth trend at low volatility, and healthy structure of the banking system have further enhanced global investors' confidence in Turkey. Given this situation, domestic financial markets displayed a satisfactory performance level in spite of all risks involved in 2007.

In the first half of 2007, although the country risk premium remained high due to rising tension in Northern Iraq and political uncertainty before the elections, it was observed that global investors continued to buy more exposure in AAA-rated and YTL denominated long-term Turkish bonds. In response to the positive atmosphere prevailing at global markets, 21-month zero-coupon benchmark bonds yield decreased by 282 basis points to 18.33% during the first half of 2007 as compared to the same period of 2006, with YTL appreciating 7.7% against USD, and with ISE-100 rallying by a significant 21.0%.

The political outlook became clear after the Justice and Development Party (AKP) obtained the majority votes in the parliamentary elections held on July 22. With 46.52% of voting support, AKP has received for the second time a general acceptance for liberal policies it has implemented between the years of 2002-2007. Following the parliamentary elections, the presidential election process resumed whereby Mr. Abdullah Gül, previously serving as Foreign Minister, was elected as Turkey's 11th President. Following the parliamentary and presidential elections, the new government revealed its five-year national action plan. Within the scope of this plan, the Government has undertaken to maintain fiscal discipline, develop energy and transportation infrastructure, overcome structural problems at the labor market, and fight against informal economy. Following all these developments, IMF resumed its 7th review of Turkey in December, and EU has started to negotiate two more titles namely, Protection of Consumer Rights and Trans-European Networks.

Although global liquidity conditions had deteriorated sharply due to the U.S. mortgage crisis, the level of foreign direct investment through mergers/acquisitions (M&A) and privatization has reached to USD 14,699 million at the end of November. In addition to non-residents' equity and YTL denominated security purchases, which totaled USD 4,679 million by November 2007, non-debt creating capital inflows has also reached USD 19,378 million during the first eleven months of 2007. More importantly, accelerated by privatization and M&A deals, the Turkish corporate sector resulted in a significantly higher external borrowing net amount of USD 23,984 million by November 2007 as compared to net amount of USD 16,497 million year-on-year. However, portfolio inflows slowed dramatically due to adverse effects of global liquidity level, and fell to USD 110 million in January-November 2007 from the previous year's USD 8,245 million. Thus, the Turkish corporate sector's strong access to global capital markets and non-debt creating capital inflows counterbalanced this reduction in portfolio inflows and continued to support domestic credit channels. This led to an increase in bank loans by 26.5% in 2007.

Exports became the major driving force of manufacturing industry production in 2007, whilst the domestic demand-led growth rate decelerated due to a slowdown in levels of private consumption and machinery/equipment investment. Parallel to it, exports increased by 26.6% year-on-year to USD 97,431 million in November 2007, and further supported the industrial output growth at 5.5% in spite of weaker performance levels for traditional sectors such as food & nonalcoholic beverages (3.5%), tobacco (2.8%), clothing (3.2%), textile (2.8%), and furniture (-14.5%). Exports, on the other hand, increasingly influenced imports level due to high use of intermediate products imported for the manufacturing industry production. With a slower private sector investment on machinery/equipment in addition to crude oil and commodity prices hitting record levels, imports increased by 21.5% to USD 153,768 million in January-November 2007, and resulted in a higher foreign trade deficit of USD 56,338 million. Within the same period, increasing foreign trade deficit led to a rise in current account deficit by 11.6% to USD 32,758 million. However, non-debt creating capital inflows eliminated domestic and foreign investors' concerns over current account deficit by financing 59.2% of it in January-November 2007.

The rise of public expenditures in the pre-election period led to a loosening fiscal discipline in 2007. The central government primary expenditures increased significantly by 20.8% in January-November 2007 due to transfers to households and rural regions; higher employee expenditures than that which had been projected; excess purchase of goods and services; and expanding government expenditures for national defense. However, tax revenue increased at a slower rate of 11.6% compared to the previous year's impressive increase of 30.3%. Therefore, loosening in fiscal and incomes policies implemented in 2007 along with overvaluation of YTL counterbalanced the concretionary monetary impacts on the overall economy by supporting domestic income generation. On the other hand, real rate of private consumption has decreased 1.8% in January-September 2007. Considering the fact that rate of increase in private consumption expenditures was 6.2% year-on-year, such a decrease has been an indicator of serious slowdown during the first nine months of 2007. Within the same period, private investment expenditures decreased sharply from 18.8% to 4.6%. Hence, the growth rate in real terms of GDP decreased from 5.6% to 3.8% by September 2007.

Consumer prices remained at single digits in 2007 despite uncontrollable inflationary pressures such as global energy, commodity and food prices reaching a record level, and weak supply conditions in domestic agriculture. The disinflation forces (such as the rising competition in electronics and consumer durables, favorable tariffs in communication, weaker fiscal dominance, and integration of new service providers to service industry) counterbalanced the gradation effect of

price hikes for goods and services. As a result, the Consumer Price Index (CPI) decreased to 8.39% in 2007 from 9.65% in 2006. The Central Bank of the Republic of Turkey (CBRT) maintained its positive expectations for less stagnant service prices and mid-term inflation convergence to 4.0%. The CBRT further emphasized that structural transformation of Turkish economy and normalization of domestic demand level continued to support the mid-term inflation targeting. The CBRT cut overnight (O/N) borrowing rate by 175 basis points to 15.75% in September-December 2007. The CBRT also reduced the O/N lending rate by a higher basis points of 250, thus resulting to 20.0% at the end of 2007.

Political stability at post-election period, and high-income opportunities in financial markets accelerated the valuation of YTL in real terms during the second half of 2007. In addition to depreciation of the dollar in global currency markets, the government's fiscal discipline and commitment to structural reform and privatization process provided an increase in the nominal value of YTL against USD by 17.5% to 1.1593 at the end of 2007. The 21-month zero-coupon benchmark bonds rate continued to fall in the last quarter of 2007 due to rising expectations on positive credit ratings and/or country outlook. At the end of December 2007, benchmark bonds rate decreased by 453 basis points to 16.62%. Moreover, the government's commitment concerning the reform process on the Law of Obligations, Turkish Commercial Law, energy infrastructure, tax administration, public personnel administration, employment, social security and R&D system enhanced foreign investors' confidence in Turkey.

In light of these developments, and parallel to the performance of Turkish economy, increase in bank loans continued with a growth rate of 26.5% in 2007. Foreign banks continued to display interest in Turkey's banking industry in 2007. The acquisitions of Oyakbank by ING, Şekerbank by Turan Alem and MNG Bank by Bank Mellat & Arab Bank have been an important indicator of the international interest for the national economy and the banking sector.

Overall, the banking industry achieved the following figures by the end of the third quarter of 2007:

(YTL billions)

Assets	525
Loans	256
Securities Portfolio	173
Deposits	334

A detailed analysis of these figures shows that total assets of the banking industry have grown by 8%, loans by 18%, securities portfolio by 3% and deposits by 7%.

In an environment of higher inflation, interest and exchange rates; lower growth rate of banking industry; lower profit margins; and intense competition, and despite the cost burden of opening 103 new branches, Türk Ekonomi Bankası A.Ş. managed to earn a pre-tax profit of YTL 165.9 million and an after-tax profit of YTL 130.2 million.

Comparison of key balance sheet items and financial ratios with those of the previous year shows that:

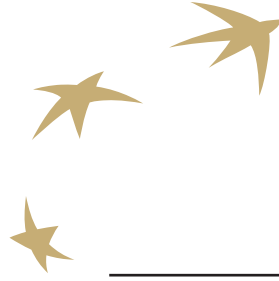
- The Bank's assets grew by 43%,
- Shareholders' equity reached YTL 910 million,
- The share of deposits in the balance sheet was 60%,

-
- Loan portfolio expanded by 39% over the previous year, with a significant increase in small and medium-size commercial loans and small business loans and now constitutes 58% of total assets,
 - Although the ratio of non-performing loans increased from 0.9% in 2006 to 1.75% in 2007, the ratio is still below the sector average,
 - The loans-to-deposits ratio reached 97%, meaning that YTL 97 out of every YTL 100 deposited with the Bank was lent out as loans,
 - Capital adequacy ratio was 14.88%,
 - Return on equity (ROE) was 17.75%,
 - Number of branches increased from 170 in 2006 to 273 in 2007 and number of employees from 3,565 in 2006 to 5,141 in 2007.



With the “TEB's Educated Girls”
project, USD 1.6 million will be allocated for
education.





AMENDMENTS TO THE ARTICLES OF ASSOCIATION

At the Extraordinary General Meeting of Shareholders held on 5 September 2007, it was resolved to amend Article 5 of the Articles of Association of TEB. The resolution was registered with the Istanbul Trade Registry on 6 September 2007 and was published in the Turkish Trade Registry Gazette numbered 6892, and dated 11 September 2007.

These amendments aimed to increase the authorized capital of the Bank from YTL 100,000,000 to YTL 900,000,000.

The old and new version of the Articles changes can be found in Appendix 4, at the end of this annual report.

CHANGES IN THE BANK'S CAPITAL AND SHAREHOLDER STRUCTURE

In order to strengthen the capital structure of TEB in line with its growth objectives;

- Issued capital has been increased from YTL 76,500,000 (Seventy six million five hundred thousand) to YTL 100,000,000 (One hundred million) within the limits of the Bank's authorized capital of YTL 100,000,000 (One hundred million), through payment of YTL 11,750,000 (Eleven million seven hundred fifty thousand), from Capital Reserves Due to Inflation Accounting and YTL 11,750,000 (Eleven million seven hundred fifty thousand) from Excess Reserves, and the document issued by the Capital Markets Board dated 4 June 2007 and numbered 587, evidencing that the procedures relating to the increase of the Bank's issued capital have been completed, was registered with the Istanbul Trade Registry on 7 June 2007 and was published in the Turkish Trade Registry Gazette dated 12 June 2007 and numbered 6828.
- The Bank's authorized capital of YTL 100,000,000 (One hundred million) has been increased to YTL 900,000,000 (Nine hundred million) by the Extraordinary General Meeting held on 5 September 2007, and the document evidencing the registration of the increase of authorized capital was published in the Turkish Trade Registry Gazette dated 11 September 2007 and numbered 6892.
- The Bank's issued capital has been increased from YTL 100,000,000 (One hundred million) to YTL 755,000,000 (Seven hundred fifty five million) within the limits of the Bank's authorized capital of YTL 900,000,000 (Nine hundred million) through payment of YTL 240,000,000 (Two hundred fourty million) from other capital reserves including capital reserves due to inflation accounting; YTL 205,000,000 (Two hundred five million) from Excess Reserves; and YTL 210,000,000 (Two hundred ten million) fully paid in cash, and the document issued by the Capital Markets Board dated 20 November 2007 and numbered 1794, evidencing that the procedures relating to the increase of the

Bank's issued capital have been completed, was registered with the Istanbul Trade Registry on 21 November 2007, and was published in the Turkish Trade Registry Gazette dated 27 November 2007 and numbered 6945.

Capital and Shareholder Structure

Shareholder's Name/Title	Share In Capital (YTL)	Share (%)
TEB Mali Yatırımlar A.Ş.	636,119,300.82	84.25
Publicly Traded	118,017,979.64	15.63
Total Shares of the Other Shareholders	862,719.54	0.12
TOTAL	755,000,000	100.00

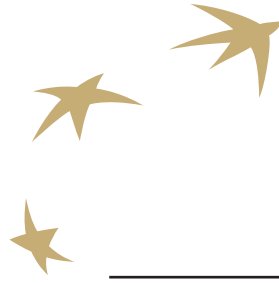
Shares of the Chairman and Members of the Bank's Board of Directors, General Manager and Assistant General Managers

Yavuz Canevi (Chairman)	YTL 19.78
Dr. Akın Akbaygil (Vice Chairman)	YTL 31.81
Refael Taranto (Member)	YTL 14.28
İsmail Yanık (Member and Auditor)	YTL 95,875.41
Varol Civil (Member and CEO)	YTL 19.78
Saniye Telci (Assistant General Manager)	YTL 3,266.46
Nuri Tuncalı (Assistant General Manager)	YTL 6,101.50



On behalf of “our girls” that have been given the opportunity to pursue further education, we would like to thank our employees, solution partners, subsidiaries, BNP Paribas Group and all those who have contributed to the project together with TEB.





MESSAGE FROM THE CHAIRMAN

Synergy and growth effects created by the partnership between TEB and BNP Paribas has continued this year as well, and as of the end of 2007, TEB has reached to an even greater achievement towards the desired target in the banking sector with a total of 273 branches.

In 2007, particularly during the second half of the year, in a global environment of unrest and uncertainty due to new risk factors such as oil and raw-material prices pressure, and “subprime-mortgage” crisis arising from the U.S. in the last quarter and penetrating finance/money markets in Continental Europe, the Turkish economy managed to display a relatively positive performance. Although inflation targets have not been met for the period, a downward trend for the inflation continued with modest interest rates, and economic growth continued through rise in domestic demand and exports.

It will be useful to put an emphasis on a particular aspect of the year 2007. The following five-year period after the economic crisis in 2001 has been characterized by the new government's economic growth-disinflation policies, which in turn created a positive transformation era. Although it was interrupted by financial turbulence in May 2006, and also by the parliamentary and Presidential elections which followed in 2007, it resumed immediately after the recent election in July. Reorganization in the governmental structure, completion of the 8th revision with the IMF, acceleration given to some basic structural reforms on the agenda mainly the social security reform, and an increased awareness for the need to implement measures on maintaining foreign direct and portfolio investment channels open, are all indicators that such a positive economic outlook shall continue.

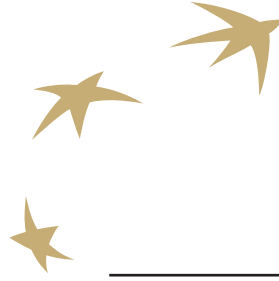
Therefore, given the scenario that there shall not be any unexpected adverse events at global level and political risks which are kept under control shall continue to be kept under control, such expectations on our economy to continue its positive development seem to dominate the markets in spite of the widening current payments deficit.

As for our Bank's performance in this context: I am pleased to express that synergy and growth effects created by the partnership between TEB and BNP Paribas has continued this year as well, and as of the end of 2007, TEB has reached to an even greater achievement towards the desired target in the banking sector with a total of 273 branches - including 49 new in Turkey, 3 in Cyprus, 1 in Bahrain - with greater product range, and expansion of banking services network countrywide.

Our successful performance in 2007 has not only been limited to balance sheet growth and profit targets exceeding the envisaged expectations, but has also led a positive development of overall performance ratios. Considering that our social responsibility projects were recognized and awarded again this year, on behalf of the Board of Directors, I would like to congratulate all our employees who have contributed to this success.

Yavuz Canevi

Chairman



MESSAGE FROM THE CEO

In 2007, we continued to reach our customers all over Turkey by increasing the number of our branches to 273 from 170. As TEB Group, we will continue to lead primary developments and improve our position in the banking sector through innovative solutions and creative products in the year of 2008.

In the year 2007 which is the 80th anniversary of our incorporation, as Türk Ekonomi Bankası A.Ş., we maintained our fast and stable growth level; expanded our fields of activity and the range of our products and services offered.

Undertaking a pioneering role in the banking sector, we have established a successful strategic partnership with BNP Paribas that is the biggest bank of Eurozone, such being the first strategic partnership for the year 2005. Given the power and synergy created by this strategic partnership, as a result of our rapid progress in all areas of banking mainly retail and SME banking, TEB has reinforced its innovative and creative service provider position in the sector.

Retail banking has been one of the fast-track development areas of TEB in 2007. In the area of credit cards, which is one of the areas TEB has grown very rapidly, TEB Bonus İzmir Card, an innovative work introduced together with “TEB Bonus Card” has been issued. TEB Bonus İzmir Card, which is the first and unique credit card of Turkey dedicated to a city, not only provides special advantages to İzmir citizens but also enhances the social responsibility awareness. 1% of each shopping made with this credit card is transferred to IZTO Education and Health Foundation by TEB out of its own revenue, and the accumulating fund is used in social responsibility projects for children in İzmir.

In the year 2007, we accomplished to introduce one of our innovative banking products in the area of consumer loans. Through “Molalı Kredi” (Loan Holiday) offered for the first time in Turkey, our customers who have already obtained personal financing, vehicle, and mortgage loans from our bank are allowed to give a “pause” to their repayment for 2 months each year throughout the loan repayment period without any accrued default interest.

Using alternative distribution channels, our innovative works in the area of retail banking has continued, and our success has been recognized at international level. Our website www.teb.com.tr has been awarded the excellent standard prize by the Web Awards, one of the most prestigious contests in the Internet world. In 2007, our website was the only Turkish bank to which such a reward was granted.

TEB which gives importance to design and functionality in Internet banking has also undertaken the mission of offering the best services to its customers in terms of online security, and as a result it took an important step in 2007 by working in cooperation with McAfee, one of the leading Internet security companies worldwide. Being the first to implement such a practice in Turkey, TEB provides a free antivirus program to its customers accessing the internet branch to serve for the purposes of protecting individual computers.

In the area of SME banking, we continued to work in cooperation with the chambers of commerce, industry, and craftsmen in 2007. These cooperations which shall continue in 2008 will become more important upon the introduction of new products and services in the field of SME banking. The most important step we took in this area so far is our collaboration with such organizations as the United Nations Development Programme (UNDP) and the Young Managers and Businessmen Association (GYIAD) to provide a proper basis for “micro credit” model that targets solely young entrepreneurs between the ages of 18-35. The project aims to support young entrepreneurs in establishing their own businesses or in developing already existing ones.

In 2007, TEB further finalized its specialization in the area of “agricultural banking” to serve more effectively to another important segment of society within the same target group. Our Bank has started operating in agricultural banking in March 2007 with a diverse range of products and services, and won the “Award of Merit in Agricultural Financing” at the 58th anniversary of Agriculturists' Association of Turkey.

With an experienced and specialized “Agricultural Banking” team following sector trends both in Turkey and around the world, TEB has aimed to facilitate the activities of farmers and has adopted the working principle of providing all “Agricultural Banking” services ranging from loans to sector-specific product payments instead of simply offering an “Agricultural Loan Package”, TEB will continue to offer new products that will facilitate the activities of farmers in 2008.

The TEB SME Academy, which was established two years ago to meet the needs of SMEs concerning education and training, has continued to conduct its activities in 2007 and has attained to reach over 4,000 SMEs in 19 provinces until date.

The TEB SME Academy program was awarded as the most “innovative” work of the BNP Paribas Group at global level, and our partner pursued activities for implementing this model into various countries of the world. Today, TEB is conveying its knowledge and experience on SME banking, which has been accumulated in the last 3 years, to SMEs in Algeria through the strategic partner BNP Paribas. We consider this development as an outstanding success not only of TEB in itself, but also for the Turkish banking industry in the global arena.

Moreover, TEB has carried the “Future Strategies for Cities” meetings to Eskişehir, Kayseri, Hatay and Adana after Samsun and Trabzon. The end results of meetings have been compiled together in a report, and presented to all social stakeholders. As TEB, we have identified our mission in these cities and kept our promise.

Another project contributing to overall economic development of our country as well as SMEs in our country is the credit agreement that has been signed with the French Development Agency (Agence Française de Développement-

AFD) amounting to EUR 40 million. Upon execution of this agreement, we aim to increase the social responsibility awareness of our SMEs, thus supporting their sustainable development. TEB gives training on social responsibility to all SMEs that utilize this loan through TEB and provides guidance on how to contribute more to the social environment and the society.

TEB KOBİ TV, Turkey's unique Internet TV broadcasting for SMEs 24 hours a day, has also acquired a more professional level in 2007. TEB KOBİ TV that has been awarded a social responsibility award in recent years, now broadcasts specially designed programs for SMEs that have been prepared by leading professional TV producers in its own studios. The SME banking activities of TEB shall continue in 2008 through new projects being implemented for the first time in the sector and which add value to SMEs.

TEB also took an important step in corporate banking and foreign trade; areas of which TEB has the most experience over the past years, and further strengthened its position in 2007. TEB and BNL, an affiliate of BNP Paribas Group, having a strong position both in the corporate market and international trade, joined forces to establish the Italian Desk within the organizational structure of TEB to serve the needs of Italian companies already active or seeking to enter to the market in Turkey. Thus, TEB provided entrepreneurs an opportunity to access a comparative platform on which local and national finance products/services as well as financial and investment solutions are available. In addition to Egypt, Algeria, and Ukraine desks which TEB has established under BNP Paribas in order to support foreign trade, the Turkish desks in Israel and Moscow have already started to operate.

Together with our rapidly growing workforce, training and development of our employees ranked high for us in 2007. In this context, the TEB Formation Academy was established in Cumhuriyetköy. Built in nature far from the noise pollution of the city, the TEB Formation Academy provides our employees an opportunity for training and also for introducing their creative, innovative ideas at "Innovation Laboratories". The foundations of innovative creative projects which have been implemented in 2007 and have created a difference in our sector are initially laid out in the TEB Formation Academy. Such projects shall continue in the coming years.

By expanding beyond the national borders of Turkey, our Bank established 3 new branch offices in the Turkish Republic of Northern Cyprus in 2007. TEB having a goal of expanding in Turkey's immediate vicinity, is steadily progressing for initiating operations in neighboring countries as well.

In 2007, we continued to reach our customers all over Turkey by increasing the number of our branches to 273 from 170.

Our accomplishments in 2007 have also affected the values we produced in the area of banking. Our consolidated net profit reached YTL 147 million in the year 2007. The consolidated balance sheet increased by 35% as compared to 2006, thus raising our total assets to YTL 13.9 billion. Deposits, on the other hand, have increased by 22% to YTL 8.2 billion. Total credits increased by 34% to YTL 8.5 billion in 2007.

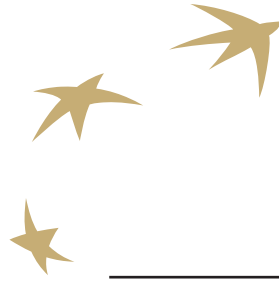
As one of the most prestigious and pioneering establishments of the Turkish banking sector, our Bank celebrated its 80th anniversary by introducing a meaningful project. With this social responsibility project referred to as "TEB's

Educated Girls”, TEB has contributed to the education of 1,250 girls who could otherwise not afford to continue their education. Initially, the aim of the project was to cover the education costs of 800 girls, however our project has eventually reached 1,250 girls due to the willing contributions of TEB employees and interest of our partner BNP Paribas. TEB shall cover the education costs for these 1,250 girls for the next four years. As a bank with social sensitivity, we will continue to support such social projects in the following years.

As TEB Group, we will continue to lead primary developments and improve our position in the banking sector through innovative solutions and creative products in the year of 2008.

The fundamental values that TEB has protected without any compromise and past achievements shall guide us for the progress to be realized in 2008. TEB will continue to develop further both in terms of financial results, and in terms of its prestigious position in the sector.

Varol Civil
CEO



REVIEW OF OPERATIONS IN 2007

In 2007, TEB's share in Turkey's foreign trade increased to 8% in exports and 5.5% in imports, and the Bank's total share in Turkey's foreign trade increased to 6.37% from 5.5%.

FINANCIAL INSTITUTIONS

Correspondent Relations Department

TEB has a correspondent banking relationship with 2,700 banks in 120 countries, and foreign trade financing continued to be one of the important lines of activity for the Bank in 2007. A wide network of BNP Paribas branch and subsidiaries in 87 countries has further enhanced the distinguished position the Bank enjoys at international markets. In 2007, TEB's share in Turkey's foreign trade increased to 8% in exports and 5.5% in imports, and the Bank's total share in Turkey's foreign trade increased to 6.37% from 5.5%.

The Financial Institutions Group, which secures funding for the Bank's requirements from international markets at the most favorable terms available, has undertaken the following in the year 2007:

In July 2007, TEB issued Turkey's first Tier 1 subordinated debt worth USD 100 million. The bond issued by TEB was privately placed with International Finance Corporation (IFC). TEB had also pioneered the first Tier 2 subordinated loan in Turkey with IFC in 2002.

In November 2007, TEB received the EUR 240 million one-year syndication loan with 29 participating banks for the purposes of export financing. TEB has achieved the most competitive pricing in Turkey subsequent to the mortgage crisis arising from housing loans granted to consumers with low income, which initially started in the U.S. and later hit global financial markets.

In addition to these loans, TEB continues to cooperate with international financial institutions to meet the medium and long-term financing needs of its customers, and offers them customized loan facilities with favorable terms.

In this context, TEB secured the EUR 40 million twelve-year SME loan with a four-year non repayment period from the Agence Française de Développement (AFD). The major purpose of the loan is to enhance corporate social responsibility awareness of TEB's SME customers. In line with TEB's competitive approach in SME banking, this loan agreement contributes to the development of Turkish SMEs to a great extent.

TEB strengthened its pioneering role by financing Turkey's traditional agricultural products such as tobacco, olive oil, raisins and hazelnut in 2007. In this commodity financing transactions, TEB acted as an agent, creditor or guarantor, and thus created funds of USD 200 million with foreign banks to be used for financing its customers in 2007.

Foreign Trade Centers

Immediately after its partnership with BNP Paribas, TEB adopted the "Trade Center" concept of BNP Paribas as the first TEB-BNP synergy product in mid-2005. BNP Paribas established the first "Trade Center" in France in 2000, its network Trade Centers has spread to 90 locations in 50 countries around the world. The primary objective of the Trade Centers is to determine the foreign trade financing requirements of its customers and to offer them the most appropriate customized solutions. For this purpose, foreign trade experts of the Bank accompany customer representatives in frequent visits to customers and keep frequent contact with Trade Centers around the world.

In 2007, Ankara Trade Center joined other Trade Centers established in İstanbul, İzmir and Adana in the years of 2005 and 2006. Trade Center experts determine the foreign trade financing requirements of companies working with TEB; they provide the most appropriate solutions by taking advantage of BNP Paribas' Trade Center Network and the extensive correspondent relations of TEB.

After the introduction seminars organized for our customers in Algeria and Morocco in 2005 and 2006 respectively, the third introduction seminar entitled "How to Do Business in Egypt?" was held in Egypt in 2007 with the objective of allowing customers to conduct business in various foreign countries easily. Senior executives from the BNP Paribas subsidiary in Egypt and the Commercial Counselor at the Turkish Embassy in Cairo attended the seminar, and provided the necessary information for Turkish companies who are already doing business with Egypt or those who are willing to do so.

In 2005, the first Turkish Desk was activated at BNP Paribas El Djazair in Algeria followed by those in Ukraine and Egypt in 2006; and Russia and Israel in 2007, thus constituting a total of 5 units of the Turkish Desk network. To ensure that Turkish companies in the respective countries are provided with first-class banking services, TEB representatives employed at the Turkish Desks make use of all means available at the affiliated BNP Paribas subsidiaries. Turkish Desks operating at BNP Paribas subsidiaries enable a smoother flow of foreign trade in the countries where they are located.

Investor Relations and Corporate Governance Department

Investor Relations and Corporate Governance Department participated in several domestic and international events and has been in close contact with existing and potential investors by organizing numerous "Road Shows". The Department held meetings with nearly 40 investors in İstanbul and organized approximately 140 meetings for investors at various events in several cities - London, New York and İstanbul in particular - in Europe and in the United States.

Furthermore, the Department held teleconferences throughout the year at the end of each quarter, providing detailed information to investors on operating results and there has been an uninterrupted flow of information with regard to the activities of TEB through press and analyst meetings. Our web site was also updated in 2007 providing a faster and easier access for our investors to any information related to TEB.

Another mission of the Department is to monitor the implementation of “Corporate Governance Principles” and to maintain close contact with the Corporate Governance Committee to assure the best possible implementation of these principles in TEB. The committee held meetings throughout the year and contributed to the corporate governance activities of TEB. To this end, the department also participated in meetings held by various organizations regarding corporate governance and maintained close contact with institutions issuing corporate governance ratings in Turkey. The Corporate Governance Compliance Report, indicating TEB’s level of compliance with Capital Markets Board’s Corporate Governance Principles, is explicitly included under our updated web site and also included within the Annual Report.

CORPORATE BANKING

The Corporate Banking Group continued to further develop by taking advantage of new opportunities that emerged as a result of the partnership with BNP Paribas.

Our expertise on certain sectors led to an expansion especially in the areas of construction contracting, iron-steel, logistics, automotive and shipping.

In the area of project finance, several projects with Turkey’s leading companies in real estate, tourism, industry, and logistics have been finalized in 2007.

In 2008, the aim is to play an active role in project finance activities including energy, environment, public and municipality projects. In the following period, improving our expertise on infrastructure and environment investments, and thus taking a significant share from such investment planning, is one of TEB’s major objectives among others. We also aim to construct a separate structure for our project finance activities specific to public and municipality projects, and to offer our knowledge and expertise gained over the years.

Cash Management

Aiming to become the largest bank with regard to revenue collection and payment processes for target companies in the field of corporate and commercial banking, TEB still considers cash management as a significant element of efficiency and differentiation.

12 new applications streamlining revenue collection and payment processes, improving the quality of TEB’s services, and reducing costs, were put into effect. The Global Account Management among others was introduced by an announcement in the press.

The number of customers using the Bank’s electronic payments systems has increased by 30%.

As its branch network expanded, TEB managed to recruit more retailers and distributors as customers and substantially increased its share of domestic payment transactions of corporate and commercial customers. With a 40% rate of growth, interbank check clearing transactions rose from a rank of seven to six and the Bank’s share of total clearing volume increased from 4.3% to 5.2%.

TEB has become the gold sponsor of the Cash, Treasury and Risk Conference Series in Turkey organized by the Economist Group every year.

COMMERCIAL BANKING

Commercial Banking Group continued to expand the branch network and number of customers in 2007 as well. Considering the year-on-year performance, the number of joint branches increased by 40% and of commercial customers by 43%.

To ensure a better adaptation to changing dynamics of the market, we reshaped our organizational structure and established the Marketing, Sales and Product Development Section under SME Banking along with the Strategy and Planning Section under Commercial Banking.

Our efforts have not been limited to offering financial solutions to our customers, but we also continued our efforts to become their major consultant in banking services. We attempted to broaden their perspective by providing training for our commercial and SME customers through the TEB SME Academy. In this context, Trade Centers and Treasury derivative products provide a wider range of access for such customers to our services in these fields, and contributed to an increase of our share in foreign trade. Also benefiting from the synergy created by TEB's sister companies, we managed to offer a wide range of services to our customers as a whole package, which further increased TEB's public recognition. We placed more emphasis on cross selling by taking steps to deepen our customer relations.

We continued to be one of the leading institutions in Gold Banking in 2007 with a growth rate of 59%. Given the acceleration by the expansion of our branch network, TEB's share in gold banking has increased remarkably.

SME Banking

Pursuant to an approach of "To be there with customers for their needs", TEB managed to reach to a broader audience and strengthened its unique position in the sector in 2007. SME Banking Group acquired new customers at an accelerating rate by 55% as compared to the previous year.

TEB SME Academy, which had been established to support the competitiveness of SMEs both in domestic and international markets, increased its public recognition and won the first prize at the "Spirit of Innovation Contest" organized by BNP Paribas for the first time this year with thousands of projects as potential candidates. Such a deserving outcome made us all very proud as TEB and was also recognized countrywide. The positive impact of this success has not only been limited within our national borders, but also reflected to countries abroad. BNP Paribas took necessary steps to put our know-how into practice by adapting the concept of TEB SME Academy to the other countries as well. BNP Algeria was the first to activate TEB's "SME Academy" concept in September 2007.

TEB KOBİ TV, another step taken with high social responsibility awareness in 2006, ended its test telecast in 2007, and introduced a brand new content. TEB KOBİ TV provided experts' discussions on a wide range of SME issues; a common platform for SMEs to share their success stories; expert statements on national and international markets; and

SME trainings with practical tips. Thus, it generated a considerable amount of interest among various segments of our society.

International institutions also appreciated steps we have taken so far with increased social responsibility awareness, and as a result, TEB received a EUR 40 million 12-year loan from AFD (Agence Française de Développement), a worldwide institution specialized in SME financing. The AFD Project, which aims to create social responsibility (CSA) awareness at corporate level among SMEs and to increase it through future activities in time, was the first private sector attempt for such purposes in Turkey. The project itself is not only limited to various financing opportunities, but also to CSA Check-ups and Awareness Raising Trainings in terms of corporate social responsibility. These free of charge trainings aim to increase the competitive market power of SMEs in all activities.

One of the most concrete steps to meet our target of being a consultant bank for SMEs has been taken in 2007. With our “SME Consultants” project, the SME Banking Employees specially trained on the dynamics and behavioral patterns of SMEs have started to take their baby steps on the way to become “Consultants”. The first group of employees completed such “SME Guide” trainings, has already started developing various approaches in this field.

RETAIL BANKING

TEB has continued its activities in retail banking by focusing on new products and services, campaign management and CRM, and pioneered various innovative services to the sector. Parallel to the rapid growth, TEB took action to increase the interaction of customers and cross sale activities, and continued its successful banking performance in terms of enlarged customer base in 2007.

Having ended 2006 with 170 branches in 38 cities, TEB opened 103 new branches in 2007, and thus increasing the total number of its branches to 273. With the addition of its new branches, TEB is currently active in 49 cities which represent 92% of Turkey's GNP.

In 2007, TEB focused on acquiring new customers as a major target. With new branch openings, campaigns and salary agreements, TEB acquired approximately 30,000-35,000 new customers per month. The number of retail customers, which had been 450,000 at the beginning of 2007, reached to 750,000 with a 65% increase by the end of the year. TEB managed to maintain the number of customers per branch and retail customer profitability by expanding its customer base parallel to the opening of new branches.

Segmentation and analysis work developed in 2006 was put into practice in 2007 to provide customers with products and service packages tailored to their expectations and needs in a multi-customer system. Demographic segment data and product trend analyses of customers were reflected to sales screens to guide branch sales representatives in taking actions, and behavioral segmentation was used in various studies performed.

As TEB adopted the customer focused principle in retail banking, it updated TEB Elite Banking customer service program in 2007 for its retail customers who have higher financial needs and expectations. Elite customers, who were identified by considering their business size in the first place, are offered a wide range of customized products and services

specially designed to meet their financial needs in retail banking. Such people constitute only 1% of total customers in number; however they represent almost half of the retail banking volume of TEB. In order to serve better to our Elite customers, TEB adopted a service differentiation policy in 2007 at 10 branch offices and designated account representatives specially trained to deal with such customers in particular.

Applying the same the customer-focused principle to expatriates in Turkey, TEB launched its “TEB Expat Banking” program in 2007. TEB Expat customers can receive retail banking services in English through TEB Express ATMs, TEB Internet & Telephone Branch as well as detailed information and help on their special banking needs in 17 designated branches.

New Products and Services

Payment Holiday: In 2007, TEB was the first bank in launching the “Payment Holiday” for its retail customers. The product emphasized the innovative image of TEB and introduced a new concept in retail loan market. It was supported by an intense advertising campaign in the press including TV, radio and newspaper.

New Mortgage Products: TEB increased its product range by offering 9 different mortgage products in 2007 in order to enlarge its market share in Mortgage Loan and improve customer awareness.

PortfoyPro: TEB Portfolio Management has introduced this product in 2007 to guide customer investments in accordance with their preferences. In guiding customer investments, various risks and opportunities available in the markets are incorporated with individual investment attitudes through a professional understanding of portfolio management.

TEB B Type Gold Fund: Gold Fund with a target of steady earnings in medium and long term was offered to customers in 2007. With the Gold Fund, customers benefit from investing in gold without having any difficulty of keeping it physically.

Retail Loans

In 2007, TEB renewed its loan processes; all consumer loan processes have been revised to establish more effective and standard evaluation process. An automatic scoring system has been activated. Online credit system for vehicle and consumer loans was initiated whereas for housing loans, infrastructural design work still continues today. Blacklist and intelligence processes were automated using in-house software applications and the efficiency of the evaluation process improved considerably.

Call Center and Alternative Distribution Channels

The trend for an increase in the number of alternative delivery channel users also continued in 2007.

In 2007, TEB's corporate web site teb.com.tr and Internet Branch were enriched with interactive services, and a new user friendly and sales oriented design.

TEB was the only Turkish bank in 2007 to receive the “Standard of Excellence Award” at the “Web Awards” competition organized by Web Marketing Association and publicly recognized as one of the most prestigious awards in the world.

As part of its strategy to offer a secure banking service, TEB cooperated with McAfee Company, one of the well-known companies of the world in personal computer security field. As a result of this cooperation, TEB customers were able to use McAfee anti-virus program, free of charge, for a year period. With this offer, TEB became the first bank in Turkey to make investment on its customers' computers security in Internet banking services.

Following the Mobile Payment service launched in 2006, “Turkcell Mobile Signature” was also activated in cooperation with Turkcell. The service enabled customers to make their financial transactions with a legally binding electronic signature via their mobile phones. With this innovative service, TEB preserved its pioneering position among other banks in Turkey. It was rapidly adapted to TEB's alternative delivery channels; and TEB became the first bank to implement “Mobile Signature” in SMS banking.

Along with the expansion of alternative distribution channels, TEB enriched the range of products and services offered through these channels for promotion and sales purposes. TEB Express Loan Kiosk, which enables instant loan and credit card application, was opened in Cevahir Shopping Mall in İstanbul. TEB started its SMS banking services, the first step toward Mobile Banking, with a wide range of online transaction alternatives for customers. Design development on WAP Banking has also been finalized.

In 2007, the number of ATM's in Turkey reached to 433 by an increase of 41% overall network growth rate. At the end of 2007, instant deposit cash was provided to TEB customers through 100 ATMs around the country.

Card Payment Systems

After launching TEB Bonus Card at the end of 2006, TEB achieved a rapid growth in credit cards and drew the sector's attention in 2007. TEB achieved 91% growth rate in number of credit cards, while the total number in the sector grew only 15%. With a growth rate of 225% in issuing volume, TEB has become an important player in the sector where the growth rate was only 28%.

In March 2007, TEB was the first in the market to integrate bonus redemption and installment features with a campaign, “one installment as a bonus for spending with 8 installments”, and thus proved its potential to make outstanding differences in the sector.

TEB has initiated a social responsibility awareness project, “TEB Bonus İzmir Card”, in cooperation with İzmir Chamber of Commerce in April 2007. Having all features of “TEB Bonus Card” as well, “TEB Bonus İzmir Card” provided a source of funds to be allocated for supporting children in İzmir.

TEB introduced “TEB Bonus TEMA Card” into the market in cooperation with TEMA Foundation, a leading environmental/nature NGO in Turkey. Again, having all features of “TEB Bonus Card”, “TEB Bonus TEMA Card” contributes to funding TEMA's environmental social responsibility projects by allocating a fund through each expenditure

of the customer using the card. Within the context of environmental awareness, all cards and print materials used in this TEB-TEMA joint project are recyclable.

Small Business Banking

SME Banking aims to provide high-quality services to small businesses and craftsmen. It spreads the credit risk of the Bank to a broader customer base, and contributes to its balance sheet by creating low-cost liabilities and high-margin assets

In 2007, SME Banking significantly contributed to the list of no-cost liabilities on the balance sheet parallel to the increase in customers; and became the largest business line for the Bank in terms of TL Demand Deposits in the last two years. The rapid growth in POS transactions has been a major driving force for such an accelerated increase in demand deposits. The number of POS transactions in Retail-SME Banking reached to a total number of 27,000. Retail-SME Banking constitutes 77% of the Bank's total number of POS transactions with a 63% share of total POS volume.

As of December 2007, a total of YTL 35 million loans were given to 2,300 farmers through Agriculture Banking, which was activated earlier under SME Banking. Within the scope of Agricultural Banking services, a comprehensive Guide to Agriculture was prepared and distributed to 3,500 customers. Furthermore, loan agreements have been signed with Chambers of Agriculture at 7 cities. TEB has been the first Bank in the sector to offer a 72-month tractor loan. As a result of all these intensive efforts, TEB won the "Award of Merit in Agricultural Financing" given by the Agriculturists' Association of Turkey.

In cooperation with United Nations Development Programme (UNDP) and the Young Managers and Businessmen Association (GYIAD), TEB SME Banking was the first in Turkey to provide a proper basis for "micro credit" model targeting solely young entrepreneurs between the ages of 18-35. The project aims to support young entrepreneurs in establishing their own businesses or in developing already existing ones. Within the context of its implementation, the priority will be given to female entrepreneurs and vocational high school graduates among those in need of utilizing such loans to improve his/her own business.

For the purpose of establishing an effective communication channel with customers through which its SME Banking activities can be promoted, TEB published a monthly Platform magazine in cooperation with Infomag magazine and distributed it to 6,000 customers on a regular basis.

In December 2007, TEB was the first in Turkey to introduce "Online Loan Application for Craftsman" and provided an opportunity for a 24-month commercial loan via Internet up to YTL 30,000. Applicants are informed about the result of loan evaluation process through SMS sent to their mobile phones in the next working day at the very latest and can use their loan by submitting the necessary documents to our branch offices without any further evaluation.

PRIVATE BANKING

TEB Private Banking, the first in Turkey to provide private banking services that has been pioneering the sector over the last 20 years, restructured its overall organization and went through a significant change in 2007 before launching some new applications to preserve its leading position in the sector.

In addition to 5 Private Banking Regions with private meeting rooms, which are designed for the comfort of customers and in accordance with their needs, Corporate Branches Management was activated to monitor any potential available at Corporate Branches in particular. Following the new segmentation analysis, a VIP Desk was established for contact management of those customers who have higher expectations with total assets exceeding a certain level at TEB. VIP Desk customers received high-quality and special banking services by our staff with great experience and expertise in the sector.

With the aim of monitoring all Private Banking transactions of our customers through a centralized system, a Private Banking Operations Unit was established and structured to serve all Private Banking Regions in the country.

TEB Private Banking evaluated various financial expectations and risk profiles of its customers through a “tailor-made” approach, and continued its tradition of “differentiated service” in 2007. Given the purpose of providing various new products specially designed for Private Banking customers, two major end products were introduced in 2007 for the first time in Turkey: Currency Performance Model and YTL Performance Model. Continuing to focus on Asset Management in 2007, TEB established Investment Services Department to offer profitable investment choices to its customers.

TEB Private Banking achieved 47% annual growth in the asset volume it manages; and it reached to a considerable volume of YTL deposits by 177% growth rate due to the reason that deposits have been the most preferred investment tools among others in 2007.

TEB Private Banking continued to distribute investment reports as usual to its customers including key macroeconomic indicators; commentaries; detailed analyses of domestic and international markets; issue briefs on mutual funds and asset management services, and it also continued to organize seminars and meetings related to these subjects so that customers would be able to follow trends and developments in the market.

TREASURY

Capital Markets Department

The Capital Markets Department succeeded in attracting foreign capital flow in particular, and thus contributed TEB to become a priority bank in the list of major investment banks.

Money Markets Department

2007 marked a substantial volume increase in the total depository and placement of both YTL and G7 currency units. The volume of YTL denominated transactions reached to USD 31 billion with an increase by 70% in 2007, and further strengthened TEB's leader position in the market by enlarging its share from 6% to 8%.

Derivative Products Department

The Derivative Products Department was established at the second half of 2007, and by contributing to product range

and activeness of the Treasury in this field, it started offering options products and TURDEX (Turkish Derivatives Exchange) services.

Treasury Marketing Department

The Treasury Marketing Department offers hedging alternatives on foreign exchange, interest rate, and commodity to its customers. Parallel to the increasing demand level of customers, the Department primarily focused on hedging activities, which led to acquiring a significant share of the market with an increase in transaction volume up to 50%.

The Treasury Marketing Department also contributed to enlarging product capacity of the Bank by frequent visits to our customers.

Custody and Clearing Services for Non-Resident Institutional Investors

This section was activated to provide the following services for non-resident institutional investors, related to their investment activities at Turkish Capital Markets:

- Clearing (exchange of securities and funds) following securities transfer,
- Custody of securities,
- Giving services related to the rights on securities available in custody accounts of the investor's portfolio.

INFORMATION TECHNOLOGY

Due to the investment in 2006 on switching to DSL technology to meet growing bandwidth requirements, the communications network of branches has been upgraded to 1 MBit/second. The system room moved to its new premises in Ümraniye. The infrastructure and system room in Ümraniye has been designed to improve the quality of Information Technology services while meeting all the necessary infrastructural requirements. Infrastructure Management introduced Microsoft Communicator Software, which enables the users to see information about their availability in a local area network and to chat with each other, and Electronic Mail Archiving System in 2007.

In banking applications, on the other hand, numerous projects to provide new products; functions for increased operational productivity; business process improvements; and better risk management were also implemented.

OPERATIONS

As the TEB Banking Operations Group, the top priority item in 2007 has been the support given to the overall growth management of TEB.

Banking Operations Group made tremendous efforts to support and guide 103 newly established branches for their adaptation to TEB business processes and working methods. Transfer of experienced staff within the Bank to new branches, orientation programs for newcomers, close supervision and support services through branch visits can all be included within the scope of such efforts.

Furthermore, Head Office Branch Support and Project Department was reorganized parallel to the overall growth, and restructured on a geographical basis to provide effective supervision and support for branch offices.

The operational processes are primarily centralized and are carried out in an environment of highly automated and systematic workflow.

Operations Division for External Transactions was reorganized operationally at the first quarter of 2007. Money orders for invisible items, prepaid imports, incoming money orders, check collection in foreign exchange were all grouped under the "Operations Department for Foreign Transfers". Similarly, documentary collection for other export/import transactions, bill of exchange operations, foreign loans and letter of credit transactions were grouped under the "Foreign Trade Operations Department" whereas external letter of guarantee and counter guarantee transactions were consolidated under a separate unit. At the end of the year, 21% increase in transaction volumes and 12% in productivity has been achieved. The Bank received SPT awards from its 3 main correspondent banks - Citibank, American Express Bank and Deutsche Bank - as an indicator of quality in foreign payments.

HUMAN RESOURCES

"Human resources are the most important capital that TEB owns to achieve its strategic targets."

The total number of TEB employees, which was 3,565 at the end of 2006, reached to 5,141 with an increase by 44% at the end of 2007 parallel to the openings of new branch offices (35 retail branches, 46 combined branches, 14 affiliated branches, 8 affiliated offices and one custodian branch) during the same period. Out of our 5,141 employees, 66% hold university degrees, 5.3% graduate degrees and 0.1% have earned doctorates.

In 2007, an average of 70 hours of training was received per employee (E-training sessions are also included).

The main objective of TEB Human Resources Group is to create one of the best HR practices in the finance sector, and to support individual performances by an effective management and coordination of all HR related processes for providing competitive advantage.

The Bank's human resources policy in light of the above objective is as follows:

Within the scope of the TEB Talent Pool, people who are well educated; well trained; open to innovation and change; have entrepreneurial skills; are energetic and dynamic; possess potential for self-development; are team players; can adopt and commit themselves to corporate values, are recruited to become successful TEB Group employees of the future.

Our goal is to establish a common corporate culture of innovation by encouraging our employees for innovative-creative thinking; to direct such innovative-creative thinking towards proper channels within the organization; and to evaluate the end results in an effective way.

To utilize human resources in the most effective and productive manner in accordance with the Bank's targets and strategies, we support our employees with development programs as indicated in employees' career plans, and we create career opportunities by ensuring employees' participation in advanced BNP Paribas training courses.

We consider of training and development as an investment in human resources, and we contribute to the development of employees in line with TEB Group's targets and strategies within the framework of the “continuous learning and development” philosophy of the TEB Formation Academy.

Given the aim of training our future managers from within the organization, we provide a proper basis for managerial competency through self-development programs and individual coaching to those employees, who have already completed various stages of the evaluation process successfully. We also prioritize applicants from within the TEB Group for future positions.

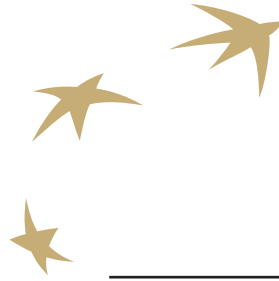
Working in cooperation with BNP Paribas, we provide international career opportunities for our employees whom have high level of performance.

TEB improves individual and team performance continuously through quality improving methods and systems, and focuses on rewarding schemes in the Performance Assessment System that enables the recognition of superior performance and gives each employee equal opportunity within the context of their career plans.

The Human Resources Group contributes to the productivity and performance of the Bank's branches, providing all employees with quick and effective HR support. To this end, HR mentors have been designated for all branches that also serve as career advisors to the employees.

To provide an easy access for all our employees to timely and accurate information on HR policies and practices, TEB established a Human Resources Portal, an internal communication platform that also informs our employees directly about rights and benefits they have.

Up till date, there have not been any complaints concerning any discrimination.



MARKET POSITION OF TEB

Total loans portfolio went up 39% in 2007. However, TEB still maintains its current position as one of the banks in the industry with the lowest NPL ratios.

The comparison results of disclosed banking indicators as of 30 September 2007 and 31 December 2006, and the Bank's position in the industry are as follows:

- While total assets of the industry grew 8%, TEB's assets increased 31%,
- While total loans in the industry grew 17.8%, TEB's loans increased 32%,
- While total deposits in the industry grew 7%, TEB's deposits increased 33%, and
- While number of employees in the sector grew 7.4%, TEB's number of employees increased 40%.

The results above indicate that TEB has developed faster than the industry average.

The Bank's share in the sector in terms of the main indicators and their positive development is illustrated below:

(YTL thousand)	30.09.2007			31.12.2006		
	TEB	Industry*	TEB's Share (%)	TEB	Industry*	TEB's Share (%)
Total Assets	10,825,687	525,356,056	2.06	8,287,366	484,857,262	1.71
Total Loans	6,545,511	256,899,069	2.55	4,951,436	218,063,925	2.27
Total Deposits	7,200,926	334,082,410	2.16	5,425,907	312,832,244	1.73
Number of Branches	253	7,366	3.43	170	6,849	2.48
Number of Employees	4,978	153,783	3.24	3,565	143,143	2.49

*Source: Banks Association

Comparison of the Bank's balance sheet composition with that of the industry is given below:

Share in Balance Sheet (%)	30.09.2007		31.12.2006	
	TEB	Industry*	TEB	Industry*
Liquid Assets	22	13	17	15
Securities	13	33	19	35
Loans	61	49	60	45
Fixed Assets	1	2	1	2
Others	3	3	3	3
Total Assets	100	100	100	100

Deposits	67	64	65	65
Money Markets	2	5	9	5
Borrowed Funds	14	11	11	12
Subordinated Loans	4	1	4	1
Others	7	6	4	5
Shareholders' Equity	6	13	7	12
Total Liabilities	100	100	100	100

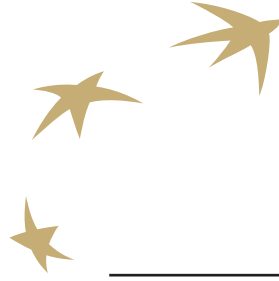
*Source: Banks Association

In addition to these positive developments in the Bank's market position, its NPL ratio increased from 0.9% to 1.75% over the previous year, while total loans portfolio went up 39% in 2007. However, TEB still maintains its current position as one of the banks in the industry with the lowest NPL ratios.



Within the framework of the project, 1,250 female students have been selected from 7 separate regions of Turkey, amongst these 525 of them are supported by employees of TEB, 525 of them are supported by TEB and 200 of them are supported by BNP Paribas Group.





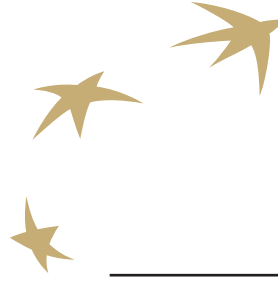
R&D EFFORTS FOR NEW SERVICES AND ACTIVITIES

TEB KOBİ TV provided an opportunity for SMEs to obtain information and training in the areas they need most, receive experts' views on economic issues, and reach current news on the industry.

TEB KOBİ TV

Aiming to add value to SMEs, TEB established TEB KOBİ TV, an Internet TV available at www.tebkobitv.com that provides a platform with dynamic content for SMEs where they can have 24/7 access to information and benefit from training opportunities. Our target audience includes all SMEs throughout the country.

TEB KOBİ TV provided an opportunity for SMEs to obtain information and training in the areas they need most, receive experts' views on economic issues, and reach current news on the industry. TEB KOBİ TV includes video clips from TEB SME Academy meetings, interviews with customers, interviews with the representatives of relevant institutions on various issues position of SMEs in Turkey's economy, expert statements on national and international markets, specific reports on major industries in Turkish economy, etc. Considering the fact that growth is crucial for SMEs, TEB KOBİ TV presents two training programs, "Growth Scenarios for SMEs" and "Importance of R&D and TDFT Support", where growth issues and the support given by the Technology Development Foundation of Turkey are discussed in details.



CORPORATE SOCIAL RESPONSIBILITY PROJECTS

The wide range of social activities carried out by TEB includes education, contribution to business life and non-financial supports to the SMEs, which are among the major driving forces of our economy.

TEB contributes not only to Turkey's economic development, but to social development as well through its corporate work on social responsibility projects. The wide range of social activities carried out by TEB includes education, contribution to business life and non-financial supports to the SMEs, which are among the major driving forces of our economy. Such activities continued in 2007 at an increasing rate.

Furthermore, our Bank also continued its commercial activities by serving as a good model in accordance with laws, ethical standards and human rights.

TEB'S EDUCATED GIRLS

2007 has been exceptionally important for us, as it was the 80th Anniversary of our Bank. As a leading and prestigious institution in the Turkish banking sector, TEB celebrated its 80th Anniversary by launching a social responsibility project in education, one of the most important social issues in Turkey.

With this social responsibility project referred to as “TEB's Educated Girls”, we worked in cooperation with the Association in Support for Contemporary Living (Çağdaş Yaşamı Destekleme Derneği - ÇYDD), one of the major non-governmental organizations in Turkey. We have contributed to the education of 1,250 girls who could otherwise not afford to continue their education. With the aim of providing financial support to these girls, TEB employees adopted this project in a short time and started a fund raising campaign first within the institution.

Within the scope of the “TEB's Educated Girls” project, contributions of TEB employees (525 girls), TEB (525 girls) and BNP Paribas, the strategic partner (200 girls) were collected to meet educational expenses of 1,250 girls in total from seven regions of Turkey for a period of 4 years.

Following the announcement of the project publicly in September 2007, ÇYDD identified the students to which the scholarship would be granted and “TEB's Educated Girls” started the first year of their education.

The project succeeded considerably in a short time, and won the “Active Academy Corporate Social Responsibility Award” at the end of 2007. As a bank with social sensitivity, we will continue to support such social projects in the following years.

TEB SME ACADEMY

With the aim of contributing to the Turkish economy, TEB supported the development of SMEs, and maintained its sensitivity in the field of social responsibility by continuing the "Corporate Development Training" in 2007. "Corporate Development Training" was specially designed to address the prior specific needs in business processes and growth issues of SMEs. Meetings have been organized in 19 cities through which TEB has reached over 4,000 businessmen to promote this project.

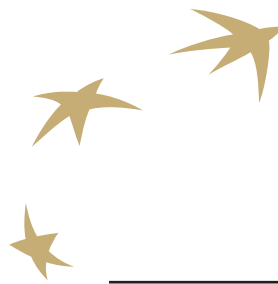
Furthermore, “Conference on Future Strategies for Cities” targeting to reveal the economic potentials of the cities and guiding the SMEs in such cities with respect to their investment areas, has also continued in 2007. Following the “Future Strategies for Cities” meetings held in Samsun, Trabzon, Eskişehir, Kayseri, and Adana, the end results of meetings were compiled together in a report, and presented to the public. TEB has not just compiled such reports but also TEB has undertaken some of the social duties included in reports with a sense of responsibility.

TEB KOBİ TV

Considering SME's as the keystones of Turkish economy, TEB created a different platform for them to improve their knowledge in addition to the support on non-financial related issues through TEB SME Academies.

As vital structures of the real sector, one of the major problems that SMEs have among others is the lack of information on various industry-specific issues. TEB KOBİ TV was established to support SMEs for overcoming this barrier, and also to contribute their development, training, information sharing and intercommunication. TEB KOBİ TV provides 7/24 access to information for SMEs.

TEB KOBİ TV was awarded "Active Academy Corporate Social Responsibility Award" in 2006. TEB KOBİ TV provides educational videos that will help SMEs to develop their businesses, and broadcasts a wide range of comprehensive, educational and informative programs including economic commentaries, sector-specific programs, interviews with chamber presidents and small and medium sized enterprises.



TEB FINANCIAL SERVICES GROUP

The resulting synergies and mutual trade opportunities between these financial institutions have significantly improved the competitiveness of the group as a whole.

TEB Financial Services Group is comprised of the affiliates of TEB, active in leasing, factoring, investment banking and brokerage services and portfolio management as well as The Economy Bank NV based in Amsterdam. The resulting synergies and mutual trade opportunities between these financial institutions have significantly improved the competitiveness of the group as a whole.

Loans extended by TEB to its partners and subsidiaries constitute only 0.89% of the total loan portfolio of the bank.

THE ECONOMY BANK NV (TEB NV)

TEB NV is a wholly owned subsidiary of TEB and became operational in November 1998. The subsidiary is subject to the banking regulations and banking legislation of the Netherlands. The total equity of TEB NV reached EUR 70 million in 2007.

As a specialized business line of TEB Group on foreign trade financing, TEB NV's main mission is to increase its activities in Turkey, EU and CIS (Commonwealth of Independent States) countries and to create a wide range of portfolio. In line with its predetermined set of goals, TEB NV continues to expand in various markets by following its customers' trade flows, for a wider geographic diversification in the customer portfolio by country and sector. In addition to foreign trade financing, TEB NV offers forfeiting and treasury services with an extensive network of correspondents.

In 2007, TEB NV also started to provide retail banking services in the Netherlands. TEB NV offers "TEB Ster", a savings account and time deposit account up to 5 years for its retail banking customers.

With a 41% increase of net profit from EUR 5.4 million in 2006 to EUR 7.6 million in 2007, TEB NV's total assets reached to a total of EUR 723 million. The operating profit increased by 19% whereas the growth in expenses was limited to 7.4%

TEB NV had a successful year in terms of its foreign trade financing activities in 2007. Its foreign trade volume reached to EUR 1.6 billion, representing an increase of 16%.

TEB NV is determined to maintain this growth trend by diversifying its trade and commodity finance portfolios with the aid of the BNP Paribas Group's sophisticated country and credit risk analysis systems and reports.

Financial Ratios

	2007	2006	2005
Return on Equity	11%	9%	8%
Operating Expenses/Total Revenue	42%	47%	48%
Total Assets/Equity	10	12	12
Commission Income/Operating Income	94%	93%	99%

TEB FİNANSAL KİRALAMA A.Ş. (TEB LEASING)

Established in 1997, TEB Leasing was the first subsidiary of TEB. The year of 2007 has been a period of significant changes for our company which aims to play an active pioneering role in the sector. Different channels for sales and marketing activities accelerated the progress of our company in terms of vendor relations. Turkey's leading vendors launched joint campaigns with TEB Leasing.

Parallel to developing technologies and increasing business volume, we also started systemic restructuring which will accelerate our flow of work in general.

Considering the overall budget, our transaction volume increased by 122% in 2007, reaching USD 305 million. This represents an increase of 52% as compared to 2006 figures. Financial statements prepared according to UFRS show that, total assets reached to YTL 510,769 thousand by a 32.7% increase in 2007. The most important item in assets, Financial Leasing receivables, increased by 30% and reached to YTL 434,799 thousand compared to the previous year. Equity increased by 11% and reached to YTL 47,310 thousand as the most significant indicator of a healthy growth. As of December 2007, TEB Leasing stepped forward to the 8th place from 9th in the market ranking with a market share of 3.7%.

Some important changes for the industry took place in 2007 as well. The most significant ones came with the availability of changing leaseholder and removal of the VAT advantage from leasing sector. Changing leaseholder has been a turning point for the sector in its transition process to operational leasing.

In 2007, the synergy created by our cooperation with BNP Paribas Lease Group (BPLG) was developed; especially the relations with mutual vendors became well integrated. TEB Leasing aims to provide the company differentiation and to expand our product line by making use of BPLG's know-how in the area.

TEB Leasing focuses on transactions in certain industries such as construction, medical, transportation, printing, agriculture, metal processing, textiles, and food. However, in order to differentiate itself, TEB Leasing will specialize in certain industries with the aim of providing high-quality and up-to-date service to its customers.

TEB YATIRIM MENKUL DEĞERLER A.Ş. (TEB INVESTMENT)

TEB Investment is active in capital market transactions in accordance with the Capital Markets Law No: 2499 and other applicable legislation. Within this framework, TEB Investment offers services such as the brokerage of previously issued securities, the issuing and public offering of securities, the trading of repo and reverse repo transactions, investment consultancy services, customer portfolio management, margin trading, short-selling, securities lending, brokerage of derivatives instruments and their safekeeping.

The paid-in capital of TEB Investment, which was established in 1996, is YTL 12,950,000.

TEB Investment holds the following certificates: Securities Brokerage, Intermediation for Public Offering, Asset Management, Investment Consulting Services, Repo-Reverse Repo Transactions, Margin Trading, Short Selling and Securities Lending, Intermediation of Derivatives Instruments (on the Turkish Derivatives Exchange).

Summary of Operational Results in 2007

- Gross profit (unconsolidated) YTL 17,596,000
- Net profit (unconsolidated) YTL 14,442,238
- Market share (*) 3.8%
- Rank (*) 8th

At the end of 2007:

- Shareholders' equity reached YTL 39,258,152
- Number of employees, which was 134 at the end of 2006, went up to 137.

(*) On the ISE Stock Market

TEB FAKTORİNG A.Ş. (TEB FACTORING)

In another move toward accomplishing TEB's objective to become a fully integrated financial services group, TEB Factoring was established in 1997 to provide both domestic and international factoring services. As a member of FCI (Factors Chain International), TEB Factoring is one of the major organizations in Turkey for export factoring and forfeiting transactions.

TEB Factoring has a paid-in capital of YTL 6,200,000. The Company has decided to increase its paid-in capital to YTL 9,000,000 in the first quarter of 2008.

In 2007, TEB Factoring increased its revenue from domestic operations by 55%, from YTL 1,158 million to YTL 1,799 million, and its export-related revenue by 51%, from USD 258 million to USD 402 million, ending the year

with an overall growth of 51% and total revenue of YTL 2,315 million. Total assets in the company's IFRS-compliant balance sheet increased to 78%, from YTL 298 million to YTL 529 million and its profit improved 7%, from YTL 6.9 million to YTL 7.4 million. The return on equity was 38.3% in 2007.

TEB Factoring is one of the four largest companies in the sector and offers export, import and domestic factoring products to corporate and commercial customers, as well as SMEs.

TEB PORTFÖY YÖNETİMİ A.Ş. (TEB ASSET MANAGEMENT)

TEB Asset Management was established in 1999 as a company managing all investment portfolios of the Group. The paid-in capital of TEB Asset Management is YTL 2,409,917.

Since 2000, TEB Asset Management has been managing the funds of the TEB Group. As of the end of 2007, it had a market share of 12.75% in Type-A funds, 8.16% in non-liquid market funds and 3.91% in the aggregate.

TEB Asset Management also started offering discretionary portfolio management services in June 2004. The purpose of these services is to identify the investor profile of private and corporate investors through risk-return analyses and determine the investment model that would offer the most appropriate balance between risk and return.

As part of these services, both private and corporate customers are offered professional portfolio management services, making use of all kinds of financial assets and instruments. As of the end 2007, the market share in services offered to individuals (private asset management) was 11.1%.

At the end of 2005, the company enhanced its services and began to offer corporate asset management services for corporate customers. These services were created in response to the tendency of corporations to focus on their core business and in view of their need for experienced professionals in making investment decisions. At the end of 2007, market share in corporate asset management services was 6.54%.

Since its incorporation, TEB Asset Management has been committed to being a trusted, leading company that is one step ahead in the asset and portfolio management industry with its efficient human resources and innovative products.

Summary of Operational Results in 2007

- Gross income YTL 4,505,000
- Net income YTL 3,574,000
- Market share 3.91%

Opinion of the Independent Audit Firm on the Annual Report

To the General Assembly of Türk Ekonomi Bankası A.Ş.:

We have been appointed to audit the annual report of Türk Ekonomi Bankası A.Ş. and partnerships subject to consolidation, prepared as of 31 December 2007 and we have completed our comparison of the financial data for the reporting period against the independently audited financial statements in terms of compatibility and accuracy. The annual report being audited is under the responsibility of the Bank's management. As the institution performing an independent audit, our responsibility is to express an opinion on the annual report, base on our comparison of the financial data contained in the annual report against data contained in the independently audited financial statements.

The audit has been conducted in accordance with the principles and standards governing the preparation and publication of annual reports as well as the regulation on the principles of independent auditing set out in the Banking Law No: 5411. These regulations require that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misrepresentations. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial information contained in this annual report present fairly, in all material respects, the financial position of Türk Ekonomi Bankası A.Ş. as of 31 December 2007 in accordance with the principles and standards set out in Article 40 of the Banking Law No: 5411, the annual report contains the report of the Board of Directors as well our opinion as Independent Auditors, and is compatible.

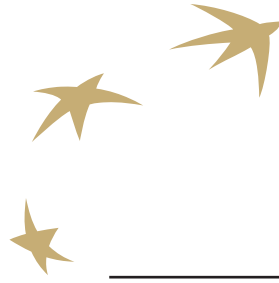
DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.

Member of **DELOITTE TOUCHE TOHMATSU**



Hasan Kılıç
Partner, Chief Auditor, CPA

Istanbul, 6 March 2007



CHAIRMAN AND MEMBERS OF THE BOARD OF DIRECTORS

Name	Position
Yavuz Canevi	Chairman
Dr. Akın Akbaygil	Vice Chairman and Executive Member
Jean Jacques Marie Santini	Vice Chairman
Patrick René Pitton	Member
Michel Roger Chevalier	Member
Varol Civil	Executive Member and CEO
Refael Taranto	Member
Metin Toğay	Member
Dr. İsmail Yanık	Member

Yavuz Canevi, Chairman

1996-present	Türk Ekonomi Bankası A.Ş. (TEB), Chairman of the Board of Directors
1993-2005	İstanbul Stock Exchange, Vice Chairman and Board Member
1989-2005	Euro Turk Bank, Chairman of the Executive Board
1987-1989	Türk Eximbank, Chairman
1986-1989	Undersecretary of Treasury and Foreign Trade, Prime Minister's Office
1984-1986	Central Bank of Turkey, Governor
1980-1984	Central Bank of Turkey, Vice Governor
1979-1980	T. Garanti Bankası, Assistant General Manager in Charge of International Relations
1976-1979	Central Bank of Turkey, Director General of Foreign Exchange
1974-1975	Ministry of Finance, Tax Inspector

Academic Background:

Georgia State University, USA, Faculty Member; University of Southern California (USC), USA; Ankara University, Faculty of Political Science, Department of Public Finance and Economics

Professional Background:

TEB NV, Netherlands, Chairman of the Board
TEB Financial Investments, Member of the Board
FNSS Savunma Sistemleri A.Ş., Chairman of the Board
TSKB, Member of the Board
Hedef Alliance A.Ş., Member of the Board
NETAŞ, Member of the Board

Dr. Akın Akbaygil, Vice Chairman and Executive Member

2005-present	TEB Leasing and TEB Factoring, Chairman; TEB Financial Investments, Board Member
2004-2007	TEB Asset Management, Chairman
2003-present	TEB, Vice Chairman and Executive Member; TEB Financial Investments, General Manager
2003-2005	TEB Financial Investments, Vice Chairman
2001-2002	Banks Association of Turkey, Vice Chairman
1999-present	Ekonomi Bank Offshore Ltd., Vice Chairman
1998-present	TEB N.V., Vice Chairman
1997-2005	TEB Insurance, Chairman; TEB Factoring, Board Member
1996-2005	TEB Leasing, Board Member
1994-2001	Banks Association of Turkey, Board Member
1987-2003	TEB, Vice Chairman, Executive Member and General Manager
1982-1987	TEB, Executive Member
1965-1982	Akbank, Director of Foreign Operations

Academic Background:

İstanbul University, Faculty of Economics, BA and PhD

Jean-Jacques Marie Santini, Vice Chairman

2007-present	SAHARA BANK (Tripoli-Libya), Board Member
2005-present	TEB, Vice Chairman TEB Financial Investments, Board Member
2004-present	B.M.O.I. - Banque Malgache de l'Océan Indien, Vice Chairman BNP Paribas Nouvelle Calédonie, Board Member BNP Paribas Martinique, Board Member UBCI - Union Bancaire pour le Commerce et l'Industrie (Tunis-Tunisia), Board Member BNP Paribas El Djazair (Algeria), Board Member Société Financière de Beyrouth BNP Paribas (Lebanon), Board Member
2003-present	BNP Paribas Group, Member of the General Management Group Committee; Head of International Retail Banking Group BNP Intercontinentale (Paris), Chairman and General Manager BNP Paribas BDDI Participations (Paris), Chairman B.I.C.I du Gabon - Banque Internationale pour le Commerce et l'Industrie (Libreville-Gabon), Vice Chairman BNP PARIBAS Reunion, Board Member BNP Paribas Guadeloupe, Board Member BIC Comores-Banque pour l'Industrie et le Commerce (Comoros), Board Member BNP Paribas Egypt, Board Member B.M.C.I. - Banque Marocaine pour le Commerce et l'Industrie (Casablanca-Morocco), Member of the Audit Committee
1998-2003	BNP Paribas, Country Manager in Morocco; CEO of Banque Marocaine pour le Commerce et l'Industrie
1994-1998	BNP Paribas, Country Manager and Chief Executive Officer in Belgium
1988-1994	BNP Paribas, Head of International Development Department at BNP Head Office in Paris
1986-1988	Ministry of Finance, Treasury, Head of Financial Markets Forecast Unit
1984-1986	Ministry of Finance, Treasury, Vice Head of European Economies Unit

Academic Background:

Graduate of Institut d'Etudes Politiques de Paris (ICP), Paris University,
MA in Law Ecole des Hautes Etudes Commerciales (HEC), MBA
Graduate of National School of Public Administration (ENA)

Patrick René Pitton, Board Member

2007-present	TEB; TEB Asset Management; TEB Insurance; TEB UCB Real Estate; Ekonomi Bank Offshore Ltd., Board Member
2007-present	Türk Ekonomi Bankası A.Ş., Chairman of the Audit Committee
2007-present	TEB JSC, Chairman of the Board of Directors
2007-present	TEB Investment, Vice Chairman of the Board of Directors
2005-2007	BNP Paribas Ivory Coast (BICICI), Board Member and General Manager
2001-2005	BNP Paribas Head Office, Head of Magreb Region, Supervision of subsidiaries in Algeria, Tunisia and Morocco Board Member of those 3 entities
1998-2001	BNP Paribas Head Office, Vice President in Charge of Energy and Paper Products Sector at BNP's corporate department (Senior banker in charge of "multinationals" portfolio)
1995-1998	BNP Lyon, France, Group Manager
1991-1995	BNP St. Etienne, France, Group Manager
1988-1991	BNP, Aix en Provence, France, Group Manager
1985-1988	BNP Nancy, France, Deputy Regional Manager for the North East of France
1983-1985	BNP Bordeaux, France, Deputy Group Manager in Charge of Retail Banking
1979-1983	BNP Paris Head Office, General Inspector
1974-1979	BNP Vienne (France), Deputy Head of Retail Banking Department & Deputy Head of Corporate Banking Department

Academic Background:

1968	Diploma of ESSEC, (Business School) Paris, France
1968	Bachelor of Mathematics, University of Lyon Paris

Michel Roger Chevalier, Board Member

2007-present	TEB JSC (Kosovo), Board Member
2005-present	Türk Ekonomi Bankası A.Ş., Board Member; TEB Financial Investments, Board Member; The Economy Bank NV, Board Member
2005-present	BNP Paribas Group, President, Europe and Near East International Retail Banking and Financial Services - Overseas and Developing Markets NCCB (Nanjing City Commercial Bank) (Nanjing - China), Board Member
1993-2004	BNP Paribas, Latin America Regional Director - International Banking and Finance - Paris
1990-1993	BNP Paribas, Vice General Manager of BICI, a BNP subsidiary - Douala - Cameroon
1987-1990	BNP Paribas, Executive Vice President Banco Cidade de Sao Paulo, Sao Paulo, Brazil
1984-1987	BNP Paribas, Vice General Manager, BNP Branch Taipei, Taiwan
1981-1984	BNP Paribas, Inspector, BNP Inspection Board
1978-1981	BNP Paribas, Vice General Manager, BNP Branch Manila, Philippines
1975-1978	BNP Paribas, Analyst; Corporate Banking Customer Representative, BNP Canada Inc. Montreal and later Toronto, Canada
1973-1975	BNP Paribas, Analyst; BNP Correspondent Banking, Asia

Academic Background:

1971	University of Bordeaux, France, Foreign Languages
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Varol Civil, Executive Board Member and CEO

2007-present	TEB Asset Management; TEB Investment, Chairman
2005-present	TEB Leasing, TEB Factoring, Vice Chairman
2005-2006	TEB Insurance, Chairman
2003-2004	TEB Insurance, Vice Chairman
2003-present	TEB, Board Member and CEO; TEB NV, Board Member
1999-2007	TEB Asset Management, Board Member
1999-2005	TEB Leasing, Board Member
1998-2005	TEB Factoring, Board Member
1998-2003	TEB Financial Investments, General Manager; TEB, Board Member and Vice General Manager
1995-1997	Bank Kapital, Board Member and General Manager
1992-1995	Arap Türk Bankası, Assistant General Manager
1985-1992	Undersecretariat of Treasury and Foreign Trade, Certified Bank Auditor
1983-1984	TEB, Expert in Loan and Insurance Department

Academic Background:

1992-1993	Marmara University, Contemporary Business Management Program
1978-1982	İstanbul University, Faculty of Economics, Economics and Business Administration Department

Refael Taranto, Board Member

2000-present	TEB, Board Member
1987-2000	TEB, Executive Board Member
1976-1987	Egebank, İzmir, Vice General Manager and later Board Member
1964-1976	Türk Dış Ticaret Bankası A.Ş., İzmir, Assistant Manager in charge of Loans and Correspondent Banking
1952-1964	Türkiye Kalkınma Bankası A.Ş., İzmir, various positions

Academic Background:

	Graduate of Saint Michel College, İstanbul
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Metin Toğay, Board Member

2005-present	TEB, Board Member
2000-present	BNP Paribas, Regional Director, Turkey
1997-2000	Banque Paribas, Turkey Representative Office, Assistant of Turkey Representative
1996-1997	Finans Yatırım A.Ş., İstanbul, Turkey, General Manager
1994-1996	Banque Paribas, Paris, France, Head Office, International Executive, Commodities Trade Finance
1991-1994	Ottoman Bank, İstanbul (Subsidiary of Banque Paribas until April 1996), Head Office Manager
1989-1991	Finansbank A.Ş., Corporate Finance Department Manager
1986-1989	Chase Manhattan N.A., İstanbul, Corporate Banking Manager
1984-1985	K-Mart Corporation, Troy-Michigan, USA, Assistant Store Manager

Academic Background:

1981	University of Wisconsin, USA, MBA in Marketing
1980	Middle East Technical University (METU), B.Sc. in Business Administration

Dr. İsmail Yanık, Board Member

2007-present	TEB JSC (Kosovo), Board Member
2005-present	TEB, Board Member in charge of Internal Audit; TEB, Audit Committee, Vice Chairman; TEB NV, Member of Audit Committee
2002-2005	TEB, Executive Member in charge of Risk Management
2002-2005	TEB NV, Board Member
1996-2005	İstanbul Gold Exchange, Board Member and Vice Chairman
1992-2002	TEB, Assistant General Manager, Treasury
1984-1992	Citibank, İstanbul, various administrative positions

Academic Background:

2004	University of İstanbul, Faculty of Economics, PhD
1999	Harvard Business School, AMP diploma
1982	Boğaziçi University, MS in Industrial Engineering, METU, BS in Industrial Engineering
1979	



MEMBERS OF THE AUDIT COMMITTEE

Name	Position
Patrick René PITTON	Chairman
Dr. İsmail Yanık	Vice Chairman

Patrick René Pitton, Board Member

2007-present	TEB; TEB Asset Management; TEB Insurance; TEB UCB Real Estate; Ekonomi Bank Offshore Ltd., Board Member
2007-present	Türk Ekonomi Bankası A.Ş., Chairman of the Audit Committee
2007-present	TEB JSC, Chairman of the Board of Directors
2007-present	TEB Investment, Vice Chairman of the Board of Directors
2005-2007	BNP Paribas Ivory Coast (BICICI), Board Member and General Manager
2001-2005	BNP Paribas Head Office, Head of Magreb Region, Supervision of subsidiaries in Algeria, Tunisia and Morocco
	Board Member of those 3 entities
1998-2001	BNP Paribas Head Office, Vice President in Charge of Energy and Paper Products Sector at BNP's corporate department (Senior banker in charge of "multinationals" portfolio)
1995-1998	BNP Lyon, France, Group Manager
1991-1995	BNP St. Etienne, France, Group Manager
1988-1991	BNP, Aix en Provence, France, Group Manager
1985-1988	BNP Nancy, France, Deputy Regional Manager for the North East of France
1983-1985	BNP Bordeaux, France, Deputy Group Manager in Charge of Retail Banking
1979-1983	BNP Paris Head Office, General Inspector
1974-1979	BNP Vienne (France), Deputy Head of Retail Banking Department & Deputy Head of Corporate Banking Department

Academic Background:

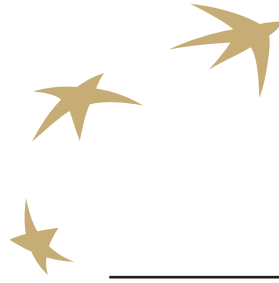
1968	Diploma of ESSEC, (Business School) Paris, France
1968	Bachelor of Mathematics, University of Lyon Paris

Dr. İsmail Yanık, Board Member

2007-present	TEB JSC (Kosovo), Board Member
2005-present	TEB, Board Member in charge of Internal Audit; TEB, Audit Committee, Vice Chairman; TEB NV, Member of Audit Committee
2002-2005	TEB, Executive Member in charge of Risk Management
2002-2005	TEB NV, Board Member
1996-2005	İstanbul Gold Exchange, Board Member and Vice Chairman
1992-2002	TEB, Assistant General Manager, Treasury
1984-1992	Citibank, İstanbul, various administrative positions

Academic Background:

2004	University of İstanbul, Faculty of Economics, PhD
1999	Harvard Business School, AMP diploma
1982	Boğaziçi University, MS in Industrial Engineering,
1979	METU, BS in Industrial Engineering



EXECUTIVE MANAGEMENT

Name	Position
Varol Civil	Executive Member and CEO
Nilsen Altıntaş	Assistant General Manager, Human Resources Group
Ünsal Aysun	Assistant General Manager, Project Financing and Cash Management
Turgut Boz	Assistant General Manager, Commercial Banking Group
Levent Çelebioğlu	Assistant General Manager, Corporate Banking and Financial Institutions Group
Turgut Güney	Assistant General Manager, Information Technologies Group
İ. Cemal Kışmır	Assistant General Manager, Retail Banking Group
Ümit Leblebici	Assistant General Manager, Treasury Group
Saniye Telci	Assistant General Manager, Operations Group
Nuri Tuncalı	Assistant General Manager, Loans and Financial Analysis Group

Varol Civil, Executive Member and CEO

2007- present	TEB Asset Management; TEB Investment, Chairman
2005- present	TEB Leasing, TEB Factoring, Vice Chairman
2005-2006	TEB Insurance, Chairman
2003-2004	TEB Insurance, Vice Chairman
2003-present	TEB, Board Member and CEO; TEB NV, Board Member
1999- 2007	TEB Asset Management, Board Member
1999- 2005	TEB Leasing, Board Member
1998-2005	TEB Factoring, Board Member
1998-2003	TEB Financial Investments, General Manager; TEB, Board Member and Vice General Manager
1995-1997	Bank Kapital, Board Member and General Manager
1992-1995	Arap Türk Bankası, Assistant General Manager
1985-1992	Undersecretariat of Treasury and Foreign Trade, Certified Bank Auditor
1983-1984	TEB, Expert in Loan and Insurance Department

Academic Background:

1992-1993	Marmara University, Contemporary Business Management Program
1978-1982	İstanbul University, Faculty of Economics, Economics and Business Administration Department

Nilsen Altıntaş, Assistant General Manager, Human Resources Group

2005-present	TEB, Assistant General Manager, Human Resources Group
2002-2005	İnovasyon Bilişim Danışmanlık ve Eğitim Hizmetleri (Innovative-HR) Founder, Management and Human Resources Consultant
2000-2002	Eczacıbaşı Holding A.Ş., Human Resources and Corporate Communications Coordinator, Member of the Executive Board
1995-2000	Eczacıbaşı Holding A.Ş., Human Resources Director, Manager and later Coordinator
1990-1995	STFA Holding A.Ş., Organization and Human Resources Coordinator
1987-1990	STFA Holding A.Ş., Investments and Economic Analysis Manager
1979-1987	TÜBİTAK- Marmara Scientific and Technical Research Institute, Chemical Technologies Group, Research Specialist

Academic Background:

1987	Boğaziçi University, Associate Professor
1983	İstanbul Technical University, PhD in Industrial Chemical Engineering
1979	Boğaziçi University, MS in Chemical (Process) Engineering
1977	Boğaziçi University, BS in Chemical Engineering

Ünsal Aysun, Assistant General Manager, Project Financing and Cash Management

2006-present TEB Insurance, Board Member
2002-present TEB Factoring, Board Member
2000-present TEB Leasing, Board Member
1999-present TEB, Assistant General Manager, Corporate Banking and Cash Management
1997-1999 TEB, Assistant General Manager, Cash Management
1995-1997 Demirbank, Cash Management Department Head
1985-1995 İktisat Bankası, Loan Marketing Manager, Branch Manager, Cash Management Unit Director
1984-1985 UETB, Medium-Term Loans Department, Project Evaluation Expert
1980-1984 Türkiye Şişe ve Cam Sanayi A.Ş., Budget and Financial Control Department, Assistant Expert

Academic Background:

1979-1980 İstanbul University, Faculty of Business Administration-MA
İstanbul University, Faculty of Business Administration
- BA (Finance Department)

Turgut Boz, Assistant General Manager, Commercial Banking Group

2004-present TEB Leasing and TEB Factoring, Board Member
2003-present TEB, Assistant General Manager, Commercial Banking Group
2000-2003 Garanti Bankası, Commercial Marketing Unit Head
2000-2000 Osmanlı Bankası, Commercial Banking Coordinator
1995-2000 Finansbank, Denizli and Ankara Branch Manager
1994-1995 Ata Invest, Denizli Branch Manager
1989-1994 Egebank, Bornova and Denizli Branch Manager
1986-1989 Pamukbank, Karabağlar Branch Manager
1981-1986 Pamukbank, Audit Department, Internal Auditor

Academic Background:

1976-1980 Ankara University, Academy of Economic and Administrative Sciences, Banking and Insurance

Levent Çelebioğlu, Assistant General Manager, Financial Institutions Group

2004-present TEB, Assistant General Manager, Financial Institutions Group
1999-2004 TEB, Director, Project Finance and Investor Relations Departments
1992-1999 TEB, Treasury Department Manager
1988-1992 TEB, Correspondent Relations Department, Assistant Manager
1987-1988 Yaşarbank, Correspondent Relations Department, Assistant Manager

Academic Background:

1979-1983 Dokuz Eylül University, Faculty of Economics, Monetary Economics and Banking Department

Turgut Güney, Assistant General Manager, Information Technologies Group

2004-present TEB, Assistant General Manager, Information Technologies Group
2000-2004 TEB, Information Technologies Director
1997-2000 Demirbank, Information Technologies Coordinator
1995-1997 Oracle Consulting Services, USA, Senior Consultant
1994-1995 CTG (Computer Task Group), USA, Senior Consultant
1992-1994 Southern Illinois University, USA, Research Assistant

Academic Background:

1985-1990 Southern Illinois University, USA, MS in Computer Science, 1992-1994; Hacettepe University, Computer Science

İ. Cemal Kışmır, Assistant General Manager, Retail Banking Group

2005-2006 TEB Insurance, Board Member
2005-present TEB, Assistant General Manager, Retail Banking Group
2002-2005 Garanti Bankası, Retail and Corporate Banking Manager
2001-2002 Garanti Bankası, Customer Relations and Marketing Manager
1998-2001 Garanti Bankası, Retail Banking Manager
1997-1999 Garanti Bankası, Credit Cards Manager
1994-1996 University of Hartford, Barney School of Business - Executive MBA
1990-1994 Mobil Oil Turkey, Retail Programs Associate
1987-1989 Tekfen Foreign Trade, Area Coordinator

Academic Background:

1986-1988 Marmara University, Contemporary Management, Postgraduate Program
1982-1986 Marmara University, Faculty of Economics and Administrative Sciences, Business Administration

Ümit Leblebici, Assistant General Manager, Treasury Group

2001-present TEB, Assistant General Manager, Treasury Group
1999-2001 TEB, Treasury Director
1997-1999 Osmanlı Bankası, Treasury Manager
1997-1997 Ulusal Bank, Treasury Manager
1991-1997 Midland Bank, Treasury Manager

Academic Background:

1988-1994 İstanbul University, MS in Finance
1984-1988 İstanbul University, Faculty of Business Administration

Saniye Telci, Assistant General Manager, Operations Group

2005-present	TEB, Assistant General Manager, Operations Group
1999-2005	TEB, Operations Manager, Branch and Headquarter Operations & Treasury Operations
1997-1999	T. Garanti Bankası A.Ş., Operation Centre, Operations Manager
1994-1997	T. Garanti Bankası A.Ş., İstanbul 1st Region Operations and Kozyatağı Corporate Branch, Operations Manager; İstanbul 2nd Region Operations and İstanbul Corporate Branch, Operations Manager
1991-1994	T. Garanti Bankası A.Ş., İstanbul 3rd Region Operations, Assistant Manager
1987-1991	T. Garanti Bankası A.Ş., Foreign Transactions Department, Assistant Supervisor and Assistant Manager
1984-1987	Anadolu Bank T.A.Ş., Foreign Transactions Department, Foreign Exchange Assistant Expert

Academic Background:

1977-1982	İstanbul University, Faculty of Economics
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Nuri Tuncalı, Assistant General Manager, Loans and Financial Analysis

2001-present	TEB, Assistant General Manager, Loans and Financial Analysis
1999-2001	TEB, Loan Allocation Department, Director
1996-1999	TEB, Loan Allocation Department, Manager
1988-1996	TEB, Loan Control, Gayrettepe Branch, Loan Allocation, Assistant Manager
1986-1988	TEB, Audit Department, Auditor
1984-1986	Akbank, Audit Department, Auditor

Academic Background:

1978-1982	Boğaziçi University, Faculty of Administrative Sciences, Business Administration Department
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MANAGERS RESPONSIBLE FOR INTERNAL SYSTEMS, AUDIT AND RISK MANAGEMENT

Name	Position
Ayşe Özdemir	Head of Group Compliance and Operational Risk
Hakan Tıraşın	Head of Internal Audit
Joannes Bonnel	Head of Group Risk Management

Ayşe Özdemir, Head of Group Compliance and Operational Risk

2006-present	TEB A.Ş., Chairman of Group Compliance, Internal Control and Operational Risk
2003-2005	TEB Financial Investments, Audit Coordinator
2000-2003	Banking Regulation and Supervision Agency, Certified Bank Auditor
1995-2000	Undersecretariat of the Treasury, Certified Bank Auditor

Academic Background:

1991-1995	Ankara University, Faculty of Political Sciences, Department of Business Administration
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Hakan Tıraşın, Head of Internal Audit

2005-present	Head of Internal Audit
2004-2005	TEB, Assistant General Manager, Organization, Banknote Markets and Support Services and Secretary General
1992-2004	TEB, Secretary General
1989-1992	TEB, Internal Auditor
1973-1989	Akbank, Branch Manager and Internal Auditor

Academic Background:

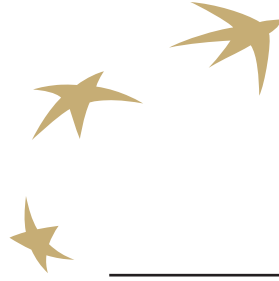
1972-1977	İstanbul Academy of Economics and Business Administration
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Joannes Bonnel, Head of Group Risk Management

2005-present	TEB A.Ş., Head of Group Risk Management; TEB NV; TEB Leasing; TEB Factoring, Board Member
2000-2005	BMCI Morocco, Head of Group Risk Management
1996-2000	BNP Paribas, Paris, Senior Credit Officer
1992-1996	BNP Spain, Head of Corporate and Commercial Banking
1988-1992	BNP Canada, Head of Large Corporations Department
1985-1988	BNP Venezuela, Regional Manager for Venezuela and Ecuador; Manager of the Representative Office in Caracas
1983-1985	BNP Colombia, Vice Regional Director, Representative Office in Bogota
1979-1983	BFP Panama, Colon Free Zone, Head of Corporate Relations
1976-1979	BICIG Gabon, Head of Loans Department
1974-1976	BNP Guadeloupe, Vice Head of Loans Department
1970-1974	BNP Headquarters and BNP Lyon, various positions, internship and loan analyst,

Academic Background:

1973	ITB
1967-1968	Two-year program at the Business Administration Faculty in France
1966	Baccalaureat



STATUTORY AUDITORS

Ayşe Aşardağ, Statutory Auditor

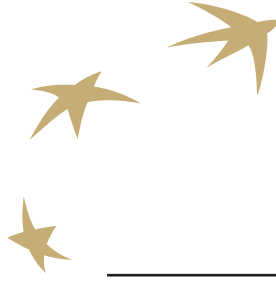
2007- present	TEB Insurance; TEB UCB Real Estate Counseling; TEB Communication and Publishing Services; Etkin Temizlik Hizmetleri A.Ş. and Etkin Personel Taşıma Hizmetleri A.Ş., Chairman; TEB JSC (Kosovo) Vice Chairman; TEB Consumer Financing, TEB ARVAL Araç Filo Kiralama A.Ş., Board Member
2004- present	Ege Turizm ve İnşaat A.Ş., Vice Chairman
2003- present	Ekonomi Bank Offshore Ltd., Board Member
2001-present	TEB Financial Investments, Budget and Financial Control Coordinator; TEB; TEB Leasing; TEB Faktoring; TEB Investment, Auditor
2001- 2007	TEB Insurance, Board Member; TEB Asset Management, Auditor
1995-2000	TEB, Budget and Financial Control Unit
1987-1994	Price Waterhouse, Istanbul, London, Audit Unit

Academic Background:

1994-1995	University of Glamorgan, Lecturer in Accounting
1992	Institute of Chartered Accountants in England and Wales, ACA
1987	Boğaziçi University, Faculty of Administrative Sciences, Business Administration Department, BS

Cihat Madanoğlu, Statutory Auditor

2007- present	TEB Insurance; TEB Communication and Publishing Services; Etkin Temizlik Hizmetleri A.Ş. and Etkin Personel Taşımacılık Hizmetleri A.Ş., Vice Chairman; TEB UCB Real Estate Counseling; TEB ARVAL Araç Filo Kiralama A.Ş.; TEB Consumer Financing, Board Member; TEB Leasing, TEB Faktoring; TEB Asset Management, Auditor
2006-2007	TEB Insurance, Board Member
2006-present	Türk Ekonomi Bankası A.Ş., Auditor
2005-present	Economy Bank Offshore, Board Member
2005-2006	TEB Insurance, Auditor
2005-2006	TEB Faktoring, Board Member
2004-present	Ege Turizm ve İnşaat A.Ş., Chairman
2004-2006	TEB Leasing, Board Member
2002-2006	TEB Investment, Auditor
2001-present	TEB Financial Investments, Coordinator
2000-2004	TEB Leasing, Auditor
1999-2001	TEB Investment, Auditor
1997-2005	TEB Insurance, Board Member
1997-2005	TEB, Board Member
1997-2004	TEB Faktoring, Auditor
1997-2000	TEB Leasing, Board Member
1997-1999	TEB Investment, Board Member
1996-2001	TEB, Assistant General Manager
1992-1996	Housing Development Administration of Turkey, Director of Administration and Finance
1989-1992	ATAUM, Ankara University, Lecturer in EU Budget and Indirect Tax Harmonization
1988-1992	Ministry of Finance, Chief Public Auditor
1978-1988	Ministry of Finance, Public Auditor
1977	Tax Officer



CREDIT COMMITTEE AND OTHER COMMITTEES

Credit Committee

The Credit Committee extends loans in accordance with the rules of the Banking Regulation and Supervision Agency and within the powers and limits specified by the Board of Directors.

Chairman	:	Dr. Akın Akbaygil
Vice Chairman	:	Varol Civil
Member	:	Yavuz Canevi

Audit Committee

Purposes of Establishment:

To centralize audit systems, validate procedures, monitor and audit risks in the eight risk categories below:

- Credit and counterparty risk: Default by third parties
- Market and liquidity risk: Market price fluctuations
- Administrative risk: Appropriate administration of operations (including operational risk)
- Legal risk: Conformity with tax law and other legislation
- Accounting risk: Conformity with regulations and legally acceptable presentation of accounts
- IT risk: Adequacy and security of systems
- Human resources risk: Adequacy of staff with regard to quality and functions
- Reputation and commercial risk: Damage to Group's image

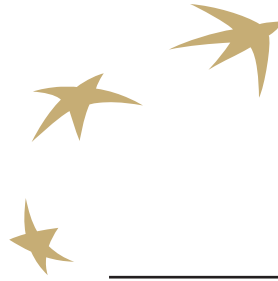
Determining risk policies and principles for the appropriate conduct of risk management, internal audit system and compliance; monitoring the Group's adequacy and effectiveness in internal controls and risk management and auditing accounting and reporting systems; taking necessary measures to ensure that the Board of Directors is informed of any incident or condition that may prevent the Bank from functioning in an uninterrupted manner or of any event that violates laws and regulations; and making recommendations periodically through reporting to the Board of Directors any measures required to be taken.

The committee meets at least once a month.

Chairman	:	Patrick René PITTON
Vice Chairman	:	Dr. İsmail Yanık

Participation of Board Members and Committee Members in Meetings

According to Article 24 of the Articles of Association, in order for a meeting of the Board of Directors to be valid, at least seven (7) members must be present. Decisions shall be adopted by the affirmative votes of at least seven (7) members. The Board of Directors adopted 172 decisions, and the Audit Committee adopted 18 decisions in 2007. The participation of Board Members and Committee Members to meetings was at a satisfactory level.



SUMMARY BOARD OF DIRECTORS' REPORT PRESENTED TO THE GENERAL ASSEMBLY

Dear Shareholders,

Reports of the Board of Directors, Independent Auditors and the Profit-and-Loss Statement for 2007 have been presented for your evaluation and approval.

With its strong workforce, effective policies and rapidly expanding branch network throughout Turkey, TEB continues to work for the purpose of providing faster banking services to its customers and maximizing their level of satisfaction. Increasing the number of our branches to 273 from 170 year in 2007, we maintained our goal of growth in Turkey's immediate vicinity, and established 3 new branch offices in the Turkish Republic of Northern Cyprus during the same period. In accordance with these objectives, we established Turkey Desks in Israel and Moscow under BNP Paribas to support foreign trade in addition to those that have already started to operate in Egypt, Algeria, and Ukraine, and we introduced some financial and investment solutions to entrepreneurs.

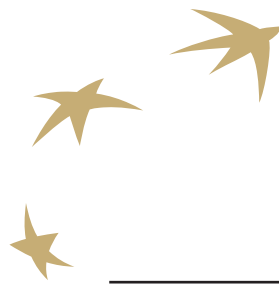
In an environment of increasing inflation, interest and exchange rates; slow down in growth rate in the banking industry; lowered profit margins; intense competition, and also the cost burden of opening 103 new branches, TEB managed to earn a pre-tax profit of YTL 165.9 million and an after-tax profit of YTL 130.1 million in 2007.

Comparison of key balance sheet items and financial ratios with those of the previous year shows that:

- Assets grew 43%,
- Shareholders' equity reached YTL 910 million,
- The share of deposits in the balance sheet was 60%,
- Loan portfolio expanded by 39% over the previous year, with a significant increase in small and medium-size commercial loans and business loans and now constitutes 58% of total assets,
- Although the ratio of "Non-Performing Loans" went up from its 2006 level of 0.9% to 1.75% in 2007, it is still below the industry average,
- The loans-to-deposits ratio reached 97%, meaning that YTL 97 out of every YTL 100 deposited with the bank was lent out as loans,
- Capital adequacy ratio was 14.88%,
- Return on equity (ROE) was 17.75%,
- Number of branches increased from 170 in 2006 to 273 in 2007, and number of employees from 3,565 in 2006 to 5,141 in 2007.

Yours sincerely,

The Board of Directors



HUMAN RESOURCES PRACTICES

In line with its targets and strategies, it is TEB's policy to recruit highly qualified employees, preferably university graduates who are able to represent the bank, think analytically and get along well with their co-workers.

Appropriately designed selection and assessment systems and tools ensure that high-potential, promising, creative and innovative people join the Group.

Successful employees who have a high potential are promoted both within TEB and within the TEB Financial Services Group following performance assessment.

RELATED-PARTY TRANSACTIONS

The Bank is involved in various transactions with the risk group to which TEB is included (related-parties) and these are carried out for commercial purposes and at market prices. The most striking indicator of this well-established policy is that the share of related-party risk in TEB's total cash and non-cash loans remained below 1%. Loan transactions with related-parties and their share in the Bank's total credit risk as of 31 December 2007 and 31 December 2006 were as follows:

	31.12.2007	31.12.2006
	%	%
Share in total cash loans	0.49	0.39
Share in total non-cash loans	1.79	1.85
Share in total cash and non-cash loans	0.89	0.89

Detailed information about the risk group to which TEB is included has been prepared in accordance with the "Communiqué on Financial Statements and Related Explanations and Footnotes Announced to the Public by Banks" and published in Section 4, Paragraph b of the "Annual Report" and was also included in the financial statements as of 31 December 2007 and Section VII, Articles 1 and 2 of the Independent Audit Report.

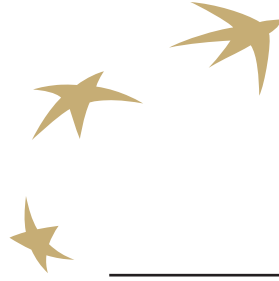
OUTSOURCED SERVICES

The Regulation on Outsourcing Activities came into effect on 1 November 2006, with an adaptation period of one year. In 2007, we carried out a study on the Bank's outsourced services to identify areas of outsourcing activity in line with the relevant regulation, and as a result, we ensured that the necessary action was taken at departments in need of such services. Within this context, TEB applied for permission to BRSA for the virtual POS infrastructure service to be provided by EST Elektronik Sanal Ticaret A.Ş.



The project has reached a great success in such a short time and we are proud to announce that the project was granted the Active Academy Corporate Social Responsibility Award at the end of 2007.





CORPORATE GOVERNANCE PRINCIPLES COMPLIANCE REPORT

PART I - SHAREHOLDERS

1. Statement of Compliance with Corporate Governance Principles

TEB aims to fully comply with the “Corporate Governance Principles” issued by the Capital Markets Board (CMB) in July 2003 concerning the principles to be observed by listed companies to achieve professional management, transparency and ethical conduct in the course of their activities.

As TEB believes that compliance with these principles will become as important as credit valuation (ratings) in the near future, the Board of Directors has set up a Corporate Governance Committee at the Board level through Resolution No: 3609/4 dated 24 January 2004, to regulate and monitor compliance with these principles. The Corporate Governance Committee performs the functions explained below.

Although compliance with these principles issued in 2003 requires a process development, it has been noted that complete compliance has been realized without any conflicts of interest.

2. Shareholder Relations Department

A Shareholder Relations Department (referred to as the Shareholders Unit in the organizational chart) has been established in an effort to inform registered shareholders about dividends, capital increases and the agenda and resolutions of General Meetings, to maintain the share register in accordance with Article 326/1 of the Turkish Commercial Code and to manage legal and operational relations with shareholders. The contact details of this unit are as follows:

Cüneyt Temiztürk (Unit Manager)

Phone: +90 212 251 21 21 (extension 1923)

Fax: +90 212 249 65 68

E-mail: cuneyt.temizturk@teb.com.tr

This unit reports to the General Secretary of the Board of Directors.

In 2007, the Shareholders Unit conducted the announcement of one Extraordinary General Meeting of Shareholders, one Ordinary General Meeting of Shareholders, three capital increases without payment and carried out the following transactions:

- 3 share transfers,
- 12 disclosures (on various issues),

-
- 52 transactions concerning the distribution of new share certificates in return for new share coupons (excluding transactions through the Central Registry Agency),
 - 47 transactions concerning dividend payments (excluding transactions through the Central Registry Agency).
 - 21 share registration transactions

Additionally, the Bank has an “Investor Relations and Corporate Governance Department” to establish relations with domestic and foreign investors and inform them about the Bank's activities and financial results.

Levent Çelebioğlu, Assistant General Manager and Chairman of the Financial Investments Group and Çiğdem Başaran, Manager are responsible for the overall management of the department.

Their contact information is as follows:

Levent Çelebioğlu (Assistant General Manager)

Phone: 0212 251 21 21 (extension 1341)

Fax: 0212 249 65 68

E-mail: levent.celebioglu@teb.com.tr

Çiğdem Başaran (Manager)

Phone: 0212 251 21 21 (extension 1532)

Fax: 0212 249 65 68

E-mail: cigdem.basaran@teb.com.tr

3. Exercise of Shareholders' Right to Information

Investors and the general public are provided with detailed information both in Turkish and in English through the “Investor Relations” and “Corporate Governance” sections on TEB's website:

http://www.teb.com.tr/eng/main/HaritaInvestor_relations_menu.aspx

http://www.teb.com.tr/eng/main/HaritaCorporate_governance_menu.aspx

Information is available under the following headings:

- TEB-BNP Paribas
- Stock Price
- Financial Calendar
- Ratings
- Financial Data
- Independent Audit Reports
- Investor Presentations
- Payment of Dividends and Capital Increase
- Annual Reports

-
- Analysts' Reports
 - Analysts' Recommendations
 - Press Releases
 - Frequently Asked Questions
 - Contact us
 - Corporate Governance Principles
 - Management
 - General Meetings
 - Committees
 - Policies

In addition to meetings, nearly 250 queries about TEB have been answered by telephone and e-mail in 2007. The questions were about various subjects and all requests for information by shareholders were answered as quickly as possible, provided that they are not related to trade secrets or information that is not publicly available.

Although Article 36 of the Articles of Association of TEB provides for the appointment of a special auditor, no special auditor was elected in 2007. This article does not define the request for the appointment of a special auditor as an individual right. However, the Articles of Association does not contain any provisions that contradicts with the relevant provision of the Turkish Commercial Code. This right was not exercised in 2007.

4. Information on General Meetings of Shareholders

The General Meeting of Shareholders convened twice in 2007: an Ordinary General Meeting was held on 27 March 2007 and an Extraordinary General Meeting on 5 September 2007. Attendance was 84.31% for the Ordinary General Meeting and 84.42% for the Extraordinary General Meeting. No media members were present at these events.

Invitation letters were sent by registered mail at least 15 days prior to the respective meeting dates to the shareholders in the share register. The meetings were also announced in the Turkish Trade Registry Gazette and a national daily newspaper. In addition, e-mail messages were sent to the shareholders whose e-mail addresses were known.

All of TEB's shares are registered shares. Since all current shareholders were already recorded in the share register prior to the public offering, there was no need for an additional registration, but shareholders had to get admission cards to attend the meeting (Article 360/3 of the Turkish Commercial Code imposes this requirement for bearer shares. This obligation does not apply to registered shareholders).

To obtain their admission cards, investors who purchased their shares at the İstanbul Stock Exchange are required to deliver their shares or shareholder certificates to TEB Headquarters or any of its branches. Shareholders may apply for their admission cards until the Board to preside the General Meeting of Shareholders is formed.

The date, venue, time and agenda of the meeting, as well as sample statements for those who wish to appoint a proxy to attend the meeting on their behalf, are included in the invitation letters, the newspaper announcements and on TEB's website.

Shareholders exercised their right to ask questions at general meetings and their questions were answered informatively.

Shareholders tabled motions, which were put to the vote of attending shareholders and accepted.

According to the Articles of Association, approval of the General Meeting of Shareholders is not required for decisions concerning spin-offs or the sale, purchase and leasing of material assets. The powers and responsibilities of the Board of Directors in relation to these decisions have been specified in Article 26 of the Articles of Association.

To facilitate attendance at General Meetings of Shareholders, notices are sent out on time, the meetings are held in central locations in İstanbul and the minutes of the meetings are made available at the Shareholders Unit and on the website.

5. Voting Rights and Minority Rights

There are no privileges regarding voting rights. Further there are not any cross-shareholding companies. Minority shares are not represented in management; however the views, suggestions and requests of minority shareholders are communicated to the management through the Investor Relations and Corporate Governance Department and the Shareholders Unit.

The Articles of Association do not provide for cumulative voting.

6. Dividend Policy and Timing of Distributions

There are no privileges regarding dividend distribution. TEB's dividend policy, which was amended on 29 September 2006 and announced to the public, is as follows:

Dividend Policy:

“Türk Ekonomi Bankası A.Ş. will pay up to 40% of the net distributable profit to its shareholders as a cash dividend or as bonus shares within the context of its Articles of Association. The amount distributable depends on market conditions, maintenance of a comfortable capital adequacy ratio and growth plans of the bank and will be proposed by the Board of Directors to the Ordinary General Meeting of Shareholders every year.”

No dividend was distributed for the profit generated in the year 2007.

7. Transfer of Shares

Article 9 of the Articles of Association stipulates that:

- The relevant provisions of the Turkish Commercial Code and other applicable legislation shall govern share transfers.
- Transfer of shares at the percentages specified in the Banking Law and transfer of share certificates that grant usufruct

rights shall be subject to the prior permission of the Banking Regulation and Supervision Agency and the Capital Markets Board.

- In order for such transfer and assignment to be binding for the company and for third parties, the share transfer must be approved and certified by the Board of Directors and entered into the share register.

Furthermore, the same article stipulates that the company's Board of Directors may reject approval and registration without specifying any reason.

PART II - PUBLIC DISCLOSURE AND TRANSPARENCY

8. Disclosure Policy

As indicated on its website, TEB has publicly announced the following Disclosure Policy within the context of the Corporate Governance Principles:

“Subject to applicable legislation, TEB promptly, accurately and fully discloses any matters concerning its operations for which a disclosure has been requested.”

All information that fits the above definition is publicly disclosed by the Investor Relations and Corporate Governance Department or the Official Reporting Department and is subject to the approval of the Board of Directors and the General Management. Announcements made are also reported to the Corporate Governance Committee.

9. Special Circumstances Disclosures

TEB made 78 special circumstances disclosures in 2007. None of these was an additional disclosure made in response to the instructions of the Istanbul Stock Exchange (ISE). Since the Bank is listed on the London Stock Exchange (LSE) as well, the material disclosures made to the ISE and the Capital Markets Board (CMB) are also sent simultaneously to the LSE. No disclosures were made to the LSE other than those made to the ISE and the CMB.

Since TEB takes the utmost care in its disclosures, the CMB has not imposed any sanctions on the Bank in 2007.

All material disclosures are available on TEB's website.

10. The Website and its Contents

TEB's website is at www.teb.com.tr. TEB monitors similar websites in other countries and constantly updates the information available on its website in accordance with Section II Article 1.11.5 of the Corporate Governance Principles issued by the CMB.

The website contains sufficient information to satisfy shareholders and third parties who need information about TEB.

11. Ultimate Controlling Individual Shareholders

The shareholding structure of TEB as of 31 December 2007 was as follows:

- 84.25% TEB Mali Yatırımlar A.Ş. (TEB Financial Investments)
- 15.63% Publicly-traded
- 0.12% Other shareholders

12. Individuals With Access to Insider Information

According to the Banking Law, the law that governs the banking profession and defines its legal and ethical rules, it is forbidden for bank employees to convey to third parties confidential information on the bank or its customers that they acquire during the performance of their duties. Since this obligation continues after the termination of employment, it was not deemed necessary to disclose and publicly announce the list of persons who have access to insider information, in view of the industry practice and employment ethics and work discipline.

PART III - STAKEHOLDERS

13. Announcements to Stakeholders

Stakeholders are provided information concerning TEB's activities through special circumstances disclosures, as published on the website and in annual reports. Views, opinions and questions submitted to TEB using the 'Contact us' section of the website are referred to the relevant departments and answered within the framework of applicable legislation.

14. Participation of Stakeholders in Management

As banking practice and legal rules impose strict restrictions on the appointment of executives, no model has been devised for stakeholders to personally take part in management. TEB believes that this applies equally to other banks in the industry. However, stakeholders can communicate their views, opinions, critiques and demands to the management through the Investor Relations and Corporate Governance Department, the Shareholders Unit and the Customer Communications Unit.

15. Human Resources Policy

The main objective of TEB's Human Resources Group is to adopt the best HR practices in the finance industry. Given this objective, the Bank's human resource policy assures the following:

- Ensuring dynamism and readiness for change in the organizational structure, in line with the strategic plans and goals of the TEB Group.
- Within the scope of the TEB Talent Pool, recruiting people for the TEB Group who are well educated, open to

innovation and change, have entrepreneurial skills, are energetic, dynamic, who possess potential for self-development, are team players and who can adopt corporate values and commit to them.

- Utilizing human resources in the most effective and productive manner in conformity with the Bank's targets and strategies, supporting employees with development programs that are in line with both professional and personal career goals indicated in employees' career plans and creating career opportunities by ensuring employees' participation in advanced BNP Paribas training courses.
- Considering training and development as an investment in human resources and contributing to the development of employees in line with the TEB Group's targets and strategies within the framework of the "continuous learning and development" philosophy of the TEB Formation Academy,
- Training future managers amongst employees within the organization and prioritizing applicants amongst employees within TEB for future open positions,
- Improving individual and team performance continuously through quality improving methods and systems, focusing on rewarding schemes in the Performance Assessment System that enables the recognition of superior performance and giving each employee equal opportunity within the context of their career plans,
- Contributing to the productivity and performance of the Bank's branches by providing all employees with quick and effective HR support.

16. Relationships with Customers and Suppliers

A "Customer Communication Unit" directly reporting to the General Manager was established in 2004 to maintain customer service quality, measure customer satisfaction and assess the complaints, views and suggestions of customers.

TEB also monitors customer expectations and remarks in cooperation with consulting companies and reports findings to the Board of Directors.

17. Social Responsibility

TEB contributes not only to Turkey's economic development, but to social development as well through its corporate work on social responsibility projects. The wide range of social activities carried out by TEB includes education, contribution to business life and non-financial supports to the SMEs, which are among the major driving forces of our economy. Such activities continued in 2007 at an increasing rate.

Furthermore, our Bank also continued its commercial activities by serving as a good model in accordance with laws, ethical standards and human rights.

TEB's Educated Girls

2007 has been exceptionally important for us, as it was the 80th Anniversary of our Bank. As a leading and prestigious institution in the Turkish banking sector, TEB celebrated its 80th Anniversary by launching a social responsibility project in education, one of the most important social issues in Turkey.

With this social responsibility project referred to as “TEB's Educated Girls”, we worked in cooperation with the Association in Support for Contemporary Living (Çağdaş Yaşamı Destekleme Derneği - ÇYDD), one of the major non-governmental organizations in Turkey. We have contributed to the education of 1,250 girls who could otherwise not afford to continue their education. With the aim of providing financial support to these girls, TEB employees adopted this project in a short time and started a fund raising campaign first within the institution.

Within the scope of the “TEB's Educated Girls” project, contributions of TEB employees (525 girls), TEB (525 girls) and BNP Paribas, the strategic partner (200 girls) were collected to meet educational expenses of 1,250 girls in total from seven regions of Turkey for a period of 4 years.

Following the announcement of the project publicly in September 2007, ÇYDD identified the students to which the scholarship would be granted and “TEB's Educated Girls” started the first year of their education.

The project succeeded considerably in a short time, and won the “Active Academy Corporate Social Responsibility Award” at the end of 2007.

And as a bank with social sensitivity, we will continue to support such social projects in the following years as well.

TEB SME Academy

With the aim of contributing to the Turkish economy, TEB supported the development of SMEs, and maintained its sensitivity in the field of social responsibility by continuing the "Corporate Development Training" in 2007. "Corporate Development Training" was specially designed to address the prior specific needs in business processes and growth issues of SMEs. Meetings have been organized in 19 cities through which TEB has reached over 4,000 businessmen to promote this project.

Furthermore, “Conference on Future Strategies for Cities” targeting to reveal the economic potentials of the cities and guiding the SMEs in such cities with respect to their investment areas, has also continued in 2007. Following the “Future Strategies for Cities” meetings held in Samsun, Trabzon, Eskişehir, Kayseri, and Adana, the end results of meetings were compiled together in a report, and presented to the public. TEB has not just compiled such reports but also TEB has undertaken some of the social duties included in reports with a sense of responsibility.

TEB KOBİ TV

Considering SME's as the keystones of Turkish economy, TEB created a different platform for them to improve their knowledge in addition to the support on non-financial related issues through TEB SME Academies.

As vital structures of the real sector, one of the major problems that SMEs have among others is the lack of information on various industry-specific issues. TEB KOBİ TV was established to support SMEs for overcoming this barrier, and also to contribute their development, training, information sharing and intercommunication. TEB KOBİ TV provides 7/24 access to information for SMEs.

TEB KOBİ TV was awarded "Active Academy Corporate Social Responsibility Award" in 2006. TEB KOBİ TV provides educational videos that will help SMEs to develop their businesses, and broadcasts a wide range of comprehensive, educational and informative programs including economic commentaries, sector-specific programs, interviews with chamber presidents and small and medium sized enterprises.

As a provider of financial services, the Bank prefers to work with companies that respect the environment and does not grant loans to investment projects that fail to do so.

PART IV - THE BOARD OF DIRECTORS

18. Structure and Composition of the Board of Directors and Independent Members

Members of the Board of Directors and their responsibilities as of 31 December 2007 are listed below:

Name	Position
Yavuz Canevi	Chairman
Dr. Alın Akbaygil	Vice Chairman and Executive Member
Jean Jacques Marie Santini	Vice Chairman
Patrick René Pitton	Member
Michel Roger Chevalier	Member
Varol Civil	Executive Member and CEO
Refael Taranto	Member
Metin Toğay	Member
Dr. İsmail Yanık	Member

An up-to-date list of the members of the Board of Directors and their resumes are available on TEB's website.

The concept of an independent board member has been introduced in Turkey together with the adoption of the corporate governance principles. Corporate governance structures and processes and related principles is to be determined by the Banking Regulation and Supervision Agency after consultation with the Capital Markets Board and associated unions, as specified in Article 22 of Banking Law No: 5411.

Since applicable legislation has introduced additional responsibilities for board members, in addition to the requirements foreseen for membership in banks' Boards of Directors, the number of suitable candidates became limited. Thus, TEB believes that it is going to take some time for the number of independent members on its Board of Directors to reach the requested level.

Article 28 of TEB's Articles of Association on Prohibited Transactions states the following:

“Activities and transactions that the Chairman and members of the Board of Directors as well as the Chairman and Members of the Credit Committee may not engage in are specified in the relevant provisions of the Turkish Commercial Code, the Banking Law and the Capital Markets Law.”

19. Qualifications of Board Members

The qualifications required for membership in the Board of Directors are specified in Article 22 of the Articles of Association and the relevant provisions of the Banking Law. The qualifications of TEB board members comply with applicable legislation and the Corporate Governance Principles.

20. Mission, Vision and Strategic Targets

As stated in the 'Corporate Governance' section of its website, TEB's mission is defined as follows:

- TEB is committed to adding value to its stakeholders with its selected customer portfolio and world-class financial services.
- TEB aspires to maximize customer satisfaction.
- TEB fully complies with international practices in corporate governance.
- TEB employs employees who are committed to business ethics, protect the values of the organization and are open to innovation.

TEB has been able to achieve its mission due to its shareholders who are strictly committed to their business principles, responsibilities and to employees' rights.

The Bank's strategic targets and primarily its budget are assessed and approved by the Board of Directors. The extent to which the targets are achieved, as well as the reasons of any failure to achieve targets are evaluated at meetings attended by senior executives, branch managers and other related executives.

Targets, strategies and operational results are liaised to the management team at biannual General Management Meetings.

21. Risk Management and Internal Control

In accordance with the provisions of the Banking Law No: 5411, the Bank has established an “Audit Committee” reporting to the Board of Directors through two non-executive board members exclusively appointed for this task. The Board of Directors has set up the Audit Committee for the following purposes:

- Centralizing audit systems, validating procedures, monitoring and auditing of risks in the eight risk groups below:
 - Loans and counter party risk: Default by third parties
 - Market and liquidity risk: Market price fluctuations
 - Administrative risk: Appropriate administration of operations (including operational risk)
 - Legal risk: Compliance with tax laws and other legislation
 - Accounting risk: Compliance with regulations and legally acceptable presentation of accounts
 - IT risk: Adequacy and security of systems
 - Human resources risk: Adequacy of staff with regard to quality and functioning
 - Reputation and commercial risk: Damage to the Group's image
- Determining risk policies and principles for appropriate risk management, internal audit and compliance,
- Monitoring the Group's adequacy and effectiveness in terms of internal control and risk management and auditing accounting and reporting systems,
- Taking the necessary measures to ensure that the Board of Directors is informed of any incident or condition that may prevent the Bank from functioning in an uninterrupted manner or of any event that violates the legislation; making recommendations periodically through reporting to the Board of Directors any measures required to be taken.

22. Authority and Responsibilities of Board Members and Executives

The authorities and responsibilities of board members and executives are governed by Articles 26 and 30 of the Articles of Association, while issues related to the General Manager and his/her deputies are covered by Articles 32 and 33.

23. Activities of the Board of Directors

Meetings of the Bank's Board of Directors is organized through the General Secretary of the Board of Directors. Members of the Board of Directors submit to the General Secretary any items that they want to be included in the agenda and the final agenda is communicated to the members at least one week before the meeting.

The Board of Directors has taken 172 decisions in 2007. As mentioned above, the General Secretary is responsible for the implementation of these matters. All decisions during the reporting period were made unanimously and no dissenting opinion was noted.

Members who do not attend a meeting based on a reasonable ground are informed of the resolutions taken in their absence at the first meeting they attend. There are meeting minutes whereby the decisions taken are noted. TEB's Articles of Association does not contain any provisions on weighted voting rights or negative veto rights.

24. Ban on Dealing and Competing with the Company

Members of the Board of Directors have no relationships with TEB that could result in a conflict of interest.

25. Ethical Rules

As also stated on our website, The Board of Directors complies with the Code of Banking Ethics dated November 1, 2001 and numbered 1012 as prepared and published by the Banks Association of Turkey to which TEB contributes to the activities thereof.

According to Article 75 of Banking Law (No: 5411), banks and their employees shall ensure that activities are performed in compliance with this Law, applicable legislation and the banks' goals and policies and shall comply with ethical principles that put justice, fairness, honesty and social responsibility at the foundations of management. These principles will be determined by the related agencies in consultation with the Board.

26. Numbers, Structure and Independence of Committees Established by the Board of Directors

In accordance with corporate governance principles, the following committees were active in 2007:

Corporate Governance Committee

Duties:

- Monitoring and guiding corporate governance practices at the Bank,
- Convening upon the request of the Chairman.

Members:

Chairman: Aydın Esen
Yavuz Canevi
Patrick René Pitton
Hakan Tıraşın
Melis Coşan Baban

Audit Committee

Duties:

- Monitoring the effectiveness and adequacy of TEB's internal control, risk management and internal audit systems on behalf of the Board of Directors,
- Supervising the functioning of these systems as well as the functioning of accounting and reporting systems and the integrity of data produced in accordance with the Banking Law,
- Completing a pre-assessment process that is required for the appropriate selection of independent auditing institutions by the Board of Directors,
- Regularly monitoring the activities of independent auditors elected by the Board of Directors and
- Ensuring the coordination and the functioning of the internal audit in a consolidated manner at affiliate companies as specified within the scope of Banking Law.

Members:

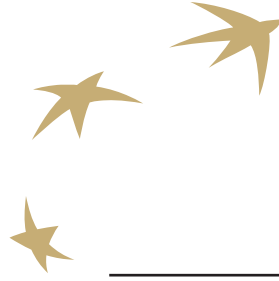
Chairman: Patrick René Pitton

Vice Chairman: Dr. İsmail Yanık

27. Remuneration of the Board of Directors

At the Ordinary General Meeting of Shareholders held on 27 March 2007, it was resolved that no fees be paid to the members of the Board of Directors, who shall continue to perform this duty voluntarily and that a gross monthly fee of YTL 750 be paid to Statutory Auditors. Remuneration to be paid to Executive Board Members is determined by the Board of Directors in accordance with Article 27 of the Articles of Association and in view of the nature of the duties involved and the time to be spent to fulfill these duties. In 2007, YTL 5,323,333 was paid to the Members of the Board of Directors as salaries and attendance fees.

Board members may be granted loans within the limits defined by law or may be rewarded depending on the performance of the Bank, the duties vested on them and the time spent by them to fulfill these duties.



ASSESSMENT OF FINANCIAL POSITION, PROFITABILITY AND DEBT-SERVICING CAPACITY

Despite shrinking margins in the industry, the increase in TEB's high-return assets and the positive impact of its growth policies has resulted in a 75% increase in net interest revenue.

Upon a glance at the global economic and financial framework in the year 2007, the strong economic growth pattern of the last five years seems to slow down. It is difficult to estimate future developments at the global markets due to the issue of whether the U.S. economy will turn to a recession. As a matter of fact, recent developments of the U.S. real estate markets had a negative impact on expectations and led to an increase in volatility at the global scale.

There has been a slowdown in terms of growth at Turkish economy as well while an increase in current account deficit was also observed. Considering the rise in energy prices, it seems that we move into a period where the global economic circumstances will be more active. Another reason for failure at reducing inflation rate in Turkey to the desired level is the increase in food prices due to drought and bio-energy needs. Moreover, global economic developments closely affect Turkey since foreign investors tend to gain importance in Turkey.

Under these circumstances, the Bank adhered to its growth and branch expansion strategies in 2007. As an integral component of this growth, 103 new branches have opened in 2007 and these new branches supported TEB's expansion strategy in retail and SME banking and the strategy of intensifying in existing corporate and large-size commercial customers. Due to this approach, lending volume grew by 39% year-on-year.

In retail loans, TEB's growth policy that was launched in the last quarter of 2003, continued to develop in 2007 and the Bank achieved 42% growth in housing loans, a figure above the industry average. As a result of this increase in retail loans and the intensification in project finance, maturity structure of loans continued to extend which was a parallel practice to the industry trend and the share of local currency loans in total loans continued to increase.

Loans-to-deposits ratio increased on a year-on-year basis and reached 97%, again above the industry average.

The 39% growth in TEB's loan portfolio caused an increase in non-performing loans ratio from the level of 0.9% in 2006 to 1.75% in 2007, but still the ratio is below the sector average.

As a result of the Bank's growth strategy, total assets increased 43% from YTL 8,279.5 million on 31 December 2006 to YTL 11,800.9 million on 31 December 2007.

TEB meets its liquidity requirement mainly from deposits and in this context; the share of deposits in total balance sheet liabilities was 60%.

In addition to using deposits as a source of funding, TEB created further sources of long-term funding through syndication in international markets and other similar instruments and also used derivative instruments to improve its ability to create Turkish lira funds.

TEB diversifies its funding resources by customer deposits and foreign borrowings. As of December 31, 2007, the Bank has a syndication loan of EUR 240 million with a maturity of one year, under foreign borrowings obtained on November 20, 2007.

The Bank signed an agreement with the International Finance Corporation (IFC) on July 17, 2002, for a subordinated loan of USD 15 million. The maturity of the loan is October 14, 2011 and interest rate is LIBOR+2.85%.

The Bank signed another agreement with the IFC on June 27, 2005, for a subordinated loan. The facility is a USD 50 million-subordinated loan, with a maturity of June 29, 2015 and with an interest rate of LIBOR+3.18%.

The Bank secured a subordinated loan from the Economy Luxembourg S.A on October 31, 2006. The facility is a EUR 110 million-subordinated loan, with a maturity of October 31, 2016, and with an interest rate of 6.10%.

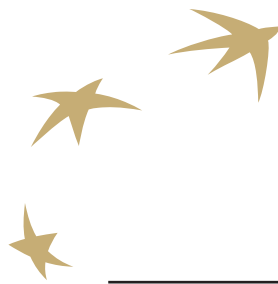
The Bank has obtained a primary subordinated loan by issuing a bond amounting to USD 100 million as of July 31, 2007. The investor of the bond is IFC International Finance Corporation (IFC). The maturity of the borrowing is indefinite with six monthly interest payments. The interest rate is defined as 6 month Libor+3.5% until July 31, 2017. In case the borrowed amount is not repaid at that date, the interest rate will be revised as 6 month Libor+5.25%.

Despite shrinking margins in the industry, the increase in TEB's high-return assets and the positive impact of its growth policies has resulted in a 75% increase in net interest revenue.

Supporting TEB's expansion strategy in retail and SME banking, the growth of the branch network has positively affected the number of customers and consequently net fees and commission revenues increased 68% compared to 31 December 2006.

After ending 2006 with 170 branches, the Bank opened 103 new branches and ended 2007 with a total of 273 branches. Operational expenses moved up 62% over the same period of the previous year, to YTL 460.5 million, due to new employees' recruitment, branch opening expenses and expenses related to promotional campaigns that supported TEB's expansion in retail and SME banking.

As a result of its operations as a whole, the Bank increased its net income 33%, from YTL 97.7 million to YTL 130.2 million in 2007.



RISK MANAGEMENT POLICIES

INTEREST RATE RISK

Interest rate risk involves possible losses a bank may incur due to fluctuations and volatility in interest rates, depending on its portfolio positions. At TEB, the Assets and Liabilities Committee manages interest rate risk. The Assets and Liabilities Management Department within the Treasury Group thereupon implements the decisions taken by this committee.

Protection against fluctuations in interest rates is a top priority for TEB.

Interest rate risk is determined by measuring the rate of sensitivity of assets, liabilities and off-balance sheet items. TEB runs simulations of interest revenues according to estimated macroeconomic indicators. Duration, term and sensitivity analyses are conducted and these calculations are conveyed to the Assets and Liabilities Committee.

Possible negative effects of interest rate fluctuations on financial position and cash flow are minimized by means of prompt decisions. The management monitors interest rate movements on a daily basis and makes changes whenever necessary in deposit and loan rates.

When determining short, medium and long-term pricing strategies, TEB's Assets and Liabilities Committee manages maturity incongruity and adopts the principle of working with positive balance sheet margins as its pricing policy.

MARKET RISK

Market risk involves possible losses a bank may incur as a result of the exposure of its balance sheet and off-balance sheet accounts to interest rate risk, equity position risk or exchange rate risk resulting from fluctuations in the financial markets, in interest rates, exchange rates or stock prices.

TEB's Board of Directors ensures that the risk management units and senior management take the necessary steps to properly measure, monitor and manage its exposure to market risk.

The Board of Directors determines market risk limits and regularly revises these limits in accordance with market conditions and the strategies of TEB.

With regard to TEB's daily transactions, stop-loss and transaction limits are defined for each product. The Board of Directors assigns limits for positions in derivatives and similar contracts. Transactions are carried out within these limits and the limits are monitored and reported daily.

The market risk of the Bank is calculated using a standard method and reported to legal authorities.

The market risk can influence the Value-at-Risk (VaR) figure, which is also calculated using various financial models. VaR figure is calculated using a variance/co-variance method on the basis of a 250-business-day data and a one-day holding period in a 99% confidence interval. Daily VaR figures are the main drivers of TEB's internal reports and efforts to monitor market risk. Back testing is periodically performed to validate the accuracy of calculations and the methods used.

The VaR figures calculated by internal models to predict losses in the event of a crisis are also verified by scenario analyses and stress tests and are then reported to senior management and the Board of Directors.

Scenario analyses and stress tests involve the re-application of past crises to existing portfolios or the observation of likely losses due to interest and foreign exchange shocks.

LIQUIDITY RISK

Liquidity risk is defined as the risk of failing to fully meet cash obligations in due time, because the bank in question does not possess sufficient cash or is not able to generate cash when needed, which might result from mismatches between TEB's cash inflows and outflows.

Liquidity risk also includes the risk of loss that may arise when there is an inability to enter or exit the market as needed. When it is not possible for a bank to adequately close positions at favorable prices and at sufficient amounts or as rapidly as required, the lack of sufficient cash may translate into losses.

TEB's policies focus on maintaining the quality of its asset structure, so that liquid assets can meet all obligations. Striving to be one of the most liquid banks in the industry is of utmost importance to TEB. The Board of Directors regularly monitors and determines liquidity ratios and the relevant standards for maintaining high liquidity at all times.

TEB has in place an effective management reporting system for the timely reporting of the liquidity position to the Board of Directors, senior management and all related units. The Board has determined limits to ensure that sufficient liquidity is available at all times. Within these limits, the current liquidity position of the Bank, products to create this level of liquidity, sources of funds and asset structure, and market conditions are all monitored. Cash flow analyses are carried out for different maturity structures and currency units. Maturity mismatches are monitored and concentrations in funding sources are closely monitored.

As a matter of general policy, consistency in maturities and interest rates is maintained in line with Assets and Liabilities Management at all times, and balance sheet positions of YTL and returns on foreign currency mix are continuously managed in the positive.

With regard to the sources of funding and liquidity, it is observed that while the greater part of the liquidity requirement of TEB is met by deposits, syndicated loans and pre-financing products are also used at times to obtain funds in addition to deposits. TEB strictly adheres to the policy of maintaining high-quality liquid assets in sufficient amounts. This assures a strong liquidity position at all times and enables the Bank to be a net lender to the market.

EXCHANGE RATE RISK

Exchange rate risk is defined as a possible loss that a bank may incur with all of its currency assets and liabilities in the event of changes in exchange rates. In calculating capital adequacy that underlies exchange rate risk, TEB takes into account all of its foreign-currency assets, liabilities and forward foreign-currency contracts. VaR is calculated using the standard method and is then reported to the relevant bodies.

Within the limits approved by the Board of Directors, the Treasury Group is responsible for the management of price, liquidity and fulfillment risk arising from fluctuations in local or foreign currency prices in domestic and international markets. Money market risks and risk-bearing transactions are monitored on a daily basis and reported weekly to TEB's Assets and Liabilities Committee.

Position limits determined by the Board of Directors are monitored on a daily basis and possible changes in the Bank's monetary positions that may come about as a result of routine foreign currency transactions are also examined.

Position limits determined by the Board of Directors are reported on a daily basis. As a part of the Bank's risk management strategy, every type of borrowings in foreign currency is protected against exchange rate risk by derivative products.

Equity interests held in foreign companies are protected against exchange rate risk along the lines of the TEB's overall strategy. Spot and forward transactions within legal limits hedge foreign currency position risks.

CREDIT RISK

Credit risk is the loss that may be incurred if the other party of the loan relationship fails, partially or entirely, to fulfill its obligations on time.

One of the most prominent characteristics at TEB that distinguishes it from the competition is its prudent lending policy and solid asset structure that go hand in hand with a stable growth strategy.

The Board of Directors has the final authority in the allocation of loan facilities. This power is delegated to the Credit Committee and the General Manager on certain conditions. The exercise of these delegated powers are regularly monitored and reported by the internal audit and risk management units.

Loans are extended within the limits defined for each debtor and group of debtors individually. Every customer that performs a transaction on credit must have a loan facility allocated by the relevant authorities and customers are systematically prevented from exceeding those limits.

Branch officers visit loan applicants and obtain financial statements and information related to the potential customer's activities and plans. A loan proposal is prepared containing a commentary on the company's financial position, an industry analysis, information about the partners and managers, as well as references from other banks and companies with which

the applicant is doing business. This information is then submitted to the Credit Allocation and Financial Analysis Group, which assesses the applicant's creditworthiness and sends its report to the Credit Committee for approval.

In assessing customers, TEB uses an internally developed rating system, which takes into account both financial and non-financial criteria. The rating of the collateral proposed for the loan is also calculated using a system developed by TEB. In accordance with the Bank's lending policy, overall credit risk is assessed through both debtor and collateral ratings.

Developments in the marketplace are closely monitored to minimize credit risk and industry limits are applied. As a result of the prudent policy the Bank adopts, the maximum amount of loan that can be granted to a customer is kept below legal limits, thus minimizing the risk of loan concentration. Limits set by the Board of Directors are regularly monitored and reported.

The Risk Management Group, in collaboration with the Credits and Financial Analysis Group, makes assessments of the loan portfolio for the Board of Directors and the Board of Internal Auditors and reports high-risk cases and non-performing loans.

The Credit Monitoring and Legal Proceedings Department is structured under the supervision of the General Manager. This Department submits regular reports to the Credit Committee and also to the Board of Directors via the Board of Internal Auditors. After a loan facility is offered, the Credit Monitoring Department monitors the customer's repayment capability and the sufficiency and adequacy of the collateral. In this way, any problematic loan is identified at an early stage. Should the credit rating and/or the quality of the collateral raise any doubts, the customer will then be closely reviewed and additional collateral shall be requested.

Limits related to counter party risk arising from treasury transactions or from customer-based commercial transactions are monitored on a daily basis. Daily controls are also performed on the limits that have been offered to correspondent banks in accordance with their ratings and the maximum risk that the Bank is able to bear with its own capital.

Country risk involves the likelihood of partial or complete failure of the debtor person or company in international loan transactions to fulfill obligations on time, due to economic, political or social incidents taking place in the relevant country.

TEB exclusively enters into loan transactions with foreign financial institutions or countries that are rated investment grade by international rating agencies. For this reason, possible risks in such transactions do not pose an important threat for the Bank, given its current financial structure.

OPERATIONAL RISK

Operational risk is defined as the risk of loss that may result from inappropriate or malfunctioning practices, or from human and system errors or external reasons.

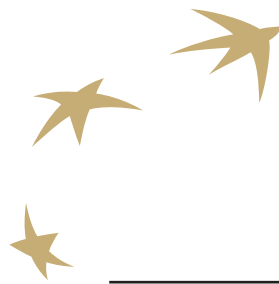
Operational risk can occur along the entire spectrum of banking activities as a result of human and system errors or

inappropriate practices. It also includes the risk of loss resulting from mistakes and negligence, internal or external fraud and natural disasters.

TEB's main objectives in this regard are to achieve total compliance with internal rules, to develop a strong internal control culture and to attain all the qualitative standards determined by the Basel Committee.

Compliance with legal requirements, adherence to the ethical values of the banking profession, information security, prevention of internal and external fraud, contingency and business continuity plans and “know-your-customer” policies are all fundamental controls for the reduction of operational risk.

By taking into consideration the risk caused by lack of information about the legislation, TEB has undertaken an organizational restructuring effort in the areas of taxation and banking legislation and strengthened its decision support functions with high-quality staff. The project of gathering and managing operational risk loss data became operational in 2007, and with this project, TEB aims to be one of the banks in the industry that is most prepared for Basel II in terms of operational risk.



THE AUDIT COMMITTEE'S ASSESSMENT OF INTERNAL CONTROL, INTERNAL AUDIT AND RISK MANAGEMENT SYSTEMS

The Board of Directors has taken the necessary measures regarding the approval of important strategies and policies with regard to control activities and the maintenance of effective internal audit and risk management systems.

The organizational structure at TEB in terms of internal control, internal audit and risk management was implemented in accordance with the “Regulations on the Internal Systems of Banks”.

This structure is appropriate in view of the scope and nature of TEB's activities and can effectively respond to changing conditions.

The Risk Management Division, the Internal Control Center and Internal Audit Group, all reporting to the Board of Directors, independent from each other but working in cooperation, have performed their activities in 2007.

The Board of Directors has taken the necessary measures regarding the approval of important strategies and policies with regard to control activities and the maintenance of effective internal audit and risk management systems.

The internal audit system is organized to cover all operations and units of the Bank. As of year-end, the Board of Internal Auditors operates with one chairman, two vice-chairmen, and a staff of 42 internal auditors.

One vice-chairman of the Board of Internal Auditors has earned the title of Certified Internal Auditor (CIA), having passed the Certified Internal Audit Tests organized by the International Internal Audit Institute (IIA) in several countries to assure the performance of auditing tasks in accordance with professional and universal standards.

Considering BRSA regulations and International Internal Audit Standards, “IT and External Reporting Audit” and “Recommendations Follow up and Methodology Improvement” functions have been established within the Board of Internal Auditors in 2007.

The Board of Directors has taken all necessary measures authorizing the Board of Internal Auditors to conduct its audit activities without any restrictions and covering TEB's consolidated subsidiaries and their respective units. In 2007, the Board of Internal Auditors audited 103 branches, 16 departments, 3 subsidiaries and 14 processes.

Internal control activities are organized as an inseparable part of daily activities and cover all areas of basic control. Following the organizational change during the year, Internal Control and Compliance functions are now structured separately. Within the scope of internal control, daily, weekly, monthly and quarterly controls of critical activities at branches and departments of the headquarters are carried out under the Banking Transactions Control, Treasury Control and Legal Compliance Units. The Compliance function covers the departments of Banking and Tax Legislation Compliance, Operational Risk, Information Security and Work Continuity, parallel to the Internal Systems Regulation of the BRSA. These departments have completed their tasks in 2007 with a staff of 39.

The risk management process is composed of risk definition and measurement, establishing risk policies and procedures, risk analysis and monitoring, reporting, and auditing phases, all in accordance with the principles that are jointly determined by TEB's senior management and the Risk Management Group and approved by the Board of Directors.

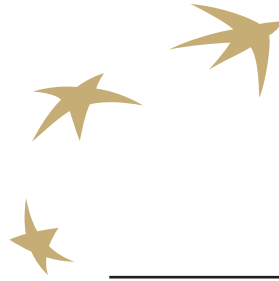
The mission of the Group Risk Management function is to ensure, jointly with senior management, that the risks undertaken by the Group comply with the TEB's policies and procedures and meet the Bank's profitability criteria and rating.

In 2007, the Risk Management Group had a staff of nine, including the Chairman of Group Risk Management. TEB's Risk Management Division is composed of 3 departments, namely the Market and Liquidity Risk Department, Basel II and Credit Risks Department and Subsidiary Risks Management Department. In addition to employees in charge of determining, measuring and reporting market, credit and operational risk, a risk management officer is employed in each subsidiary to monitor the implementation of risk management principles and policies. Group employees use advanced techniques in risk measurement and monitoring activities and closely follow local and international best practices.

At its meeting held on 8 November 2005, the Board of Directors convened to establish an Audit Committee responsible for all companies comprising the TEB Group, in accordance with Article 24 of Banking Law No: 5411 and further resolved that the powers of the Senior Risk Committee, which was established in accordance with Law No: 4389, be taken over by the new committee.

The Audit Committee has gathered eighteen times during the course of the year 2007. It monitors all risk in a consolidated format at the group level, establishing mechanisms of control, reviewing all written procedures, ensuring coordination between the Internal Audit Group, the Risk Management Group and the Compliance and Internal Control Centre, as well as working toward the establishment of internal control systems at the Bank and at Group companies which are in essence of the same scope.

TEB closely follows and implements new legislation and best practices of internal audit and risk management systems.



CREDIT RATINGS ASSIGNED BY RATING AGENCIES*

TEB maintained its position as one of the most highly rated banks in Turkey. As of the end of 2007, TEB's ratings were as follows:

Moody's Investor Services

Financial Strength Rating	D+
FX Deposits Rating	B1/NP
Outlook	Positive

Fitch Ratings

Foreign Currency

Long-term	BB
Short-term	B
Outlook	Stable

Turkish Lira

Long-term	BBB-
Short-term	F3
Outlook	Stable
National	AAA (tur)
Outlook	Stable
Individual Rating	C/D
Support Points	3

(*) These ratings are not the ratings realized in accordance with BRSA's Regulations on Principles of Authorization and Activities of Rating Agencies.

DONATIONS

Donations made by our bank to various organizations consisting of 14 items in total has reached to YTL 569,821.88 in 2007.

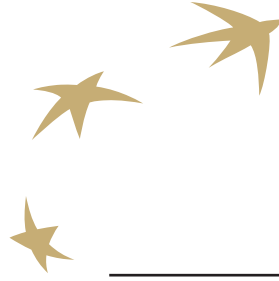
Date	Recipient	Amount (YTL)
31.01.2007	Kocaeli Public Health Protection and Medical Employees Solidarity Group	30,000.00
09.05.2007	Denizlispor Club Association	5,000.00
09.05.2007	Denizlispor Club Association	5,000.00
23.05.2007	Governorship of Elazığ/Improving Reading Habits Project	5,000.00
28.05.2007	Provincial Directorate of Tourism in Elazığ	5,000.00
31.05.2007	Ümraniye District Directorate of National Education/Pendik District Directorate of National Education	145,889.53
31.05.2007	Dicle University Sport Club	5,000.00
27.08.2007	Les Editions Du Diplomate	7,432.35
22.10.2007	Nuruosmaniye Street- Protection, Development and Solidarity Group	100.00
26.10.2007	Support Campaign for Heroes of Fight Against Terrorism (through Turkish National Assembly)	125,000.00
31.10.2007	The Association In Support Of Contemporary Living/TEB's Educated Girls	233,200.00
31.10.2007	Göcek Municipality Sport Club Association	3,000.00
06.11.2007	Nuruosmaniye Street- Protection, Development and Solidarity Group	100.00
11.12.2007	Nuruosmaniye Street- Protection, Development and Solidarity Group	100.00
	TOTAL	569,821.88

FIVE-YEAR SUMMARY OF FINANCIAL INFORMATION INCLUDING THE REPORTING PERIOD

(YTL 000)	31.12. 2003	31.12. 2004	2004-2003 Change (%)	31.12. 2005 (*)	2005-2004 ChChange (%)	31.12. 2006	2006-2005 Change (%)	31.12. 2007	2007-2006 Change (%)
Liquid Assets	1,519,422	1,311,579	-13.68	1,030,014	-21.47	1,403,098	36.22	2,466,589	75.80
Securities	131,554	420,522	219.66	1,168,431	177.85	1,612,781	38.03	1,779,613	10.34
Loans	1,343,446	1,600,430	19.13	2,969,125	85.52	4,951,436	66.76	6,864,427	38.64
Other Assets	248,860	239,451	-3.78	270,039	12.77	312,240	15.63	690,287	121.8
Total Assets	3,243,282	3,571,982	10.13	5,437,609	52.23	8,279,555	52.26	11,800,916	42.53
Demand Deposits	613,726	661,796	7.83	739,356	11.72	1,012,353	36.92	1,393,103	37.61
Time Deposits	1,652,260	1,609,304	-2.60	2,512,724	56.14	4,413,554	75.65	5,689,869	28.92
Funds Borrowed	459,384	760,923	65.64	1,505,884	97.90	1,989,910	32.15	2,894,689	45.47
Other Liabilities	146,240	139,374	-4.69	202,182	45.06	306,062	51.38	912,924	18.28
Equity (Excl. profit)	313,725	362,691	15.61	392,387	8.19	459,895	17.20	780,045	69.61
Net Income	57,947	37,893	-34.61	85,116	124.62	97,781	14.88	130,286	33.24
Total Liabilities	3,243,282	3,571,982	10.13	5,437,609	52.23	8,279,555	52.26	11,800,916	42.53
Selected Ratios (%)									
NPL Ratio	2.10	1.31	-37.62	1.13	-13.74	0.90	-20.35	1.75	94.44
Return on Equity	16.47	9.81	-40.42	19.39	97.55	18.89	-2.58	17.75	-6.03
Return on Assets	1.83	1.11	-39.23	1.89	69.91	1.43	-24.34	1.30	-9.09
Capital Adequacy Ratio	14.88	14.29	-3.97	12.33	-13.72	14.27	15.73	14.88	4.27

All data based on purchasing power parity on 31 December 2004.

(*) Financial statements dated 31 December 2005 have been rearranged in accordance with the Turkish Accounting Standards that were published in the Official Gazette numbered 26333, dated 1 November 2006.



APPENDIX 1

STATUTORY AUDITORS' REPORT

Report Prepared by the Auditors Appointed in Accordance with Article 347 of the Turkish Commercial Code

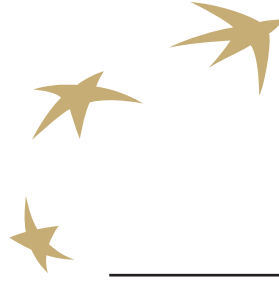
To the Ordinary General Meeting of Shareholders of Türk Ekonomi Bankası A.Ş.

7 March 2008

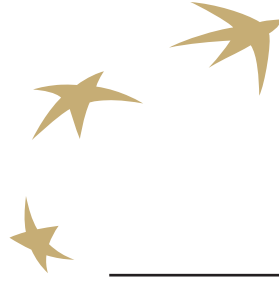
We have examined the financial statements of Türk Ekonomi Bankası A.Ş., of which we are the statutory auditors, for the year ending on 31 December 2007. We confirm that said statements are in compliance with the Banking Law No: 5411, the Regulation on the Procedures and Principles Governing Banks' Accounting Standards and Safekeeping of Documents, related communiqués and provisions, as well as the Bank's general policies and regulations.

Statutory Auditor
Ayşe Aşardağ

Statutory Auditor
Cihat Madanoğlu



**TÜRK EKONOMİ BANKASI
ANONİM ŞİRKETİ
CONSOLIDATED FINANCIAL
STATEMENTS FOR THE YEAR
ENDED DECEMBER 31, 2007**



APPENDIX 2

CONSOLIDATED FINANCIAL STATEMENTS AND NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Statement Concerning the 2007 Annual Report of Türk Ekonomi Bankası A.Ş.

The Annual Report of Türk Ekonomi Bankası A.Ş. has been prepared in accordance with the “Regulation on Principles and Standards for the Preparation and Publication of Annual Reports by Banks” published in the Official Journal numbered 26333, dated 1 November 2006 (attached hereto).

Yavuz CANEVİ
Chairman of the Board of
Directors

Patrick René PITTON
Board Member and Chairman of
the Audit Committee

Dr. İsmail YANIK
Board Member and Vice Chairman of
the Audit Committee

Varol CİVİL
CEO

Aşkın DOLAŞTIR
Assistant General Manager in
Charge of Financial Reporting

İlgaz DOĞAN
Director in Charge of
Financial Reporting

To the Board of Directors of
Türk Ekonomi Bankası A.Ş.
İstanbul

DRT Bağımsız Denetim ve
Serbest Muhasebeci
Mali Müşavirlik A.Ş.
Sun Plaza
No: 24
34398 Maslak
İstanbul, Türkiye

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TURK EKONOMI BANKASI ANONİM ŞİRKETİ AND ITS FINANCIAL SUBSIDIARIES

INDEPENDENT AUDITORS' REPORT FOR THE YEAR JANUARY 1, 2007 - DECEMBER 31, 2007

We have audited the accompanying consolidated balance sheet of Türk Ekonomi Bankası A.Ş. and its financial subsidiaries ("the Group") as at December 31, 2007, and the related consolidated statements of income, cash flows and changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

The Board of Directors of the Bank is responsible for the preparation and fair presentation of the financial statements in accordance with the regulation on "Procedures And Principles Regarding Banks' Accounting Practices And Maintaining Documents" published in the Official Gazette dated November 1, 2006 and numbered 26333 and Turkish Accounting Standards ("TAS"), Turkish Financial Reporting Standards ("TFRS") and other regulations, circulars, communiqués and pronouncements in respect of accounting and financial reporting made by Banking Regulation and Supervision Agency ("BRSA"). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the regulation on "Licensing and Operations of Audit Firms in Banking" published in the Official Gazette no: 26333 on November 1, 2006 and the International Standards on Auditing. We planned and performed our audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the consideration of the effectiveness of internal control and appropriateness of accounting policies applied relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent Auditors' Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with the prevailing accounting principles and standards set out as per the Articles 37 and 38 of the Banking Act No: 5411.

Additional paragraph for English translation:

The effect of the differences between the accounting principles summarized in Section 3 and the accounting principles generally accepted in countries in which the accompanying financial statements are to be distributed and International Financial Reporting Standards (IFRS) have not been quantified and reflected in the accompanying financial statements. The accounting principles used in the preparation of the accompanying financial statements differ materially from IFRS. Accordingly, the accompanying financial statements are not intended to present the Banks's financial position and results of its operations in accordance with accounting principles generally accepted in such countries of users of the financial statements and IFRS.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.

Member of DELOITTE TOUCHE TOHMATSU



Hasan Kılıç
Partner

İstanbul, February 13, 2008

**THE CONSOLIDATED FINANCIAL REPORT OF TÜRK EKONOMİ BANKASI A.Ş.
FOR THE YEAR ENDED DECEMBER 31, 2007**

Address : Meclis-i Mebusan Caddesi No: 57
Fındıklı 34427 - İstanbul
Telephone : (0 212) 251 21 21
Fax : (0 212) 249 65 68
Web Site : www.teb.com.tr
E-mail Address : investor.relations@teb.com.tr

The consolidated financial report designed by the Banking Regulation and Supervision Agency in line with Communiqué on Financial Statements to be Publicly Announced and the Related Policies and Disclosures consists of the sections listed below:

- GENERAL INFORMATION ABOUT THE PARENT BANK
- CONSOLIDATED FINANCIAL STATEMENTS OF THE PARENT BANK
- EXPLANATIONS ON THE CORRESPONDING ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION ON FINANCIAL STRUCTURE OF THE GROUP WHICH IS UNDER CONSOLIDATION
- EXPLANATORY DISCLOSURES AND FOOTNOTES ON CONSOLIDATED FINANCIAL STATEMENTS
- OTHER EXPLANATIONS AND FOOTNOTES
- INDEPENDENT AUDITORS' REPORT

The subsidiaries, associates and jointly controlled entities, financial statements of which are consolidated within the framework of the reporting package are as follows:

Subsidiaries

1. The Economy Bank N.V.
2. Stichting Custody Services TEB
3. Kronenburg Vastgoed B.V.
4. TEB Finansal Kiralama A.Ş.
5. TEB Factoring A.Ş.
6. TEB Yatırım Menkul Değerler A.Ş.
7. TEB Portföy Yönetimi A.Ş.

The consolidated financial statements and the explanatory footnotes and disclosures, unless otherwise indicated, are prepared in thousands of New Turkish Lira, in accordance with the Communiqué on Banks' Accounting Practice and Maintaining Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, related communiqués and the Banks' records, have been independently audited and presented as attached.

February 13, 2008

Yavuz CANEVİ
President of the Board of
Directors

Patrick René PITTON
Head of Audit Committee

Dr. İsmail YANIK
Vice Chairman of
the Audit Committee

Varol CİVİL
CEO

Aşkın DOLAŞTIR
Assistant General Manager
Responsible of
Financial Reporting

B. İlğaz DOĞAN
Manager Responsible of
Financial Reporting

Information related to responsible personnel for the questions can be raised about financial statements:

Name-Surname / Title: Çiğdem Başaran / Investor Relations Director

Telephone Number : (0212) 251 21 21
Fax Number : (0212) 249 65 68



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I. The Parent Bank's Incorporation Date, Beginning Statute, Changes in the Existing Statute

Türk Ekonomi Bankası Anonim Şirketi ("the Bank"), which had been a local bank incorporated in Kocaeli in 1927 under the name of Kocaeli Halk Bankası T.A.Ş., was acquired by the Çolakoglu Group in 1982. Its name was changed as Türk Ekonomi Bankası A.Ş. and its headquarters moved to Istanbul.

II. Explanations Regarding Parent Bank's Shareholding Structure, Shareholders Holding Directly or Indirectly, Collectively or Individually, the Managing and Controlling Power and Changes in Current Year, if any and Explanations on the Controlling Group of the Parent Bank

As of December 31, 2007 and December 31, 2006 the shareholders' structure and their respective ownerships are summarized as follows:

Name of shareholders	Current Period		Previous Period	
	Paid in capital	%	Paid in capital	%
TEB Mali Yatırımlar A.Ş.	636,119	84.25	64,454	84.25
Publicly Traded	118,018	15.63	11,956	15.63
Other Shareholders	863	0.12	90	0.12
	755,000	100.00	76,500	100.00

As of December 31, 2007 Parent Bank's paid-in-capital consists of 755,000,000 shares of TRY 1.00 nominal each.

At the meeting of the General Assembly on March 27, 2007, after completing all of the legal procedures, it was decided to increase the paid-in capital of the Parent Bank to TRY 100,000 by TRY 23,500 within the registered capital ceiling and decided to incorporate TRY 11,750 of TRY 23,500 increase from the extraordinary reserves, and the remaining TRY 11,750 from the inflation accounting differences on share capital and in exchange distribute the investors as bonus shares as per their proportionate shares, and the process concerning the capital increase has been completed as of June 7, 2007.

At the meeting held on August 28, 2007, the Board of Directors decided to increase the paid-in capital of the Parent Bank to TRY 755,000 by TRY 655,000 within the registered capital ceiling subsequent to the resolution of the ceiling increase at the Extraordinary General Assembly, by injecting TRY 210,000 from the shareholders' in cash and in exchange distribute shares as per their proportionate shareholding, incorporating TRY 240,000 from the inflation accounting differences on share capital and TRY 205,000 from the extraordinary reserves and in exchange distribute bonus shares to the shareholders as per their proportionate shareholding. The Extraordinary General Assembly of the Parent Bank resolved to increase the capital ceiling TRY 100,000 to TRY 900,000 on September 5, 2007. The increase was registered with Istanbul Trade Registry Office on September 6, 2007. The capital increase procedures were completed as of November 21, 2007.

III. Explanations Regarding the Chairman and the Members of Board of Directors, Audit Committee, General Manager and Assistants and Their Shares in the Parent Bank

Title	Name
Chairman of the Board of Directors	: Yavuz Canevi
Members of the Board of Directors	: Dr. Akın Akbaygil (Vice Chairman) (*) Patrick René Pitton (Head of Audit Committee) Dr. İsmail Yanık (Vice Chairman of Audit Committee) Jean-Jacques Marie Santini Metin Toğay Michel Roger Chevalier Refael Taranto Varol Civil (CEO)
Chairman of Inspection Committee	: Hakan Tıraşın
Assistant General Managers (**)	: İzzet Cemal Kışmır Levent Çelebioğlu Nilsen Altıntaş Nuri Tuncalı Saniye Telci Turgut Boz Turgut Güney Ümit Leblebici Ünsal Aysun
Statutory Auditors	: Ayşe Aşardağ Cihat Madanoğlu

(*) Patrick Rene Pitton has joined the Board of Directors as of October 11, 2007. Alain Pierre Andre Bailly resigned as of July 31, 2007.

(**) Emine Sevinç Özşen, Assistant General Manager responsible from financial reporting resigned as of November 21, 2007.

Shares of the Parent Bank owned by the above stated Chairman and Members of Board of Directors, General Manager and Assistants are negligible as per the shareholders register.

IV. Information about the persons and institutions that have qualified shares in the Parent Bank:

Name / Commercial Name	Share Amount	Share Ratio	Paid up Shares	Unpaid Shares
TEB Mali Yatırımlar A.Ş.	636,119	%84,25	636,119	-

The directly or indirectly authorized group that have the qualified shares in the Parent Bank's capital is TEB Mali Yatırımlar A.Ş. 50% of the shares of TEB Mali Yatırımlar A.Ş. is controlled by BNP Paribas.

V. Summary on the Parent Bank's Functions and Areas of Activity

The Parent Bank's operating areas include, retail, commercial and corporate banking, fund management operations and project financing. Besides the ordinary banking operations, the Parent Bank is handling agency functions through its branches on behalf of TEB Sigorta A.Ş. and TEB Yatırım Menkul Değerler A.Ş. As of December 31, 2007 the Parent Bank has 269 local branches and 4 foreign branches (2006 - 169 local branches, 1 foreign branch).

I. CONSOLIDATED BALANCE SHEET - ASSETS

	Note Ref.	Audited Current Period 31.12.2007			Audited Prior Period 31.12.2006		
		TRY	FC	Total	TRY	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	(1)	575,459	1,366,222	1,941,681	251,973	713,513	965,486
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(2)	207,442	37,140	244,582	101,888	11,319	113,207
2.1 Trading financial assets		168,179	31,370	199,549	84,205	6,723	90,928
2.1.1 Public sector debt securities		168,179	30,707	198,886	80,266	522	80,788
2.1.2 Share certificates		-	-	-	-	-	-
2.1.3 Other marketable securities		-	663	663	3,939	6,201	10,140
2.2 Financial assets at fair value through profit and loss		-	-	-	-	-	-
2.2.1 Public sector debt securities		-	-	-	-	-	-
2.2.2 Share certificates		-	-	-	-	-	-
2.2.3 Other marketable securities		-	-	-	-	-	-
2.3 Derivative financial assets held for trading		39,263	5,770	45,033	17,683	4,596	22,279
III. BANKS	(3)	61,976	746,225	808,201	4,428	1,059,737	1,064,165
IV. MONEY MARKET PLACEMENTS		199,585	-	199,585	1,194	-	1,194
4.1 Interbank money market placements		190,083	-	190,083	-	-	-
4.2 Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3 Receivables from reverse repurchase agreements		9,502	-	9,502	1,194	-	1,194
V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	(4)	1,431,817	189,452	1,621,269	1,289,983	265,427	1,555,410
5.1 Share certificates		9	54	63	9	59	68
5.2 Public sector debt securities		1,426,796	187,378	1,614,174	1,289,974	265,368	1,555,342
5.3 Other marketable securities		5,012	2,020	7,032	-	-	-
VI. LOANS	(5)	5,316,319	2,321,366	7,637,685	3,538,736	2,203,525	5,742,261
6.1 Loans		5,268,018	2,321,366	7,589,384	3,524,192	2,203,525	5,727,717
6.1.1 Loans to the Risk Group of the Bank		2,633	22,827	25,460	9,184	5,070	14,254
6.1.2 Other		5,265,385	2,298,539	7,563,924	3,515,008	2,198,455	5,713,463
6.2 Non-performing loans		121,508	-	121,508	44,792	-	44,792
6.3 Specific provisions (-)		(73,207)	-	(73,207)	(30,248)	-	(30,248)
VII. FACTORING RECEIVABLES	(18)	345,762	134,280	480,042	209,281	91,580	300,861
VIII. HELD TO MATURITY INVESTMENTS (Net)	(6)	1,626	6,114	7,740	1,655	9,402	11,057
8.1 Public sector debt securities		1,626	6,114	7,740	1,655	9,402	11,057
8.2 Other marketable securities		-	-	-	-	-	-
IX. INVESTMENTS IN ASSOCIATES (Net)	(7)	12	-	12	12	-	12
9.1 Accounted for under equity method		-	-	-	-	-	-
9.2 Unconsolidated associates		12	-	12	12	-	12
9.2.1 Financial investments		12	-	12	12	-	12
9.2.2 Non-financial investments		-	-	-	-	-	-
X. INVESTMENTS IN SUBSIDIARIES (Net)	(8)	-	-	-	-	-	-
10.1 Unconsolidated financial subsidiaries		-	-	-	-	-	-
10.2 Unconsolidated non-financial subsidiaries		-	-	-	-	-	-
XI. ENTITIES UNDER COMMON CONTROL (Net)	(9)	-	-	-	-	-	-
11.1 Consolidated under equity method		-	-	-	-	-	-
11.2 Unconsolidated		-	-	-	-	-	-
11.2.1 Financial subsidiaries		-	-	-	-	-	-
11.2.2 Non-financial subsidiaries		-	-	-	-	-	-
XII. LEASE RECEIVABLES (Net)	(10)	81,006	327,739	408,745	51,216	276,466	327,682
12.1 Finance lease receivables		103,230	371,699	474,929	63,703	310,822	374,525
12.2 Operating lease receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned income (-)		(22,224)	(43,960)	(66,184)	(12,487)	(34,356)	(46,843)

	Note Ref.	Audited Current Period 31.12.2007			Audited Prior Period 31.12.2006		
		TRY	FC	Total	TRY	FC	Total
XIII. DERIVATIVE FINANCIAL ASSETS FOR HEDGING PURPOSES	(11)	-	-	-	-	-	-
13.1 Fair value hedge		-	-	-	-	-	-
13.2 Cash flow hedge		-	-	-	-	-	-
13.3 Hedge of net investment risks in foreign operations		-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)	(12)	122,775	6,601	129,376	57,335	7,363	64,698
XV. INTANGIBLE ASSETS (Net)	(13)	69,585	167	69,752	41,351	183	41,534
15.1 Goodwill		1,205	-	1,205	1,205	-	1,205
15.2 Other		68,380	167	68,547	40,146	183	40,329
XVI. INVESTMENT PROPERTY (Net)	(14)	-	-	-	-	-	-
XVII. TAX ASSET	(15)	46,272	-	46,272	14,506	200	14,706
16.1 Current tax asset		-	-	-	-	200	200
16.2 Deferred tax asset		46,272	-	46,272	14,506	-	14,506
XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(16)	-	-	-	-	-	-
18.1 Held for sale		-	-	-	-	-	-
18.2 Discontinued operations		-	-	-	-	-	-
XIX. OTHER ASSETS	(17)	315,262	42,184	357,446	55,993	28,035	84,028
TOTAL ASSETS		8,774,898	5,177,490	13,952,388	5,619,551	4,666,750	10,286,301

The accompanying notes are an integral part of these financial statements.

I. CONSOLIDATED BALANCE SHEET - LIABILITIES AND EQUITY

	Note Ref.	Audited Current Period 31.12.2007			Audited Prior Period 31.12.2006		
		TRY	FC	Total	TRY	FC	Total
I. DEPOSITS	(1)	3,702,201	4,481,979	8,184,180	2,489,200	4,236,505	6,725,705
1.1 Deposits from the Risk Group of the Bank		66,144	1,205,284	1,271,428	18,322	1,176,352	1,194,674
1.2 Other		3,636,057	3,276,695	6,912,752	2,470,878	3,060,153	5,531,031
II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	256,801	5,714	262,515	67,380	1,738	69,118
III. FUNDS BORROWED	(3)	751,206	1,619,798	2,371,004	387,291	1,009,132	1,396,423
IV. MONEY MARKET BALANCES		916,914	5,005	921,919	794,689	-	794,689
4.1 Interbank money market takings		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market takings		12,583	-	12,583	23,685	-	23,685
4.3 Funds provided under repurchase agreements		904,331	5,005	909,336	771,004	-	771,004
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. SUNDRY CREDITORS		175,148	26,963	202,111	74,038	60,275	134,313
VIII. OTHER LIABILITIES	(4)	340,171	742	340,913	39,301	2,365	41,666
IX. FACTORING PAYABLES		111,850	57,755	169,605	67,213	43,859	111,072
X. FINANCE LEASE PAYABLES (Net)	(5)	-	-	-	-	-	-
10.1 Finance lease payables		-	-	-	-	-	-
10.2 Operating lease payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred finance lease expenses (-)		-	-	-	-	-	-
XI. DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES	(6)	-	-	-	-	-	-
11.1 Fair value hedge		-	-	-	-	-	-
11.2 Cash flow hedge		-	-	-	-	-	-
11.3 Hedge of net investment in foreign operations		-	-	-	-	-	-
XII. PROVISIONS	(7)	70,966	13,553	84,519	41,136	12,362	53,498
12.1 General loan loss provisions		43,074	13,553	56,627	22,616	12,362	34,978
12.2 Restructuring provisions		-	-	-	-	-	-
12.3 Reserve for employee benefits		11,187	-	11,187	7,516	-	7,516
12.4 Insurance technical reserves (Net)		-	-	-	-	-	-
12.5 Other provisions		16,705	-	16,705	11,004	-	11,004
XIII. TAX LIABILITY	(8)	45,980	653	46,633	43,617	-	43,617
13.1 Current tax liability		45,968	653	46,621	43,617	-	43,617
13.2 Deferred tax liability		12	-	12	-	-	-
XIV. PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	(9)	-	-	-	-	-	-
14.1 Held for sale		-	-	-	-	-	-
14.2 Discontinued operations		-	-	-	-	-	-
XV. SUBORDINATED LOANS	(10)	-	387,880	387,880	-	299,912	299,912
XVI. SHAREHOLDERS' EQUITY	(11)	911,589	69,520	981,109	553,204	63,084	616,288
16.1 Paid-in capital		755,000	-	755,000	76,500	-	76,500
16.2 Supplementary capital		4,585	545	5,130	241,993	2,220	244,213
16.2.1 Share premium		1,805	-	1,805	1,661	-	1,661
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Marketable securities value increase fund		1,854	545	2,399	(12,344)	2,220	(10,124)

	Note Ref.	Audited Current Period 31.12.2007			Audited Prior Period 31.12.2006		
		TRY	FC	Total	TRY	FC	Total
16.2.4 Tangible assets revaluation differences		-	-	-	-	-	-
16.2.5 Intangible assets revaluation differences		-	-	-	-	-	-
16.2.6 Investment property revaluation differences		-	-	-	-	-	-
16.2.7 Bonus shares obtained from associates, subsidiaries and jointly controlled entities (joint vent.)		-	-	-	-	-	-
16.2.8 Hedging funds (Effective portion)		-	-	-	-	-	-
16.2.9 Accumulated valuation differences from assets held for sale and discontinued operations		-	-	-	-	-	-
16.2.10 Other capital reserves		926	-	926	252,676	-	252,676
16.3 Profit reserves		18,411	55,498	73,909	121,098	51,156	172,254
16.3.1 Legal reserves		36,423	-	36,423	28,756	-	28,756
16.3.2 Status reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		5,070	56,035	61,105	111,333	50,868	162,201
16.3.4 Other profit reserves		(23,082)	(537)	(23,619)	(18,991)	288	(18,703)
16.4 Profit or loss		133,593	13,477	147,070	113,613	9,708	123,321
16.4.1 Prior years' income/ (losses)		-	-	-	-	-	-
16.4.2 Current year income/ (loss)		133,593	13,477	147,070	113,613	9,708	123,321
16.5 Minority shares	(12)	-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY		7,282,826	6,669,562	13,952,388	4,557,069	5,729,232	10,286,301

The accompanying notes are an integral part of these financial statements.

II. CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET CONTINGENCIES AND COMMITMENTS

	Note Ref.	Audited Current Period 31.12.2007			Audited Prior Period 31.12.2006		
		TRY	FC	TOTAL	TRY	FC	TOTAL
A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)		7,143,664	5,573,805	12,717,469	2,879,707	4,329,843	7,209,550
I. GUARANTEES	(1), (3)	1,328,524	1,970,853	3,299,377	941,311	1,993,013	2,934,324
1.1. Letters of guarantee		1,248,728	930,186	2,178,914	894,223	873,447	1,767,670
1.1.1. Guarantees subject to State Tender Law		52,073	151,982	204,055	43,310	139,001	182,311
1.1.2. Guarantees given for foreign trade operations		134,331	30,671	165,002	134,124	52,513	186,637
1.1.3. Other letters of guarantee		1,062,324	747,533	1,809,857	716,789	681,933	1,398,722
1.2. Bank loans		-	64,002	64,002	-	50,146	50,146
1.2.1. Import letter of acceptance		-	60,117	60,117	-	50,146	50,146
1.2.2. Other bank acceptances		-	3,885	3,885	-	-	-
1.3. Letters of credit		156	856,225	856,381	88	911,619	911,707
1.3.1. Documentary letters of credit		156	759,493	759,649	88	827,300	827,388
1.3.2. Other letters of credit		-	96,732	96,732	-	84,319	84,319
1.4. Prefinancing given as guarantee		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2. Other endorsements		-	-	-	-	-	-
1.6. Securities issue purchase guarantees		-	-	-	-	-	-
1.7. Factoring guarantees		-	-	-	-	-	-
1.8. Other guarantees		74,968	72,696	147,664	44,489	87,852	132,341
1.9. Other collaterals		4,672	47,744	52,416	2,511	69,949	72,460
II. COMMITMENTS	(1), (3)	3,427,065	483,228	3,910,293	710,473	167,993	878,466
2.1. Irrevocable commitments		1,597,724	474,461	2,072,185	710,473	156,062	866,535
2.1.1. Forward asset purchase commitments		127,401	473,622	601,023	-	155,207	155,207
2.1.2. Forward deposit purchase and sales commitments		-	-	-	4,000	-	4,000
2.1.3. Share capital commitment to associates and subsidiaries		-	-	-	-	-	-
2.1.4. Loan granting commitments		178,808	-	178,808	170,914	-	170,914
2.1.5. Securities underwriting commitments		-	-	-	-	-	-
2.1.6. Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7. Payment commitment for checks		456,009	-	456,009	259,573	-	259,573
2.1.8. Tax and fund liabilities from export commitments		10,887	-	10,887	10,094	-	10,094
2.1.9. Commitments for credit card expenditure limits		821,870	839	822,709	259,759	855	260,614
2.1.10. Commitments for promotions related with credit cards and banking activities		2,525	-	2,525	4,112	-	4,112
2.1.11. Receivables from short sale commitments		-	-	-	-	-	-
2.1.12. Payables for short sale commitments		-	-	-	-	-	-
2.1.13. Other irrevocable commitments		224	-	224	2,021	-	2,021
2.2. Revocable commitments		1,829,341	8,767	1,838,108	-	11,931	11,931
2.2.1. Revocable loan granting commitments		-	-	-	-	-	-
2.2.2. Other revocable commitments		1,829,341	8,767	1,838,108	-	11,931	11,931
III. DERIVATIVE FINANCIAL INSTRUMENTS	(2)	2,388,075	3,119,724	5,507,799	1,227,923	2,168,837	3,396,760
3.1. Derivative financial instruments for hedging purposes		-	-	-	-	-	-
3.1.1. Fair value hedge		-	-	-	-	-	-
3.1.2. Cash flow hedge		-	-	-	-	-	-
3.1.3. Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2. Held for trading transactions		2,388,075	3,119,724	5,507,799	1,227,923	2,168,837	3,396,760
3.2.1. Forward foreign currency buy/sell transactions		845,781	1,177,620	2,023,401	282,584	501,086	783,670
3.2.1.1. Forward foreign currency transactions-buy		389,552	624,658	1,014,210	185,026	208,155	393,181
3.2.1.2. Forward foreign currency transactions-sell		456,229	552,962	1,009,191	97,558	292,931	390,489

		Audited Current Period 31.12.2007			Audited Prior Period 31.12.2006		
	Note Ref.	TRY	FC	TOTAL	TRY	FC	TOTAL
3.2.2 Swap transactions related to f.c. and interest rates		1,115,524	1,194,396	2,309,920	737,689	895,815	1,633,504
3.2.2.1 Foreign currency swap-buy		45,387	1,007,144	1,052,531	21,826	767,077	788,903
3.2.2.2 Foreign currency swap-sell		1,061,169	181,538	1,242,707	703,630	124,052	827,682
3.2.2.3 Interest rate swaps-buy		5,338	2,874	8,212	7,488	2,716	10,204
3.2.2.4 Interest rate swaps-sell		3,630	2,840	6,470	4,745	1,970	6,715
3.2.3 Foreign currency, interest rate and securities options		426,713	384,614	811,327	207,650	520,541	728,191
3.2.3.1 Foreign currency options-buy		212,950	189,025	401,975	106,152	258,161	364,313
3.2.3.2 Foreign currency options-sell		205,775	195,589	401,364	101,498	262,380	363,878
3.2.3.3 Interest rate options-buy		-	-	-	-	-	-
3.2.3.4 Interest rate options-sell		-	-	-	-	-	-
3.2.3.5 Securities options-buy		3,994	-	3,994	-	-	-
3.2.3.6 Securities options-sell		3,994	-	3,994	-	-	-
3.2.4 Foreign currency futures		57	144,611	144,668	-	53,299	53,299
3.2.4.1 Foreign currency futures-buy		2	144,609	144,611	-	53,299	53,299
3.2.4.2 Foreign currency futures-sell		55	2	57	-	-	-
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		-	218,483	218,483	-	198,096	198,096
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		40,504,173	5,657,567	46,161,740	26,069,562	1,955,231	28,024,793
IV. ITEMS HELD IN CUSTODY		30,169,884	588,150	30,758,034	22,970,831	638,470	23,609,301
4.1. Assets under management		269,227	-	269,227	204,851	-	204,851
4.2. Investment securities held in custody		26,482,639	137,745	26,620,384	20,092,784	194,716	20,287,500
4.3. Checks received for collection		2,981,304	250,953	3,232,257	2,362,043	227,038	2,589,081
4.4. Commercial notes received for collection		436,615	146,582	583,197	311,042	146,164	457,206
4.5. Other assets received for collection		-	52,870	52,870	-	70,552	70,552
4.6. Assets received for public offering		-	-	-	-	-	-
4.7. Other items under custody		99	-	99	111	-	111
4.8. Custodians		-	-	-	-	-	-
V. PLEDGED ITEMS		10,332,796	5,068,697	15,401,493	3,098,639	1,315,948	4,414,587
5.1. Marketable securities		151,726	11,211	162,937	249,914	80,605	330,519
5.2. Guarantee notes		5,208,626	3,743,050	8,951,676	3,699	2,297	5,996
5.3. Commodity		7,781	68,835	76,616	-	111,588	111,588
5.4. Warranty		-	-	-	-	-	-
5.5. Properties		3,881,832	852,104	4,733,936	2,070,546	744,792	2,815,338
5.6. Other pledged items		1,082,831	393,497	1,476,328	774,480	376,666	1,151,146
5.7. Pledged items-depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		1,493	720	2,213	92	813	905
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		47,647,837	11,231,372	58,879,209	28,949,269	6,285,074	35,234,343

The accompanying notes are an integral part of these financial statements.

III. CONSOLIDATED STATEMENT OF INCOME

		Audited Current Period 31.12.2007	Audited Prior Period 31.12.2006
	Note Ref	Total	Total
I. INTEREST INCOME	(1)	1,644,180	981,022
1.1 Interest on loans		1,127,162	633,287
1.2 Interest received from reserve deposits		36,976	20,127
1.3 Interest received from banks		72,932	68,428
1.4 Interest received from money market placements		44,109	28,717
1.5 Interest received from marketable securities portfolio		273,660	168,586
1.5.1 Held-for-trading financial assets		23,517	9,718
1.5.2 Financial assets at fair value through profit and loss		219	-
1.5.3 Available-for-sale financial assets		249,165	157,698
1.5.4 Investments held-to-maturity		759	1,170
1.6 Finance lease Income		38,358	31,638
1.7 Other interest income		50,983	30,239
II. INTEREST EXPENSE	(2)	1,022,803	613,943
2.1 Interest on deposits		700,005	413,826
2.2 Interest on funds borrowed		220,510	114,725
2.3 Interest on money market borrowings		102,196	85,144
2.4 Interest on securities issued		-	-
2.5 Other interest expense		92	248
III. NET INTEREST INCOME (I - II)		621,377	367,079
IV. NET FEES AND COMMISSIONS INCOME		144,966	92,616
4.1 Fees and commissions received		203,186	116,845
4.1.1 Non-cash loans		36,925	28,992
4.1.2 Other		166,261	87,853
4.2 Fees and commissions paid		58,220	24,229
4.2.1 Non-cash loans		233	76
4.2.2 Other		57,987	24,153
V. DIVIDEND INCOME	(3)	7	4
VI. NET TRADING INCOME	(4)	(21,015)	38,252
6.1 Securities trading gains/ (losses)		(142,630)	25,336
6.2 Foreign exchange gains/ (losses)		121,615	12,916
VII. OTHER OPERATING INCOME	(5)	35,095	23,225
VIII. NET OPERATING INCOME (III+IV+V+VI+VII)		780,430	521,176
IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(6)	71,818	34,962
X. OTHER OPERATING EXPENSES (-)	(7)	515,518	325,055
XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)		193,094	161,159
XII. AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-
XIII. GAIN / (LOSS) ON EQUITY METHOD		-	-
XIV. GAIN / (LOSS) ON NET MONETARY POSITION		-	-
XV. PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)	(8)	193,094	161,159
XVI. TAX PROVISION FOR CONTINUED OPERATIONS (±)	(9)	(46,024)	(37,838)
16.1 Provision for current income taxes		(80,915)	(35,659)
16.2 Provision for deferred taxes		34,891	(2,179)
XVII. NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)		147,070	123,321
XVIII. INCOME ON DISCONTINUED OPERATIONS		-	-
18.1 Income on assets held for sale		-	-
18.2 Income on sale of associates, subsidiaries and jointly controlled entities (Joint vent.)		-	-
18.3 Income on other discontinued operations		-	-

		Audited Current Period 31.12.2007	Audited Prior Period 31.12.2006
	Note Ref	Total	Total
XIX. LOSS FROM DISCONTINUED OPERATIONS (-)		-	-
19.1 Loss from assets held for sale		-	-
19.2 Loss on sale of associates, subsidiaries and jointly controlled entities (Joint vent.)		-	-
19.3 Loss from other discontinued operations		-	-
XX. PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)	(8)	-	-
XXI. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	(9)	-	-
21.1 Provision for current income taxes		-	-
21.2 Provision for deferred taxes		-	-
XXII. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)	(10)	-	-
XXIII. NET PROFIT/LOSS (XVII+XXII)	(11)	147,070	123,321
23.1 Group's profit/loss		147,070	123,321
23.2 Minority shares		-	-
Earnings per share		0.2535	0.2267

The accompanying notes are an integral part of these financial statements.

IV. CONSOLIDATED STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY

	Audited Current Period 01.01-31.12.2007	Audited Prior Period 01.01-31.12.2006
I. Additions to marketable securities revaluation differences for available for sale financial assets	20,723	(24,421)
II. Tangible assets revaluation differences	-	-
III. Intangible assets revaluation differences	-	-
IV. Foreign exchange differences for foreign currency transactions	-	-
V. Profit/Loss from derivative financial instruments for cash flow hedge purposes (Effective portion of fair value differences)	-	-
VI. Profit/Loss from derivative financial instruments for hedge of net investment in foreign operations (Effective portion of fair value differences)	-	-
VII. The effect of corrections of errors and changes in accounting policies	-	-
VIII. Other profit loss items accounted under equity due to TAS	-	-
IX. Deferred tax of valuation differences	(3,137)	6,593
X. Total Net Profit/Loss accounted under equity (I+II+...+IX)	17,586	(17,828)
XI. Profit/Loss	(5,063)	(1,650)
1.1 Change in fair value of marketable securities (Transfer to Profit/Loss)	(5,063)	(1,650)
1.2 Reclassification and transfer of derivatives accounted for cash flow hedge purposes to Income Statement	-	-
1.3 Transfer of hedge of net investments in foreign operations to Income Statement	-	-
1.4 Other	-	-
XII. Total Profit/Loss accounted for the Period (X±XI)	12,523	(19,478)

The Group has ceased the hedge of the net investment risk of its subsidiary The Economy Bank NV (“TEB NV”), operating in Netherlands with capital of EUR 30 million, as of October 31, 2007. The valuation differences of the net investment amounting to TRY 4,770 (2006- TRY 7,919) and the valuation differences in the hedging instrument amounting to TRY 4,770 (2006- TRY 7,919) until October 31, 2007 have been accounted for under “Other Reserves”.

The accompanying notes are an integral part of these financial statements.

V. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Audited	Paid-in Capital	Effect of inflation on Accounting on Capital and Other Capital Reserves	Share cancellation premium	Share cancellation profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/ (Loss)	Prior Period Net Income/ (Loss)	Marketable Securities Increase/ Value Increase Fund	Tangible and Intangible Assets Revaluation Differences	Bonus shares obtained from Associates	Hedging Funds	Acc. valuation diff. from assets held for sale and from disc. op.	Total Equity Before Minority Shares	Minority Shares	Total Equity
Prior Period - 01.01.-31.12.2006																		
I Beginning Balance - 31.12.2005	57,800	252,676	69	-	19,955	-	80,537	26,511	-	109,207	9,354	-	-	-	-	503,087	-	503,087
II Corrections according to TAS 8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 The effect of corrections of errors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 The effects of changes in accounting policy:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III New Balance (I+II)	57,800	252,676	69	-	19,955	-	80,537	26,511	-	109,207	9,354	-	-	-	-	503,087	-	503,087
IV Increase/Decrease related to merger	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V Marketable securities valuation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI Hedging Funds (Effective Portion)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1 Cash-flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2 Hedge of net investment in foreign operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII Tangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII Intangible assets revaluation differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX Bonus shares obtained from associates, subsidiaries and jointly controlled entities (joint vent.)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X Foreign exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI The disposal of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII The reclassification of assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII The effect of change in associate's equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV Capital increase	18,700	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18,700	-	18,700
14.1 Cash	18,700	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18,700	-	18,700
14.2 Internal sources	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV Share Premium	-	-	1,592	-	-	-	-	-	-	-	-	-	-	-	-	1,592	-	1,592
XVI Share cancellation profits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII Inflation adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII Other	-	-	-	-	-	-	-	7,808	123,321	-	-	-	-	-	-	7,808	-	7,808
XX Period net income/(loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	123,321	-	123,321
XX Profit distribution	-	-	-	-	8,801	-	81,664	-	-	(109,207)	-	-	-	-	-	123,321	-	123,321
20.1 Dividends distributed	-	-	-	-	-	-	-	-	-	(18,742)	-	-	-	-	-	(18,742)	-	(18,742)
20.2 Transfers to reserves	-	-	-	-	8,801	-	75,265	-	-	(84,066)	-	-	-	-	-	(18,742)	-	(18,742)
20.3 Other	-	-	-	-	-	-	6,399	-	-	(6,399)	-	-	-	-	-	-	-	-
Closing Balance 31.12.2006	76,500	252,676	1,661	-	28,756	-	162,201	(18,703)	123,321	-	(10,124)	-	-	-	-	616,288	-	616,288
(III+IV+V+VI+VII+VIII+IX+X+XI+XII+XIII+XIV+XV+XVI+XVII+XVIII+XIX+XX)																		

The accompanying notes are an integral part of these financial statements.

V. CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Audited		Effect of inflation	Share	Share cancellation	Share cancellation premium	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income / (Loss)	Prior Period Net Income / (Loss)	Marketable Securities Increase / Value	Tangible and Intangible Assets Revaluation Differences	Bonus shares obtained from Associates	Acc valuation diff. from assets held for sale and from disc. op.	Total Equity	Minority Shares	Total Equity
Paid-in Capital	Capital Reserves	Accounting on Capital	Share cancellation premium	Share cancellation profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income / (Loss)	Prior Period Net Income / (Loss)	Marketable Securities Increase / Value	Tangible and Intangible Assets Revaluation Differences	Bonus shares obtained from Associates	Acc valuation diff. from assets held for sale and from disc. op.	Total Equity	Minority Shares	Total Equity	
I	76,500	252,676	1,661	-	28,756	-	162,201	(18,703)	-	123,321	(101,124)	-	-	-	-	616,288	-	616,288
II.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV.	-	-	-	-	-	-	-	-	-	-	12,523	-	-	-	-	12,523	-	12,523
4.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	406,750	-	-	-	-	-	(216,750)	-	-	-	-	-	-	-	-	210,000	-	210,000
12.1	210,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	210,000	-	210,000
12.2	216,750	-	-	-	-	-	(216,750)	-	-	-	-	-	-	-	-	-	-	-
XIII.	-	-	144	-	-	-	-	-	-	-	-	-	-	-	-	144	-	144
XIV.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	251,750	(251,750)	-	-	-	-	-	-	(4,916)	147,070	(123,321)	-	-	-	-	(4,916)	-	(4,916)
XVI.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.1.	-	-	-	-	7,667	-	115,654	-	-	-	-	-	-	-	-	-	-	-
18.2.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.3.	-	-	-	-	7,667	-	115,654	-	-	-	(123,321)	-	-	-	-	-	-	-
					-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance 31.12.2007 (I+II+III+IV+V+VI+VII+VIII+IX+X+XI+XII+XIII+XIV+XV+XVI+XVII+XVIII+18.1+18.2+18.3)		926	1,805	-	36,423	-	61,105	(23,619)	147,070	-	2,399	-	-	-	-	981,109	-	981,109

The accompanying notes are an integral part of these financial statements.

VI. CONSOLIDATED STATEMENT OF CASH FLOW

		Audited Current Period 01.01-31.12.2007	Audited Prior Period 01.01-31.12.2006
	Note Ref	Total	Total
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		575,852	63,801
1.1.1 Interest received		1,580,817	877,014
1.1.2 Interest paid		(803,331)	(604,502)
1.1.3 Dividend received		7	4
1.1.4 Fees and commissions received		203,186	135,317
1.1.5 Other income		156,709	106,504
1.1.6 Collections from previously written off loans		41,790	3,665
1.1.7 Payments to personnel and service suppliers		(276,877)	(175,871)
1.1.8 Taxes paid		(68,796)	(12,219)
1.1.9 Others	(1)	(257,653)	(266,111)
1.2 Changes in operating assets and liabilities		440,343	442,873
1.2.1 Net (increase) decrease in financial assets held for trading		(108,604)	44,549
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss		-	-
1.2.3 Net (increase) decrease in due from banks and other financial institutions		(3,767)	70,938
1.2.4 Net (increase) decrease in loans		(1,905,943)	(2,236,100)
1.2.5 Net (increase) decrease in other assets		(588,161)	(327,257)
1.2.6 Net increase (decrease) in bank deposits		496,640	58,743
1.2.7 Net increase (decrease) in other deposits		1,081,783	2,367,576
1.2.8 Net increase (decrease) in funds borrowed		965,246	386,458
1.2.9 Net increase (decrease) in matured payables		-	2,536
1.2.10 Net increase (decrease) in other liabilities	(1)	503,149	75,430
I Net cash provided from banking operations		1,016,195	506,674
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II Net cash provided from investing activities		(141,066)	(469,557)
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries (Joint Vent.)		-	-
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries (Joint Vent.)		-	1,535
2.3 Fixed assets purchases		(46,784)	(48,071)
2.4 Fixed assets sales		739	36
2.5 Cash paid for purchase of financial assets available for sale		(872,532)	(1,549,407)
2.6 Cash obtained from sale of financial assets available for sale		817,872	1,126,250
2.7 Cash paid for purchase of investment securities		-	-
2.8 Cash obtained from sale of investment securities		2,484	754
2.9 Others	(1)	(42,845)	(654)
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III Net cash provided from financing activities		294,059	219,530
3.1 Cash obtained from funds borrowed and securities issued		83,915	210,172
3.2 Cash used for repayment of funds borrowed and securities issued		-	-
3.3 Capital increase		210,000	18,700
3.4 Dividends paid		-	(18,742)
3.5 Payments for finance leases		-	-
3.6 Other	(1)	144	9,400
IV Effect of change in foreign exchange rate on cash and cash equivalents	(1)	(319,341)	67,465
V Net increase / (decrease) in cash and cash equivalents		849,847	324,112
VI Cash and cash equivalents at beginning of the period		1,745,220	1,421,108
VII Cash and cash equivalents at end of the period		2,595,067	1,745,220

The accompanying notes are an integral part of these financial statements.

VII. CONSOLIDATED PROFIT DISTRIBUTION TABLE

		Audited Current Period 31.12.2007	Audited Prior Period 31.12.2006
		Total	Total
I. DISTRIBUTION OF CURRENT YEAR INCOME			
1.1	CURRENT YEAR INCOME	-	-
1.2	TAXES AND DUTIES PAYABLE (-)	-	-
1.2.1	Corporate tax (Income tax)	-	-
1.2.2	Income withholding tax	-	-
1.2.3	Other taxes and duties	-	-
A.	NET INCOME FOR THE YEAR (1.1-1.2)		
1.3	PRIOR YEARS' LOSSES (-)	-	-
1.4	FIRST LEGAL RESERVES (-)	-	-
1.5	OTHER STATUTORY RESERVES (-)	-	-
B.	NET INCOME AVAILABLE FOR DISTRIBUTION [(A-(1.3+1.4+1.5))]		
1.6	FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1	To owners of ordinary shares	-	-
1.6.2	To owners of preferred shares	-	-
1.6.3	To owners of preferred shares (preemptive rights)	-	-
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 preferred shares	-	-
1.9.3	To owners of preferred shares (preemptive rights)	-	-
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	-	-
1.13	OTHER RESERVES	-	-
1.14	SPECIAL FUNDS	-	-
II. DISTRIBUTION OF RESERVES			
2.1	DISTRIBUTED 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 preferred shares	-	-
2.3.3	To owners of preferred shares (preemptive rights)	-	-
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	-	-
3.2	TO OWNERS OF ORDINARY SHARES (%)	-	-
3.3	TO OWNERS OF PREFERRED SHARES	-	-
3.4	TO OWNERS OF PREFERRED SHARES (%)	-	-
IV. DIVIDEND PER SHARE			
4.1	TO OWNERS OF ORDINARY SHARES	-	-
4.2	TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3	TO OWNERS OF PREFERRED SHARES	-	-
4.4	TO OWNERS OF PREFERRED SHARES (%)	-	-

(*) Based on the local regulations, no profit is distributed from the consolidated income.

The accompanying notes are an integral part of these financial statements.

I. Basis of Presentation

Parent Bank prepares its financial statements and notes according to Communique on Banks' Accounting Practice and Maintaining Documents, Turkish Accounting Standards (TAS), Turkish Financial Reporting Standards (TFRS), other communiques, pronouncements and explanations about accounting and financial reporting issued by Banking Regulation and Supervision Agency (BRSA), Turkish Commercial Code and Tax Legislation.

Accounting Policies Used

The prior period financial statements are prepared in line with the principles of TAS No:1 "Fundamentals of Preparing and Presenting Financial Statements" published in the Official Gazette on January 16, 2005 with No: 25702, and in accordance with Turkish Accounting Standards and Turkish Financial Reporting Standards; and other principles, methods and explanations about accounting and financial reporting issued by the BRSA. In addition to this, certain classifications have been made to the prior year financial statements to comply with the current year presentation.

II. Explanations on Usage Strategy of Financial Assets and Foreign Currency Transactions

The Group aims to develop and promote products for the financial needs of each customer such as SMEs, multinational companies and even small individual investors in line with Banking Legislation. The primary objective of the Parent Bank is to increase profitability with optimum liquidity and low risk while fulfilling customer needs. Thus, the Parent Bank uses 43 % on average of its resources on liquid assets, while the Parent Bank also aims for the highest yield possible with effective maturity management.

The Group aims at creating an optimum maturity risk and working with a positive margin between cost of resource and product yield in the process of asset and liability management.

As a component of risk management strategy of the Group, the management of risk the Parent Bank's bearing short term positions of currency, interest or price movements is performed only by the Treasury Asset-Liability department using the limits defined by the Board of Directors. The Asset-Liability Committee of the Parent Bank manages the maturity mismatches while deciding the short, medium and long term strategies as well as adopting the principle of positive balance sheet margin as a pricing policy.

The Board of Directors of the Parent Bank allows a purchase risk in treasury operations and different limits are defined by the Board for every product.

The Parent Bank's hedging activities from the currency risk due to foreign currency available-for-sale equity instruments are explained under the Currency Risk header; and the Parent Bank's hedging activities from interest rate risk arising from fixed interest rate deposits and floating interest rate borrowings are explained in detail under Interest Rate Risk header.

The Parent Bank's Asset-Liability Committee approves the trading of various derivative instruments such as currency swaps, forwards and similar derivatives to hedge interest and currency exchange risks in line with its balance sheet structure.

III. Information about the Consolidated Parent Bank and its Subsidiaries

Türk Ekonomi Bankası Anonim Şirketi and its financial institutions, The Economy Bank N.V. (Economy Bank), Stichting Custody Services TEB (Stichting), Kronenburg Vastgoed B.V. (Kronenburg), TEB Finansal Kiralama A.Ş. (TEB Leasing), TEB Factoring A.Ş. (TEB Factoring), TEB Yatırım Menkul Değerler A.Ş. (TEB Yatırım) and TEB Portföy Yönetimi A.Ş. (TEB Portföy) are included in the accompanying consolidated financial statements by line by line consolidation method. The accompanying consolidated financial statements are prepared in accordance with “Communiqué on Preparation of Consolidated Financial Statements of Banks” published in the Official Gazette dated November 8, 2006 numbered 26340. The Parent Bank and the entities included in the consolidation are referred to as “the Group” in this report.

The financial statements of the subsidiaries, which were prepared in accordance with the prevailing principles and rules regarding financial accounting and reporting standards in their respective country of incorporation and the Turkish Commercial Code and/or Financial Leasing Law and/or communiqués of the Capital Market Board, are duly adjusted in order to present their financial statements in accordance with TAS and TFRS.

Explanations on Consolidation Method and Scope

The commercial names of the entities included in consolidation and the locations of the head offices of these institutions:

Commercial Name	Head Office
Economy Bank	Netherlands
Stitching	Netherlands
Kronenburg	Netherlands
TEB Leasing	Turkey
TEB Factoring	Turkey
TEB Yatırım	Turkey
TEB Portföy	Turkey

Line by line consolidation method is used for all the financial institutions included in the consolidation.

When there are differences between the accounting policies of the subsidiaries and the Parent Bank, the financial statements are adjusted in accordance with the principle of materiality. The financial statements of the subsidiaries are prepared as of December 31, 2007 and December 31, 2006.

The transactions and balances between the consolidated entities belonging to the financial group and the Parent Bank are eliminated.

Explanations on Foreign Currency Transactions

Gains or losses arising from foreign currency transactions are reflected to the income statement as they are realized

during the year. Foreign currency assets and liabilities at each period-end are translated into Turkish lira at the period-end foreign exchange buying rates announced by the Parent Bank and the resulting foreign exchange gains or losses are recorded in the income statement as foreign exchange gain or loss. The USD exchange rate used for translating foreign currency transactions into New Turkish Lira and reflecting these to consolidated financial statements as of December 31, 2007, is TRY 1.1593, in full TRY (2006 - TRY 1.4056, in full TRY).

There are no capitalized foreign exchange differences.

The information regarding the principles of foreign currency risk management are stated in Section Four, Note V.

There are no debt securities issued. Foreign exchange gains and losses arising from translating monetary financial assets are reflected to "Foreign Exchange Gains / (Losses) in the income statement.

The foreign currency net investment in consolidated foreign subsidiaries are translated into New Turkish Lira using the exchange rate prevailing at the balance sheet date for their assets and liabilities and twelve months average exchange rate for their income statement items. The currency translation loss derived from the consolidated subsidiaries' inflation and devaluation differences amounting to TRY 23,619 (2006 - TRY 18,703 YTL currency translation loss) has been recorded in "Other Profit Reserves" under shareholders' equity.

IV. Explanations on Forward and Option Contracts and Derivative Instruments

Fair values of foreign currency forward and swap transactions are determined by comparing the period end Parent Bank foreign exchange rates with the contractual forward rates discounted to the balance sheet date. The resulting gain or loss is reflected to the current period income statement. Discounted values calculated using the fixed and floating interest rates between the transaction date and repricing date are used in determination of the fair values of interest rate swaps. Fair values of option transactions are determined by comparing the option rates discounted to the balance sheet date with the period end foreign exchange rates of the Parent Bank and the resulting gain or loss is reflected to the income statement of the current period, taking into account the exercisability of the option. Premiums, received and paid for the option transactions, are calculated on an accrual basis using effective interest rate method. The Parent Bank also enters into futures agreements. Futures transactions are valued daily by the primary market prices and related unrealized gains or losses are reflected in the income statement.

V. Interest Income and Expenses

Interest income and expense are recognized in the income statement for all interest bearing instruments whose cash inflows and outflows are known on an accrual basis using the effective interest method. In accordance with the related regulation, realized and unrealized interest accruals of the non-performing loans are reversed and interest income related to these loans are recorded as interest income only when collected.

VI. Fees and Commission Income and Expenses

Fees for various banking services are recorded as income when collected and prepaid commission income on cash and non-cash loans is recorded as income by using effective interest rate in the related period.

Fees and commissions for funds borrowed paid to other financial institutions, as part of the transaction costs, are recorded as prepaid expenses using the effective interest rate in the related period.

The dividend income is reflected to the financial statements when the profit distribution is realized by the associates and subsidiaries.

VII. Explanations and Disclosures on Financial Assets

Financial instruments comprise financial assets, financial liabilities and derivative instruments. Risks related to these activities form a significant part among total risks the Parent Bank undertakes. Financial instruments affect liquidity, market, and credit risks on the Parent Bank's balance sheet in all respects. Parent Bank trades these instruments on behalf of its customers and on its own behalf.

Basically, financial assets create the majority of the commercial activities of the Group. These instruments expose, affect and diminish the liquidity, credit and interest risks in the financial statements.

All regular way purchases and sales of financial assets are recognized on the settlement date i.e. the date that the asset is delivered to or by the Group. Settlement date accounting requires (a) accounting of the asset when acquired by the institution and (b) disposing of the asset out of the balance sheet on the date settled by the institution; and accounting of gain or loss on disposal. In case of application of settlement date accounting, the institution accounts for the changes that occur in the fair value of the asset in the period between commercial transaction date and settlement date as in the assets that the institution settles.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Changes in fair value of assets to be received during the period between the trade date and the settlement date are accounted for in the same way as the acquired assets.

The methods and assumptions used in determining the reasonable estimated values of all of the financial instruments are mentioned below.

Cash, Banks, and Other Financial Institutions

Cash and cash equivalents comprise cash on hand, demand deposits, and highly liquid short-term investments with maturity of 3 months or less following the purchase date, not bearing risk of significant value change, and that are readily convertible to a known amount of cash. The book values of these assets approximate their fair values.

Financial Assets at Fair Value Through Profit and Loss

Trading securities are securities which were either acquired for generating a profit from short-term fluctuations in price or dealer's margin, or are securities included in a portfolio with a pattern of short-term profit taking.

Trading securities are initially recognized at cost. Transaction costs of the related securities are included in the initial cost. The positive difference between the cost and fair value of such securities is accounted for as interest and income accrual, and the negative difference is accounted for as "Impairment Provision on Marketable Securities".

Held to Maturity Investments and Financial Assets Available for Sale

Investments held to maturity include securities with fixed or determinable payments and fixed maturity where there is an intention of holding till maturity and the relevant conditions for fulfillment of such intention, including the funding ability and excluding loans and receivables.

Available for sale financial assets include all securities other than loans and receivables, securities held to maturity and securities held for trading.

The marketable securities are initially recognized at cost including the transaction costs.

After the initial recognition, available for sale securities are measured at fair value and the unrealized gain/loss originating from the difference between the amortized cost and the fair value caused by a change in the fair value is recorded in "Marketable Securities Value Increase Fund" under the equity. Fair values of debt securities that are traded in an active market are determined based on quoted prices or current market prices. In the absence of prices formed in an active market fair values of these securities are determined using the Official Gazette prices or other valuation methods stated in TAS.

After initial recognition, held to maturity investments are measured at amortized cost by using effective interest rate less impairment losses, if any.

The interests received from held to maturity investments are recorded as interest income.

There are no financial assets that have been previously classified as held to maturity investments but cannot be currently classified as held to maturity for two years due to "tainting" rules.

The Group classifies its securities as referred to above at the acquisition date of related assets.

The sale and purchase transactions of the held to maturity investments are recorded on a settlement date basis.

Loans and Provisions for Impairment

Loans are those generated by lending money and exclude those that are held with the intention of trading or selling in the near future.

The Group initially records loans and receivables at cost. In subsequent periods, in accordance with TAS, loans are measured at amortized cost using effective interest rate method.

With the amendment in the Uniform Chart of Accounts as of January 26, 2007, net foreign exchange gain of the foreign currency indexed loans are presented under foreign exchange gains/losses. Statement of income for the year ended December 31, 2006 is reclassified to reflect the effect of this change.

Provision is set for the loans that may be doubtful and the amount is charged in the current period income statement. The provisioning criteria for non-performing loans are determined by the Parent Bank's management for compensating the probable losses of the current loan portfolio, by evaluating the quality of loan portfolio, risk factors and considering the economical conditions, other facts and related regulations.

Specific reserves are provided for Group III, IV and V loans in accordance with the regulation on "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" published in the Official Gazette No. 26333 dated November 1, 2006. These provisions are reflected in the income statement under "Provision and Impairment Expenses - Special Provision Expense". The collections made regarding these loans are first deducted from the principal amount of the loan and the remaining collections are deducted from interest receivables.

The collections made related to loans for which provision is made in the current period are reversed from the "Provision for Loans and Other Receivables" account in the income statement. The collections made related to loans written off or provisioned in prior years are recorded to "Collections Related to the Prior Period Expenses" under "Other Operating Income" account and related interest income is credited to the "Interest Received from Non-performing Loans" account.

Releases of loan loss provisions are credited in the "Provision and Impairment Expenses - Special Provision Expense" account.

In addition to specific loan loss provisions, within the framework of the regulation and principles referred to above; the Parent Bank records general loan loss provisions for loans and other receivables. The Parent Bank calculated the general loan provision as 0.5% for cash loans and other receivables, and 0.1% for non-cash loans until November 1, 2006. Subsequent to the change in the regulation on "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" published in the Official Gazette No. 26333 dated November 1, 2006; Bank started to book general loan loss provision of 1% for cash loans and other receivables; and 0.2% for non-cash loans on the increase in the cash and non-cash loan portfolio as compared to their October 31, 2006 balances whereas allocating 0.5% general loan loss provision for cash loans and other receivables, and 0.1% for non-cash loans for the balances as of October 31, 2006.

VIII. Explanations on Impairment of Financial Assets

At each balance sheet date, the Group evaluates the carrying amounts of its financial asset or a group of financial assets to determine whether there is an objective indication that those assets have suffered an impairment loss. If any such indication exists, the Group determines the related impairment.

A financial asset or a financial asset group incurs impairment loss only if there is an objective indicator related to the occurrence (or nonoccurrence) of one or more than one event (“loss event”) after the first journalization of that asset; and such loss event (or events) causes, an impairment as a result of the effect on the reliable estimate of the expected future cash flows of the related financial asset and asset group. Irrespective of high probability the expected losses caused by the future events are not journalized.

IX. Offsetting of Financial Assets and Liabilities

Financial assets and liabilities are offset when a party has a legally enforceable right to set off, the intention of collecting or paying the net amount of related assets and liabilities or the right to offset the assets and liabilities simultaneously.

X. Explanations on Sales and Repurchase Agreements and Lending of Securities

The sales and purchase of government securities under repurchase agreements made with the customers are being recorded in balance sheet accounts in accordance with the Uniform Chart of Accounts by the Group. Accordingly in the financial statements, the government bonds and treasury bills sold to customers under repurchase agreements are classified under securities held for trading, available for sale and held to maturity depending on the portfolio they are originally included in and are valued according to the valuation principles of the related portfolios. Funds obtained from repurchase agreements are classified as a separate sub-account under money markets borrowings account in the liabilities.

These transactions are short-term and consist of domestic public sector debt securities.

The income and expenses from these transactions are reflected to the “Interest Income on Marketable Securities” and “Interest Expense on Money Market Borrowings” accounts in the income statement.

As of December 31, 2007, the Group has reverse repurchase agreements amounting TRY 9,502 (2006 - TRY 1,194).

As of December 31, 2007, the Group does not have any marketable securities lending transaction (2006 - None).

XI. Explanations on Assets Held for Sale and Discontinued Operations

Assets held for sale are those under a plan prepared by the management regarding the sale of the asset to be disposed (or else the group of assets), together with an active program for determination of buyers as well as for the completion of the plan. Also the asset (or else the group of assets) shall be actively marketed in conformity with its fair value. On the other hand, the sale is expected to be journalized as a completed sale within one year after the classification date; and the necessary transactions and procedures to complete the plan should demonstrate the fact that the possibility of making significant changes or canceling the plan is low.

The Group does not have any assets held for sale.

A discontinued operation is a division of a bank that is either disposed or held for sale. Results of discontinued operations are included in the income statement separately. The Group does not have any discontinued operations.

XII. Explanations on Goodwill and Other Intangible Assets

The positive difference of TRY 1,205 (2006 - TRY 1,205), between the acquisition cost and share in equity of acquired subsidiaries is reflected under the intangible fixed assets as goodwill in the accompanying consolidated financial statements.

Intangible assets are accounted for at restated cost until December 31, 2004 in accordance with inflation accounting and are amortized with straight-line method, after December 31, 2004 the acquisition cost and any other cost incurred so as to prepare the intangible asset ready for use less reserve for impairment, if any, and are amortized on a straight-line method in accordance with inflation accounting. The cost of assets subject to amortisation is restated after deducting the exchange differences, capitalized financial expenses and revaluation increases, if any, from the cost of the assets.

The other intangible assets of the Parent Bank comprise mainly softwares. The requirements of the Turkish Tax Procedural Code are taken into consideration in determining the useful lives and no other specific criteria are used. Useful lives of such assets acquired prior to 2004 are determined as 5 years and for the year 2004 and forthcoming years as 3 years. Softwares used are mainly developed within the Parent Bank by the Parent Bank's personnel and the related expenses are not capitalized. Software is purchased only in emergency cases and for special projects. Leasehold improvements are depreciated over the lease period by straight-line method.

There are no anticipated changes in the accounting estimates about the amortisation rate and method and residual values that would have a significant impact in the current and future periods.

XIII. Explanations on Tangible Fixed Assets

Properties are accounted for at their restated costs until December 31, 2004; afterwards the acquisition cost and any other cost incurred so as to prepare the fixed asset ready for use are reflected, less reserve for impairment, if any. The straight-line method of depreciation is used for buildings and useful life is considered as 50 years.

Other tangible fixed assets are accounted for at their restated costs until December 31, 2004; afterwards December 31, 2004 the acquisition cost and any other cost incurred so as to prepare the fixed asset ready for use are reflected less reserve for impairment, if any, and depreciated on a straight-line method. Depreciation of assets held less than one year as of the balance sheet date is accounted for as a proportion of the estimated yearly depreciation with the period between the balance sheet date and the acquisition date of the asset. The depreciation method has not been changed in the current period. The annual rates used, which approximate rates based on the estimated economic useful lives of the related assets, are as follows:

	%
Buildings	2
Motor vehicles	20
Furniture, fixtures and office equipment and others	3 - 50

Gain or loss resulting from disposals of the tangible fixed assets is reflected to the income statement as the difference between the net proceeds and net book value.

Maintenance costs of tangible fixed assets are capitalized if they extend the economic useful life of the related asset. Other maintenance costs are expensed.

There are no pledges, mortgages or other restrictions on the tangible fixed assets.

There are no purchase commitments related to the tangible fixed assets.

There are no anticipated changes in the accounting estimates, which could have a significant impact in the current and future periods.

Parent Bank employs independent appraisers in determining the current fair values of the real estates at year ends. There is no impairment as of December 31, 2007. (2006 - None)

XIV. Explanations on Leasing Transactions

Tangible fixed assets acquired by financial leases are accounted for in accordance with TAS No:17. In accordance with this standard, the leasing transactions, which consist only foreign currency liabilities, are translated to New Turkish Lira with the exchange rates prevailing at the transaction dates and they are recorded as an asset or a liability. The foreign currency liabilities are translated to New Turkish Lira with the Parent Bank's period end exchange rates. The increases/decreases resulting from the differences in the foreign exchange rates are recorded as expense/income in the relevant period. The financing cost resulting from leasing is distributed through the lease period to form a fixed interest rate.

In addition to the interest expense, depreciation expense is recorded for the depreciable leased assets in each period. The depreciation rate is determined in accordance with TAS No:16 "Accounting Standard for Tangible Fixed Assets" and the depreciation rate used is 20% for the leased assets acquired before July 31, 2003 and 3%-50% for leased assets acquired after July 31, 2003 which is in line with Turkish Tax Legislation.

The gross lease receivables including interest and principal amounts regarding the Group's financial leasing activities conducted by TEB Leasing as "Lessor" are stated under the receivables from the financial leasing activities. The difference between the total of rent payments and the cost of the related fixed assets are reflected to the "unearned income" account. The interest income is calculated and recorded to create a constant rate of return over the lessor's net investment on the leased item.

Operating lease payments are recognized as expense in the income statement on a straight line basis over the lease term.

XV. Explanations on Provisions and Contingent Liabilities

Provisions are recognized when there is a present obligation, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the

obligation. Provisions are determined by using the Group's best expectation of expenses in fulfilling the obligation as of the balance sheet date, and discounted to present value if material.

XVI. Explanations on Liabilities Regarding Employee Benefits

Defined Benefit Plans

In accordance with existing social legislation in Turkey, the Group is required to make lump-sum termination indemnities over a 30 day salary to each employee who has completed over one year of service, whose employment is terminated due to retirement or for reasons other than resignation or misconduct, and due to marriage, female employees terminating their employments within a year as of the date of marriage, or male employees terminating their employments due to their military service. The Group is also required to make a payment for the period of notice calculated over each service year of the employee whose employment is terminated for reasons other than resignation or misconduct. Total benefit is calculated in accordance with TAS No:19 "Turkish Accounting Standard on Employee Benefits".

Such benefit plans are unfunded since there is no funding requirement in Turkey. The cost of providing benefits to the employees for the services rendered by them under the defined benefit plan is determined by independent actuaries annually using the projected unit credit method. All actuarial gains and losses are recognized in the income statement.

In calculating the related liability to be recorded in the financial statements for these defined benefit plans, the Group uses independent actuaries and also makes assumptions and estimation relating to the discount rate to be used, turnover of employees, future change in salaries/limits, etc. These estimations are reviewed annually. The carrying value of employee termination benefit provisions as of December 31, 2007 is TRY 11,187 (2006 - TRY 7,516).

Defined Contribution Plans

For defined contribution plans the Group pays contributions to Social Security Funds on a mandatory basis. In addition to this, the employees of the Group are members of the Foundation of TEB Employees ("TEB'liler Vakfi"). For the employees of the Group that are the members of TEB'liler Vakfi, the Bank does not have any other liability to this foundation other than paying 20% of the first monthly contribution fee of the employee only for one time. Contribution fees are accounted as employee benefits. Based on the resolution passed in the General Assembly of TEB'liler Vakfi dated September 10, 2007, the process to liquidate TEB'liler Vakfi has started. There are no other liabilities related to employee benefits to be provisioned.

XVII. Explanations on Taxation

Corporate Tax

According to the Article 32 of the Corporate Tax Law No. 5520, accepted in the meeting of Grand National Assembly of Turkey (TBMM) on June 13, 2006 and announced in the Official Gazette dated June 21, 2006, the corporate tax rate has been decreased from 30% to 20%, effective from January 1, 2006 as per the Article 37 of the Corporate Tax Law.

The tax legislation, requires advance tax of 20% to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset against the final tax liability for the year.

Tax returns are required to be filed between the first and twentyfifth day of the fourth month following the balance sheet date and paid in one installment until the end of the related month.

Tax provision related with items that are credited or charged directly to equity are charged or credited to equity. As of December 31, 2007 TRY 600 (2006 - TRY 2,531) deferred tax which is related with items recorded in the equity was netted-off under equity in "Marketable Securities Value Increase Fund".

According to the Corporate Tax Law, tax losses can be carried forward for a maximum period of five years following the year in which the losses are incurred. Tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

Deferred Tax Liability / Asset

The Group calculates and reflects deferred tax asset or liability on timing differences which will result in taxable or deductible amounts in determining taxable profit of future periods.

As of December 31, 2007 and December 31, 2006, in accordance with TAS No: 12 "Turkish Accounting Standard on Income Taxes" and the changes in the circular of BRSA numbered BDDK.DZM.2/13/1-a-3 dated December 8, 2004, the Bank calculated deferred tax asset on all deductible temporary differences except for general loan reserves, if sufficient taxable profit in future periods to recover such amounts is probable; as well as deferred tax liability on all taxable temporary differences. Deferred tax assets and liabilities are shown in the accompanying financial statements on a net basis.

The net deferred tax asset is included in deferred tax asset and the net deferred tax liability is reflected under deferred tax liability on the balance sheet. The deferred tax benefit of TRY 34,891 is stated under the tax provision in the income statement (2006 - TRY 2,179 deferred tax charge). The deferred tax of TRY 600 (2006 - TRY 2,531) resulting from differences related to items that are credited or charged directly to equity is netted with these accounts.

Furthermore, as per the above circular of BRSA, deferred tax benefit balance resulting from netting of deferred tax assets and liabilities should not be used in dividend distribution and capital increase.

XVIII. Additional Explanations on Borrowings

The borrowing costs related to purchase, production, or construction of qualifying assets that require significant time to be prepared for use and sale are included in the cost of assets until the relevant assets become ready to be used or to be sold. Financial investment income obtained by temporary placement of undisbursed investment loan in financial investments is offset against borrowing costs qualified for capitalization.

All other borrowing costs are recorded to the income statement in the period they are incurred.

There are no debt securities issued by the Parent Bank.

The Group has not issued convertible bonds.

XIX. Explanations on Share Certificates

Based on the resolution of the Board of Directors no. 3840/28 on March 31, 2006, the Parent Bank has increased its paid in capital of TRY 57,800 within the registered capital ceiling of TRY 100,000 by TRY 18,700, to TRY 76,500. TRY 18,700 capital increase has been decided to be used as pre-emptive rights to the shareholders and the unused pre-emptive rights to be traded on the Stock Exchange, and the whole amount to be paid in cash. As of June 30, 2006 the amount of unused preemptive rights is TRY 138. The increase of TRY 18,700 was registered with Istanbul Trade Registry Office on September 20, 2006 and capital increase procedures were completed.

Based on the meeting of the General Assembly on March 27, 2007, after completing all of the legal procedures , it was decided to increase the paid-in capital of the Bank to TRY 100,000 by TRY 23,500 within the registered capital ceiling and decided to incorporate TRY 11,750 of TRY 23,500 increase from the extraordinary reserves, and the remaining TRY 11,750 from the inflation accounting differences on share capital and in exchange distribute the investors as bonus shares as per their proportionate shares, and the capital increase procedures were completed as of June 7, 2007.

At the meeting held on August 28, 2007, the Board of Directors decided to increase the paid-in capital of the Parent Bank to TRY 755,000 by TRY 655,000 within the registered capital ceiling subsequent to the resolution of the ceiling increase at the Extraordinary General Assembly, by injecting TRY 210,000 from the shareholders' in cash and in exchange distribute shares as per their proportionate shareholding, incorporating TRY 240,000 from the inflation accounting differences on share capital and TRY 205,000 from the extraordinary reserves and in exchange distribute bonus shares to the shareholders as per their proportionate shareholding. The Extraordinary General Assembly of the Parent Bank resolved to increase the capital ceiling TRY 100,000 to TRY 900,000 on September 5, 2007. The increase was registered with Istanbul Trade Registry Office on September 6, 2007. The capital increase procedures were completed as of November 21, 2007.

XX. Explanations on Acceptances

Acceptances are realized simultaneously with the payment dates of the customers and they are presented as probable commitments in off-balance sheet accounts.

XXI. Explanations on Government Incentives

There are no government incentives utilized by the Group.

XXII. Explanations on Segment Reporting

The Group mainly operates in retail and corporate banking segments.

Current Period	Retail	Corporate	Other	Eliminations	Total
Net interest income	35,982	396,582	189,556	(743)	621,377
Net fees and commissions income and other operating income	23,553	112,446	45,452	(1,390)	180,061
Trading profit / loss	15,451	23,213	(54,803)	(4,876)	(21,015)
Dividend income	-	-	19,126	(19,119)	7
Impairment provision for loans and other receivables (-)	9,515	58,154	4,149	-	71,818
Other operating expenses (-)	69,443	153,632	292,053	390	515,518
Profit before tax	(3,972)	320,455	(96,871)	(26,518)	193,094
Taxation	-	-	(46,024)	-	(46,024)
Net profit for the period	(3,972)	320,455	(142,895)	(26,518)	147,070

Prior Period	Retail	Corporate	Other	Eliminations	Total
Net interest income	11,636	223,714	131,729	-	367,079
Net fees and commissions income and other operating income	17,407	37,176	62,476	(1,218)	115,841
Trading profit / loss	15,502	17,897	5,123	(270)	38,252
Dividend income	-	-	22,668	(22,664)	4
Impairment provision for loans and other receivables (-)	3,396	25,160	6,406	-	34,962
Other operating expenses (-)	44,598	102,446	179,459	(1,448)	325,055
Profit before tax	(3,449)	151,181	36,131	(22,704)	161,159
Taxation	-	-	(37,838)	-	(37,838)
Net profit for the period	(3,449)	151,181	(1,707)	(22,704)	123,321

XXIII. Explanations on Other Matters

Investments in Subsidiaries

The Group has ceased the hedge of the net investment risk of its subsidiary The Economy Bank NV (“TEB NV”), operating in Netherlands with capital of EUR 30 million as of October 31, 2007. The valuation differences of the net investment risk and the changes in the hedging instrument until October 31, 2007 have been accounted for under “Other Reserves”. According to the circular 2007/2 of the Banking Regulation and Supervision Agency dated July 4, 2007 the foreign currency investments are not retranslated at the foreign exchange rates prevailing on the balance sheet date. Instead, these investments are accounted for at their TRY restated cost until December 31, 2004. The EUR 30 million deposit position previously designated for the hedge of the net investment risk was changed in order to prevent the possible effect due to changes in foreign exchange rates. Since this position for the hedge accounting was closed, the hedge of net investment in foreign operations was ceased as of October 31, 2007.

Explanation for convenience translation to English

The accounting principles used in the preparation of the accompanying financial statements differ from International Financial Reporting Standards (IFRS). The effects of the differences between these accounting principles and the accounting principles generally accepted in the countries in which the accompanying financial statements are to be used and IFRS have not been quantified in the financial statements.

I. Explanations Related to the Consolidated Capital Adequacy Standard Ratio

The method used for risk measurement in determining consolidated capital adequacy standard ratio; Capital Adequacy Standard Ratio is calculated in accordance with the Communiqué on “Measurement and Assessment of Capital Adequacy of Banks”, which was published on November 1, 2006 in the Official Gazette numbered 26333 and the Communiqué on “The Amendment in Measurement and Assessment of Capital Adequacy of Banks” published on October 10, 2007 in the Official Gazette numbered 26669. The Group's consolidated capital adequacy ratio is in accordance with the related communiqué is 13.30% (2006 - 13.00%).

In the computation of capital adequacy standard ratio, information prepared in accordance with statutory accounting requirements are used. Additionally, the market risk amount is calculated in accordance with the communiqué on the "Measurement and Assessment of Capital Adequacy of Banks" and is taken into consideration in the capital adequacy standard ratio calculation.

The values deducted from the capital base in the shareholders' equity computation are excluded while calculating risk-weighted assets, non-cash loans and contingent liabilities. Assets subject to depreciation and impairment among risk-weighted assets are included in the calculations over their net book values after deducting the relative depreciations and provisions.

While calculating the basis of non-cash loans subject to credit risk, the net receivable amount from the counter parties net of provision amount set in accordance with the “Communiqué on Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves” is multiplied by the loan conversion rates presented in the Article 5, the Clause 1 of the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks", and calculated by applying the risk weights presented in the Capital Adequacy Analysis Form.

Receivables from counter parties from derivative foreign currency and interest rate transactions are multiplied by the loan conversion rates presented in the Article 5, the Clause 2 of the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks", and the related credit risk is calculated by applying the risk weights presented in the Capital Adequacy Analysis Form.

Information related to the consolidated capital adequacy ratio:

	Consolidated Risk Weight				Parent Bank Risk Weight			
	0%	20%	50%	100%	0%	20%	50%	100%
Risk Weighted Assets, Liabilities and Non-Cash Loans								
Balance Sheet items (Net)								
Cash	193,540	-	-	-	193,533	-	-	-
Matured Marketable Securities	-	-	-	-	-	-	-	-
Due From Central Bank of Turkey	1,399,403	-	-	-	1,399,403	-	-	-
Due From Domestic Banks, Foreign Banks, Branches and Head Office Abroad	108,301	684,717	-	7,668	-	325,610	-	7,173
Interbank Money Market Placements	190,000	-	-	-	190,000	-	-	-
Receivables From Reverse Repo Transactions	9,508	5,014	-	-	-	-	-	-
Reserve Deposits	336,301	-	-	-	336,301	-	-	-
Loans	258,865	268,716	1,658,266	6,025,969	198,174	77,009	1,633,306	4,819,079
Non-performing loans (Net)	-	-	-	48,301	-	-	-	48,301
Financial Lease Receivables	-	-	-	-	-	-	-	-
Available-For-Sale Financial Assets	1,509,569	7,038	-	63	1,492,079	-	-	63
Held to Maturity Investments	7,464	-	-	-	-	-	-	-
Receivables From Installment Sales of Assets	-	-	-	-	-	-	-	-
Sundry Debtors	85	12,959	-	70,374	-	8,863	-	43,853
Interest and Income Accruals	118,483	2,958	19,598	78,345	114,333	2,042	19,598	71,987
Subsidiaries, Associates and Entities Under Common Control (Joint vent.) (Net)	-	-	-	12	-	-	-	152,208
Tangible Assets	-	-	-	129,376	-	-	-	104,120
Other Assets	239,901	2,617	-	52,174	239,565	2,618	-	2,050
Off-Balance Sheet Items								
Guarantees and Commitments	961,684	946,657	380,630	987,687	961,333	901,129	284,741	991,774
Derivative Financial Instruments	-	92,558	-	17,333	-	89,234	-	16,811
Non Risk Weighted Accounts	-	-	-	-	-	-	-	-
Total Value at Risk	5,333,104	2,023,234	2,058,494	7,417,302	5,124,721	1,406,505	1,937,645	6,257,419
Total Risk Weighted Assets	-	404,647	1,029,247	7,417,302	-	281,301	968,823	6,257,419

Summary information related to the capital adequacy ratio:

	Consolid		Parent	
	Current Period	Prior Period	Current Period	Prior Period
Total Risk Weighted Assets (TRWA)	8,851,196	6,695,374	7,507,543	5,560,811
Amount Subject to Market Risk (ASMR)	287,038	193,613	218,488	191,138
Amount Subject to Operational Risk (ASOR) (*) (**)	731,111	-	621,911	-
Shareholders' Equity	1,313,009	895,688	1,242,316	820,725
Shareholders' Equity / (TRWA + ASMR + ASOR) *100	13.30	13.00	14.88	14.27

TRWA : Total Risk Weighted Assets

ASMR : Amount Subject to Market Risk

ASOR : Amount Subject to Operational Risk

(*) Since it is effective after June 30, 2007, no comparative data is available.

(**) Operational risk has been calculated by using the Basic Indicator Approach.

Information related to the components of shareholders' equity:

	Consolidated		Parent Bank	
	Current Period	Prior Period	Current Period	Prior Period
CORE CAPITAL				
Paid-in capital	755,000	76,500	755,000	76,500
Nominal capital	755,000	76,500	755,000	76,500
Capital commitments (-)	-	-	-	-
Paid-in capital restatement difference	926	252,676	926	252,676
Share premium	1,805	1,661	1,736	1,592
Cancellation profits	-	-	-	-
Legal reserves	36,423	28,756	20,235	14,950
First legal reserve (Turkish Commercial Code 466/1)	27,970	20,303	14,699	9,414
Second legal reserve (Turkish Commercial Code 466/2)	8,453	8,453	5,536	5,536
Other legal reserve per special legislation	-	-	-	-
Statutory reserves	-	-	-	-
Extraordinary reserves	37,486	143,498	(66)	110,560
Reserves allocated by the General Assembly	37,486	143,498	(66)	110,560
Retained earnings	-	-	-	-
Accumulated losses	-	-	-	-
Foreign currency share capital exchange difference	-	-	-	-
Restatement differences of legal, statutory and extraordinary reserves	-	-	-	-
Profit	147,070	123,321	130,286	105,700
Current period net profit	147,070	123,321	130,286	105,700
Prior years' profits	-	-	-	-
Provision for possible losses up to 15% of the Core Capital	-	-	-	-
Gains on sale of associates and subsidiaries and properties to be added to capital	-	-	-	-
Primary subordinated loans up to 15% of the Core Capital	115,927	-	115,927	-
Minority Shares	-	-	-	-
Losses (-) (that cannot be covered by reserves)	-	-	-	-
Net current period loss	-	-	-	-
Prior years' losses	-	-	-	-
Leasehold improvements (-)	60,408	33,520	60,210	33,069
Prepaid expenses (-)	22,859	12,157	22,504	11,307
Intangible assets (-)	8,139	6,808	6,651	5,866
Deferred tax asset exceeding 10% of the Core Capital (-)	-	-	-	-
Excess amount in the Article 56, Clause 3 of the Banking Law (-)	-	-	-	-
Goodwill (Net) (-)	1,205	1,205	-	-
Total Core Capital	1,094,637	626,412	1,024,044	561,978
SUPPLEMENTARY CAPITAL				
General Loan Loss Reserves	56,627	32,505	53,365	32,505
45% of the revaluation reserve for movable fixed assets	-	-	-	-
45% of the of revaluation reserve for properties	-	-	-	-
Bonus shares obtained from associates, subsidiaries and entities under common control	-	-	-	-
Primary subordinated loans excluded in the calculation of the Core Capital	-	-	-	-
Secondary subordinated loans	253,276	295,029	253,276	280,989
45% of Marketable securities value increase fund	1,080	(4,556)	996	(4,505)
Associates and subsidiaries	-	-	-	-
Available for sale securities	1,080	(4,556)	996	(4,505)
Indexation differences for capital reserves, profit reserves and retained earnings (Except indexation differences for legal reserves, statutory reserves and extraordinary reserves)	-	-	-	-
Total Supplementary Capital	310,983	322,978	307,637	308,989
TIER III CAPITAL	-	-	-	-

Information related to the components of shareholders' equity:

	Consolidated		Parent Bank	
	Current Period	Prior Period	Current Period	Prior Period
CAPITAL	1,405,620	949,390	1,331,681	870,967
DEDUCTIONS FROM THE CAPITAL	92,611	53,702	89,365	50,242
Shareholdings in unconsolidated banks and financial institutions	-	12	-	-
Secondary subordinated loans granted to Banks and Financial Institutions (Domestic, Foreign) or Qualified Shareholders and placements that possess the nature of their Primary or Secondary Subordinated Debt and Primary and Secondary loans borrowed from them	-	-	-	-
Shareholdings in the banks and financial institutions which are accounted for under the equity pick up method but the assets and liabilities are not consolidated.	-	-	-	-
Loans granted being non-compliant with the Articles 50 and 51 of the Banking Law	-	-	-	-
The net book value of properties exceeding fifty percent of equity and properties held for sale and properties and commodity to be disposed, acquired in exchange of loans and receivables according to the Article 57 of the Banking Law and have not been disposed yet after 5 years after foreclosure	-	-	-	-
Other	-	-	-	-
Total Shareholder's Equity	1,313,009	895,688	1,242,316	820,725

II. Explanations Related to the Consolidated Credit Risk

Credit risk is the risk that the Group is a party in a contract whereby the counterparty fails to meet its obligation and cause to incur a financial loss.

The credit allocation is performed on a debtor and a debtor group basis within the limits. In the credit allocation process, many financial and non-financial criteria are taken into account within the framework of the internal rating procedures of the Bank. These criteria include geographical and sector concentrations. The sector concentrations for loans are monitored closely. In accordance with the Bank's loan policy, the rating of the companies, credit limits and guarantees are considered together, and credit risks incurred are monitored.

The credit risks and limits related to treasury activities, the limits of the correspondent banks that are determined by their ratings and the control of the maximum acceptable risk level in relation to the equity of the Bank are monitored daily. Risk limits are determined in connection with these daily transactions, and risk concentration is monitored systematically concerning off-balance sheet operations.

As prescribed in the Communiqué on “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves”, the credit worthiness of the debtors of the loans and other receivables is monitored regularly. Most of the statement of accounts for the loans has been derived from audited financial statements. The unaudited documents result from the timing differences between the loan allocation and the audit dates of the financial statements of the companies and subsequently the audited financial statements are obtained from the companies. Credit limits are determined according to the audited statement of accounts, and guarantee factors are developed in

accordance with the decision of the credit committee considering the characteristics of the transactions and the financial structures of the companies.

For the forward transactions and other similar positions of the Bank, operational limits are set by the Board of Directors and the transactions take place within these limits.

The fulfillment of the benefits and acquirements related to forward transactions is normally realized at maturity. However, in order to minimize the risk, counter positions of existing risks are entered into in the market.

Indemnified non-cash loans are subject to the same risk weight as outstanding loans matured but not yet paid.

Since the volume of the restructured loans is not material to the financial statements, no additional follow up methodology is developed, except as stated in the regulations.

Financial institutions abroad and country risks of the Bank are generally taken for the financial institutions and countries whose investment level is rated by international rating agencies and which do not have the risk of failing to meet minimum obligations. Therefore, the probable risks are not material when the financial structure of the Bank is concerned.

The Bank does not have a material credit risk concentration as an active participant in the international banking market when the financial operations of the other financial institutions are concerned.

As of December 31, 2007, the receivables of the Group from its top 100 cash loan customers amount to TRY 1,204,333 (2006 - TRY 1,743,758) with a share of 15.87% in the total cash loans (2006 - 30.44%).

As of December 31, 2007, the receivables of the Group from its top 100 non-cash loan customers amount to TRY 1,739,689 (2006 - TRY 1,189,315) with a share of 52.73% in the total non-cash loans (2006 - 40.53%).

The share of cash and non-cash receivables of the Group from its top 100 customers in total balance sheet and off-balance sheet assets is 22.33% as of December 31, 2007 (2006 - 28.70%).

As of December 31, 2007, the general loan loss provision related with the credit risk taken by the parent Bank is TRY 56,627 (2006 - TRY 34,978).

Credit risk by types of borrowers and geographical concentration:

	Consolidated Risk Weight				Parent Bank Risk Weight			
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Loans according to borrowers	7,306,892	5,387,809	330,793	354,452	1,828,558	1,657,395	1,706,502	1,693,914
Private Sector	6,066,654	4,644,069	100,423	106,004	-	-	864,353	602,895
Public Sector	-	-	360	-	1,820,800	1,656,846	-	-
Banks	-	-	230,010	248,448	7,695	481	842,149	1,091,019
Retail	1,240,238	743,740	-	-	-	-	-	-
Share Certificates	-	-	-	-	63	68	-	-
Information according to geographical concentration	7,306,892	5,387,809	330,793	354,452	1,828,558	1,657,395	1,706,502	1,693,914
Domestic	6,926,780	5,025,230	266,747	257,061	1,820,863	1,656,914	776,244	572,554
European Union Countries	184,173	173,403	18,377	38,543	7,695	481	762,261	674,423
OECD Countries (***)	94,487	47,239	4,562	1,639	-	-	2,615	71,086
Off-shore Banking Regions	70,347	79,015	4,330	29,563	-	-	6,972	47
USA, Canada	15,465	10,131	-	2,981	-	-	157,350	375,720
Other Countries	15,640	52,791	36,777	24,665	-	-	1,060	84
Total	7,306,892	5,387,809	330,793	354,452	1,828,558	1,657,395	1,706,502	1,693,914

(*) Includes marketable securities designated at fair value through profit or loss, available-for-sale and held-to-maturity.

(**) Includes the on balance sheet transactions classified in the Uniform Chart of Accounts except the ones in the first three categories and the transactions defined as loan in the Article 48 of the Banking Act No: 5411.

(***) OECD countries other than European Union countries, USA and Canada

Information according to geographical concentration :

	Assets	Liabilities	Non-Cash Loans	Equity Investments	Net Income
Current Period					
Domestic	12,520,282	9,169,561	3,096,742	-	136,160
European Union Countries	1,014,846	1,921,832	78,701	-	10,910
OECD Countries (*)	101,666	406,628	242	-	-
Off-shore Banking Regions	86,606	829,678	57,113	-	-
USA, Canada	174,802	380,787	5,705	-	-
Other Countries	54,174	262,793	60,874	-	-
Associates, Subsidiaries and Entities Under Common Control (Joint Vent.)	-	-	-	12	-
Unallocated Assets/Liabilities (**)	-	-	-	-	-
Total	13,952,376	12,971,279	3,299,377	12	147,070
Prior Period					
Domestic	8,678,070	7,066,909	2,638,987	-	115,086
European Union Countries	913,177	1,103,854	92,742	-	8,235
OECD Countries (*)	120,272	56,223	19,587	-	-
Off-shore Banking Regions	107,557	1,068,508	56,508	-	-
USA, Canada	389,698	284,152	56,550	-	-
Other Countries	77,515	90,367	69,950	-	-
Associates, Subsidiaries and Entities Under Common Control (Joint Vent.)	-	-	-	12	-
Unallocated Assets/Liabilities (**)	-	-	-	-	-
Total	10,286,289	9,670,013	2,934,324	12	123,321

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

(**) Assets and liabilities that cannot be allocated on a coherent basis.

Sector concentrations for cash loans :

	Current Period				Prior Period			
	TRY	(%)	FC	(%)	TRY	(%)	FC	(%)
Agricultural	165,039	3.13	136,205	5.87	85,594	2.43	138,926	6.30
Farming and Raising Livestock	135,781	2.58	117,685	5.07	64,711	1.84	126,513	5.73
Forestry, Wood and Paper	19,671	0.37	15,621	0.67	15,526	0.44	11,793	0.54
Fishery	9,587	0.18	2,899	0.13	5,357	0.15	620	0.03
Manufacturing	2,229,887	42.33	1,340,998	57.77	1,645,503	46.69	1,160,989	52.69
Mining and Quarry	142,312	2.70	60,916	2.62	87,861	2.49	75,843	3.44
Production	2,077,818	39.44	1,264,009	54.45	1,552,354	44.05	1,085,146	49.25
Electricity, Gas and Water	9,757	0.19	16,073	0.70	5,288	0.15	-	-
Construction	341,769	6.49	206,356	8.89	212,887	6.04	64,619	2.93
Services	1,182,259	22.44	626,324	26.98	774,000	21.96	608,104	27.60
Wholesale and Retail Trade	435,380	8.26	102,117	4.40	261,939	7.43	69,827	3.17
Hotel, Tourism, Food and Beverage Services	92,275	1.75	47,656	2.05	43,500	1.23	63,147	2.87
Transportation and Communication	213,924	4.06	102,157	4.40	138,565	3.93	114,947	5.22
Financial Institutions	222,685	4.23	295,582	12.73	196,365	5.57	294,412	13.35
Real Estate and Renting Services	80,508	1.53	7,825	0.34	43,923	1.25	59,678	2.71
Self-Employment Services	61,625	1.17	1,371	0.06	36,952	1.05	6,093	0.28
Education Services	8,626	0.16	-	-	5,918	0.17	-	-
Health and Social Services	67,236	1.28	69,616	3.00	46,838	1.33	-	-
Other	1,349,064	25.61	11,483	0.49	806,208	22.88	230,887	10.48
Total	5,268,018	100.00	2,321,366	100.00	3,524,192	100.00	2,203,525	100.00

The table below shows the maximum exposure to credit risk for the components of the financial statements:

	Current Period	Prior Period
Central Bank of Turkey	1,748,141	836,064
Banks	808,201	1,064,165
Other money markets	199,585	1,194
Trading financial assets	199,549	90,928
Derivative financial instruments	45,033	22,279
Financial assets available-for-sale	1,621,269	1,555,410
Held-to-maturity investments	7,740	11,057
Loans	8,526,472	6,370,804
Total	13,155,990	9,951,901
Contingent liabilities	3,299,377	2,934,324
Commitments	3,910,293	878,466
Total	7,209,670	3,812,790
Total credit risk exposure	20,365,660	13,764,691

(*) Loans include TRY 480,042 (2006: TRY 300,861) factoring receivables and TRY 408,745 (2006: TRY 327,682) lease receivables.

Credit quality per class of financial assets as of December 31, 2007 and 2006 are as follows:

Current Period	Neither past due nor impaired	Past due or individually impaired	Total
Loans and advances to customers	7,532,140	105,545	7,637,685
Corporate lending	4,748,324	29,310	4,777,634
Small business lending	1,572,267	23,866	1,596,133
Consumer lending	974,176	19,058	993,234
Credit cards	237,373	33,311	270,684
Other	-	-	-
Total	7,532,140	105,545	7,637,685

Prior Period	Neither past due nor impaired	Past due or individually impaired	Total
Loans and advances to customers	5,714,362	27,899	5,742,261
Corporate lending	4,066,425	9,627	4,076,052
Small business lending	910,771	4,866	915,637
Consumer lending	692,657	6,804	699,461
Credit cards	44,509	6,602	51,111
Other	-	-	-
Total	5,714,362	27,899	5,742,261

Carrying amount per class of financial assets whose terms have been renegotiated:

	Current Period	Prior Period
Loans and advances to customers	1,319	4,845
Corporate lending	1,319	4,845
Small business lending	-	-
Consumer lending	-	-
Other	-	-
Total	1,319	4,845

Credit Rating System

The credit risk is assessed through the internal rating system of the group, by classifying loans from highest grade to lowest grade according to the probability of default. As of 2007 consumer loans small business loans and loans of group companies below a certain limit are excluded from the internal rating system of the parent bank. Additional scoring methodologies are applied for these loans.

III. Explanations Related to the Consolidated Market Risk

The Group has established market risk management operations and taken the necessary precautions in order to hedge market risk within its financial risk management purposes, in accordance with the Communiqué on “Measurement

and Assessment of Capital Adequacy of Banks”issued on Official Gazette dated November 1, 2006 numbered 26333.

The Board of Directors determines the limits for the basic risk that the Parent Bank is exposed to. Those limits are revised periodically in line with the market forces and strategies of the Parent Bank. Additionally, the Board of Directors has ensured that the risk management division and senior management has taken necessary precautions to describe, evaluate, control and manage risks faced by the Parent Bank.

Interest rate and exchange rate risks, arising from the volatility in the financial markets, of the financial positions taken by the Bank related to balance sheet and off-balance sheet accounts are measured and while calculating the capital adequacy and the amount subject to VAR, as summarised below, is taken into consideration by the standard method. Beside the standart method, VAR is calculated by using internal model as supported by scenario analysis and stress tests. VAR is calculated daily by three different methods which are historic simulation, Monte Carlo simulation and parametric method. These results are also reported daily to the management.

a) Information Related to Market Risk

	Consolidated	Parent Bank
(I) Capital Requirement to be Employed For General Market Risk - Standard Method	9,900	9,088
(II) Capital Requirement to be Employed For Specific Risk - Standard Method	-	-
III) Capital Requirement to be Employed For Currency Risk - Standard Method	12,532	7,860
(IV) Capital Requirement to be Employed For Commodity Risk - Standard Method	-	-
(V) Capital Requirement to be Employed For Settlement Risk - Standard Method	-	-
(VI) Total Capital Requirement to be Employed For Market Risk Resulting From Options - Standard Method	531	531
(VII) Total Capital Requirement to be Employed For Market Risk in Banks Using Risk Measurement Model	-	-
(VIII) Total Capital Requirement to be Employed For Market Risk (I+II+III+IV+V+VI)	22,963	17,479
(IX) Amount Subject to Market Risk (12,5 x VIII) or (12,5 x VII)	287,038	218,488

b) Average market risk table calculated at the end of the months during the period:

	Current Period			Prior Period		
	Average	Maximum	Minimum	Average	Maximum	Minimum
Interest Rate Risk	13,417	16,137	9,900	10,052	13,513	7,180
Common Stock Risk	312	417	210	26	46	3
Currency Risk	6,324	12,532	838	2,121	4,457	1,003
Commodity Risk	-	-	-	-	-	-
Settlement Risk	-	-	-	-	-	-
Option Risk	349	584	28	91	190	-
Total Value Subject to Risk	254,057	287,038	224,700	153,619	193,613	132,400

Other price risks

The Group does not invest in share certificates, hence it is not subject to share price risk.

IV. Explanations Related to the Consolidated Operational Risk

- a) Operational risk has been calculated using the Basic Indicator Approach. Market risk measurements are performed monthly.
- b) The Group does not use the Standard Approach.

V. Explanations Related to the Consolidated Currency Risk

Foreign currency risk indicates the probability of loss that banks are subject to due to the exchange rate movements in the market. While calculating the share capital requirement, all foreign currency assets, liabilities and forward transactions of the Group are taken into consideration and value at risk is calculated by using the standard method.

The Board of Directors of the Parent Bank sets limits for the positions, which are followed up daily. Any possible changes in the foreign currency transactions in the Parent Bank's positions are also monitored.

As an element of the Group's risk management strategies, foreign currency liabilities are hedged against exchange rate risk by derivative instruments.

The Treasury Department of the Parent Bank is responsible for the management of New Turkish Lira or foreign currency price, liquidity and affordability risks that could occur in the domestic and international markets within the limits set by the Board of Directors. The monitoring of risk and risk related transactions occurring in the money markets is performed daily and reported to the Parent Bank's Asset-Liability Committee on a weekly basis.

As of December 31, 2007, the Group's net long position is TRY 151,889 (2006 - TRY 49,603 net long) resulting from short position on the balance sheet amounting to TRY 738,944 (2006 - TRY 506,552 short) and long position on the off-balance sheet amounting to TRY 890,833 (2006 - TRY 556,155 long).

The announced current foreign exchange buying rates of the Parent Bank at December 31, 2007 and the previous five working days in full TRY are as follows:

	24.12.2007	25.12.2007	26.12.2007	27.12.2007	28.12.2007	31.12.2007
USD	1.17990	1.17460	1.17150	1.17080	1.16470	1.15930
CHF	1.01920	1.01430	1.01350	1.01610	1.02730	1.02840
GBP	2.33670	2.32270	2.32060	2.32880	2.32590	2.32150
JPY	1.03160	1.02690	1.02420	1.02160	1.02790	1.03310
EURO	1.69860	1.69170	1.69120	1.69760	1.71020	1.70600

The simple arithmetic averages of the major current foreign exchange buying rates of the Parent Bank for the thirty days before December 31, 2007 are as follows:

	Monthly Average Foreign Exchange Rate
USD	1.17297
CHF	1.02764
GBP	2.37014
JPY	1.04143
EURO	1.70812

Information on the foreign currency risk of the Bank:

Current Period	EUR	USD	YEN	OTHER	TOTAL
Assets					
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey.	657,852	702,298	111	5,961	1,366,222
Banks	191,895	537,204	619	16,507	746,225
Financial Assets at Fair Value Through Profit and Loss (****)	13,484	19,815	-	-	33,299
Money Market Placements	-	-	-	-	-
Available-For-Sale Financial Assets	54	189,398	-	-	189,452
Loans (**)	1,135,404	1,624,901	42,820	189,109	2,992,234
Subsidiaries, Associates and Entities Under Common Control	-	-	-	-	-
Held-To-Maturity Investments	-	6,114	-	-	6,114
Derivative Financial Assets for Hedging Purposes	-	-	-	-	-
Tangible Assets	6,601	-	-	-	6,601
Intangible Assets	167	-	-	-	167
Other Assets (***)	367,497	106,793	-	29,687	503,977
Total Assets	2,372,954	3,186,523	43,550	241,264	5,844,291
Liabilities					
Bank Deposits	94,876	104,545	56	16,414	215,891
Foreign Currency Deposits (*)	1,131,022	3,059,587	7,645	67,834	4,266,088
Money Market Borrowings	-	5,005	-	-	5,005
Funds Provided From Other Financial Institutions	1,088,642	898,554	-	20,482	2,007,678
Marketable Securities Issued	-	-	-	-	-
Sundry Creditors	18,034	8,714	150	65	26,963
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-	-
Other Liabilities (***)	39,661	8,633	-	13,316	61,610
Total Liabilities	2,372,235	4,085,038	7,851	118,111	6,583,235
Net Balance Sheet Position	719	(898,515)	35,699	123,153	(738,944)
Net Off-Balance Sheet Position	95,375	935,884	(35,615)	(104,811)	890,833
Financial Derivative Assets (****)	404,922	1,693,388	22,934	120,808	2,242,052
Financial Derivative Liabilities (****)	309,547	757,504	58,549	225,619	1,351,219
Non-Cash Loans (*****)	632,683	1,282,731	12,512	42,927	1,970,853
Prior Period					
Total Assets	1,908,061	3,058,391	16,052	163,747	5,146,251
Total Liabilities	1,867,610	3,632,133	7,464	145,596	5,652,803
Net Balance Sheet Position	40,451	(573,742)	8,588	18,151	(506,552)
Net Off-Balance Sheet Position	28,568	553,955	(9,069)	(17,299)	556,155
Financial Derivative Assets	255,137	1,110,934	4,835	68,449	1,439,355
Financial Derivative Liabilities	226,569	556,979	13,904	85,748	883,200
Non-Cash Loans (*****)	698,630	1,215,380	8,132	70,871	1,993,013

- (*) Gold account deposits amounting to TRY 4,718 (2006 - TRY 15,247) are included in the foreign currency deposits.

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- (**) Foreign currency indexed loans amounting to TRY 670,868 (2006 - TRY 481,055) are included in the loan portfolio.
- (***) TRY 226 (2006 - TRY 364) prepaid expenses is deducted from other assets, and TRY 3,254 (2006 - TRY 983) expense accruals from derivative financial instruments, and TRY 13,553 (2006 - TRY 12,362) provision for general loan losses are deducted from other liabilities.
- (****) Forward asset purchase-sale commitments of TRY 236,642 (2006 - TRY 76,854) are added to derivative financial assets and TRY 236,905 (2006 - TRY 76,864) has been added to derivative financial liabilities.
- (*****) TRY 3,841 (2006 - TRY 1,190) income accruals from derivative financial instruments is deducted from Financial Assets at Fair Value Through Profit and Loss.
- (*****) There are no effects on the net off-balance sheet position.

Foreign currency sensitivity:

The Group is mainly exposed to EUR and USD currencies.

The following table details the Group's sensitivity to a 10% increase and decrease in the TRY against USD and EUR. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. A positive number indicates an increase in profit or loss and other equity where the TRY strengthens against USD and EUR.

	Change in currency rate in %	Effect on profit or loss		Effect on equity	
		Current Period	Prior Period	Current Period	Prior Period
USD	10	(3,737)	1,979	(57)	(222)
EUR	10	(9,609)	(6,902)	(5,547)	(5,116)

The Group's sensitivity to foreign currency rates have not changed much during the current period. The positions taken in line with market expectations can increase the foreign currency sensitivity from period to period.

Forward foreign exchange contracts:

The following table details the forward foreign currency contracts outstanding as at balance sheet date:

Outstanding contracts	Average Exchange Rate		Purchase Contracts Original Amount		Sales Contracts Original Amount		Fair Value Rate	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
USD purchase-EUR sale								(203)
Less than 3 months	1.447	1.290	34,100	4,696	23,914	3,672	(1,239)	(10)
Between 3-6 months	1.445	1.313	2,123	1,050	1,511	800	(121)	8
Between 6 months-1 year	1.446	1.342	4,836	670	3,399	500	(202)	
USD purchase-TRY sale								(768)
Less than 3 months	1.197	1.446	113,476	17,130	134,217	24,950	(2,397)	(336)
Between 3-6 months	1.377	1.624	64,960	2,100	93,897	3,457	(13,578)	-
Between 6 months-1 year	1.411	-	53,150	-	75,873	-	(9,217)	
EUR purchase-USD sale								472
Less than 3 months	1.451	1.319	40,280	34,782	57,704	35,796	1,869	(17)
Between 3-6 months	1.450	1.324	3,853	6,561	5,551	4,925	134	(65)
Between 6 months-1 year	1.429	1.337	3,897	6,000	5,547	11,282	223	
EUR purchase-TRY sale								(7,874)
Less than 3 months	1.834	2.011	65,762	31,370	119,051	67,140	(4,918)	(3)
Between 3-6 months	1.922	2.014	6,111	40	11,562	81	(697)	-
Between 6 months-1 year	1.987	-	10,250	-	20,238	-	(1,175)	
TRY purchase-USD sale								6,245
Less than 3 months	1.209	1.472	119,091	109,359	94,845	78,225	8,366	1,059
Between 3-6 months	1.335	1.544	123,634	10,956	87,714	7,795	15,407	48
Between 6 months-1 year	1.373	1.678	124,162	703	91,470	500	10,090	145
More than 1 year	-	1.657	-	7,028	-	5,000	-	
TRY purchase-EUR sale								927
Less than 3 months	1.752	1.943	11,865	31,402	6,709	17,095	270	224
Between 3-6 months	1.861	1.995	3,046	10,988	1,650	5,935	94	-
Between 6 months-1 year	1.918	-	5,754	-	3,000	-	146	

VI. Explanations Related to Consolidated Interest Rate Risk

Interest rate risk shows the probability of loss related to the changes in interest rates depending on the Bank's position, and it is managed by the Asset-Liability Committee. The interest rate sensitivity of assets, liabilities and off-balance sheet items related to this risk are measured by using the standard method and included in the market risk for capital adequacy.

The first priority of the risk management department is to protect from interest rate volatility. Duration, maturity and sensitivity analysis performed within this context are calculated by the risk management department and reported to the Asset-Liability Committee.

Simulations on interest income are performed in connection with the forecasted economic indicators used in the budget of the Group. The negative effects of the fluctuations in the market interest rates on the financial position and the cash flows are minimized by revising budgeted targets.

The Parent Bank management follows the market interest rates daily and revises the interest rates of the Bank whenever necessary.

Since the Group does not permit maturity mismatches or imposes limits on the mismatch, a significant interest rate risk exposure is not expected.

Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items (based on repricing dates):

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest Bearing	Total
Current Period							
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	1,276,764	-	-	-	-	664,917	1,941,681
Banks	507,798	-	3,298	-	-	297,105	808,201
Financial Assets at Fair Value Through Profit and Loss	6,661	47,571	29,428	94,865	22,305	43,752	244,582
Money Market Placements	199,585	-	-	-	-	-	199,585
Available-For-Sale Financial Assets	295,149	692,365	371,737	247,996	13,959	63	1,621,269
Loans	3,922,272	630,764	1,212,205	1,581,019	185,552	57,572	7,589,384
Factoring Receivables	190,850	227,142	58,876	-	-	3,174	480,042
Financial Lease Receivables	22,839	32,880	123,271	216,499	1,431	11,825	408,745
Held-To-Maturity Investments	3,199	1,626	1,211	1,704	-	-	7,740
Other Assets	30,252	-	-	-	-	620,907	651,159
Total Assets	6,455,369	1,632,348	1,800,026	2,142,083	223,247	1,699,315	13,952,388
Liabilities							
Bank Deposits	339,956	28,179	73	-	-	152,830	521,038
Other Deposits	5,654,755	464,379	118,408	6,706	-	1,418,894	7,663,142
Money Market Borrowings	921,919	-	-	-	-	-	921,919
Sundry Creditors	-	-	-	-	23,925	178,186	202,111
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Provided From Other Financial Institutions	1,352,884	273,993	713,068	160,133	258,806	-	2,758,884
Factoring Payables	152,511	17,094	-	-	-	-	169,605
Other Liabilities	788	675	7,791	25,831	57,912	1,622,692	1,715,689
Total Liabilities	8,422,813	784,320	839,340	192,670	340,643	3,372,602	13,952,388
Balance Sheet Long Position	-	848,028	960,686	1,949,413	-	-	3,758,127
Balance Sheet Short Position	(1,967,444)	-	-	-	(117,396)	(1,673,287)	(3,758,127)
Off-Balance Sheet Long Position	-	228	574	7,410	-	-	8,212
Off-Balance Sheet Short Position	-	(267)	(661)	(5,542)	-	-	(6,470)
Total Position	(1,967,444)	847,989	960,599	1,951,281	(117,396)	(1,673,287)	1,742

The other assets line at the non-interest bearing column consists of tangible assets amounting to TRY 129,376; intangible assets amounting to TRY 69,752, TRY 46,272 tax asset, and the other liabilities line includes the shareholders' equity of TRY 981,109.

Average interest rates applied to monetary financial instruments:

	EURO %	USD %	YEN %	TRY %
Current Period				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) And Balances With The Central Bank Of Turkey	1.83	2.37	-	14.80
Banks	4.10	4.90	-	16.05
Financial Assets At Fair Value Through Profit And Loss	6.40	9.12	-	11.98
Money Market Placements	-	-	-	17.17
Available-For-Sale Financial Assets		5.79	-	16.93
Loans	6.34	6.83	3.67	20.25
Leasing Receivables	8.70	9.58	-	25.92
Factoring Receivables	5.97	5.05	-	21.55
Held-To-Maturity Investments	-	11.15	-	20.78
Liabilities	-	-	-	-
Bank Deposits	3.64	4.61	-	14.52
Other Deposits	4.11	4.80	-	16.12
Money Market Borrowings	-	-	-	16.54
Sundry Creditors	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Provided From Other Financial Institutions	5.08	6.23	1.49	17.60

Information related to the interest rate sensitivity of assets, liabilities and off-balance sheet items (based on repricing dates):

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest Bearing	Total
Prior Period							
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	645,715	-	-	-	-	319,771	965,486
Due From Other Banks	659,262	-	3,290	-	-	401,613	1,064,165
Financial Assets at Fair Value Through Profit and Loss	45,855	13,281	11,150	39,567	177	3,177	113,207
Money Market Placements	1,194	-	-	-	-	-	1,194
Available-For-Sale Financial Assets	292,283	663,403	164,145	418,432	17,079	68	1,555,410
Loans	2,856,121	557,846	1,006,281	1,006,973	261,820	38,676	5,727,717
Factoring Receivables	166,908	69,476	64,477	-	-	-	300,861
Financial Lease Receivables	20,436	27,924	107,763	167,810	-	3,749	327,682
Held-To-Maturity Investments	4,054	3,298	3,705	-	-	-	11,057
Other Assets	29,732	-	-	-	-	189,790	219,522
Total Assets	4,721,560	1,335,228	1,360,811	1,632,782	279,076	956,844	10,286,301
Liabilities							
Bank Deposits	135,528	4,334	-	-	-	48,338	188,200
Other Deposits	5,575,247	681,345	150,705	2,320	-	127,888	6,537,505
Money Market Borrowings	794,689	-	-	-	-	-	794,689
Sundry Creditors	175	-	-	-	-	134,138	134,313
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Provided From Other Financial Institutions	383,785	203,933	937,057	165,510	-	6,050	1,696,335
Factoring Payables	87,002	17,086	6,984	-	-	-	111,072
Other Liabilities	52,871	11,238	19,098	23,602	6,017	711,361	824,187
Total Liabilities	7,029,297	917,936	1,113,844	191,432	6,017	1,027,775	10,286,301
Balance Sheet Long Position	-	417,292	246,967	1,441,350	273,059	-	2,378,668
Balance Sheet Short Position	(2,307,737)	-	-	-	-	(70,931)	(2,378,668)
Off-Balance Sheet Long Position	10,204	-	-	-	-	-	10,204
Off-Balance Sheet Short Position	(6,715)	-	-	-	-	-	(6,715)
Total Position	(2,304,248)	417,292	246,967	1,441,350	273,059	(70,931)	3,489

The other assets line at the non-interest bearing column consists of tangible assets amounting to TRY 64,698; intangible assets amounting to TRY 41,534, TRY 14,706 tax asset and the other liabilities line includes the shareholders' equity of TRY 616,288.

Average interest rates applied to monetary financial instruments

	EURO %	USD %	YEN %	TRY %
Prior Period				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) And Balances With The Central Bank Of Turkey	1.73	2.52	-	13.12
Banks	3.45	5.23	-	18.21
Financial Assets At Fair Value Through Profit And Loss	5.45	9.08	-	21.15
Money Market Placements	-	-	-	18.13
Available-For-Sale Financial Assets	-	6.78	-	19.90
Loans	9.63	10.20	-	23.19
Leasing Receivables	5.72	7.71	-	22.53
Factoring Receivables	5.62	6.94	3.88	21.36
Held-To-Maturity Investments	-	10.96	-	23.06
Liabilities				
Bank Deposits	3.12	4.86	-	15.57
Other Deposits	3.02	5.09	-	16.28
Money Market Borrowings	-	-	-	17.36
Sundry Creditors	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Provided From Other Financial Institutions	4.89	6.48	-	18.19

Interest rate sensitivity:

If interest rates had been changed by 0.5% in TRY and FC and all other variables were held constant, the Group's:

- Profit for the year would change by TRY 6,643 (2006 - TRY 5,467). The amounts constitute 1.07% of the net interest income for the year 2007 and 1.49% for the year 2006.

The interest rate sensitivity the Group is exposed to due to its balance sheet composition is calculated with the net interest income approach. The net interest income is calculated by using the original interest rates until maturity and using market interest curves until year end. This calculation is re-performed by altering the market interest curves based on rate changes accepted by management. The difference between the initial and re-performed calculation is assessed to be the interest sensitivity of the Group.

Interest rate swap contracts:

The following tables detail the notional principal amounts and remaining terms of interest rate swap contracts outstanding as at balance sheet date:

	Currency	Currency	Average Contracted Fixed Interest Rate (%)		Notional Principal Amount (Original Currency)		Fair Value (TRY)	
Outstanding floating for fixed contracts	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Less than 1 year	USD	-	3.50	-	960,000	-	3	-
1-2 years	USD	USD	3.73	3.50	2,512,500	1,750,000	5	8
2-5 years	EUR	USD	4.04	3.73	13,125,000	3,517,500	(6)	7
	USD	USD	4.12	4.12	10,000,000	10,000,000	59	97
	YTL	YTL	11.00	11.00	10,000,000	10,000,000	4	5
Over 5 years	-	-	-	-	-	-	-	-

Interest rate swap contracts:

	Currency		Average Contracted Fixed Interest Rate (%)		Notional Principal Amount (Original Currency)		Fair Value (TRY)	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Outstanding fixed for floating contracts								
Less than 1 year	-	-	-	-	-	-	-	-
1-2 years	-	-	-	-	-	-	-	-
2-5 years	-	-	-	-	-	-	-	-
Over 5 years	-	-	-	-	-	-	-	-

VII. Explanations Related to Consolidated Liquidity Risk

Liquidity risk occurs when there is insufficient cash or cash inflows to meet the cash outflows completely and timely.

Liquidity risk may also occur when the market penetration is not adequate, when the open positions cannot be closed quickly at suitable prices and sufficient amounts due to barriers and break-ups at the markets.

The Group's policy is to establish an asset structure that can meet all kinds of liabilities by liquid sources at all times. In this context, liquidity problem has not been faced in any period. In order to maintain this, the Board of Directors of the Group continuously determines standards for the liquidity ratios, and monitors them.

According to the general policies of the Group, the matching of the maturity and interest rate structure of assets, and liabilities is always established within the asset liability management strategies. A positive difference is tried to be established between the yields of TRY and foreign currency assets and liabilities on the balance sheet and their costs. According to this strategy, the Parent Bank manages its maturity risk within the limits determined by Parent Bank's Board of Directors.

When the funding and liquidity sources are considered, the Parent Bank covers majority of its liquidity need by deposits, and in addition to this source, it makes use of pre-financing and syndication products to generate additional sources. Generally the Parent Bank is in a lender position.

The liquidity position is assessed and managed under a variety of scenarios, giving due consideration to stress factors relating to both the market in general and specifically to the Group. The most important of these is to maintain limits on the ratio of the Parent Bank's net liquid assets to customer liabilities, set to reflect market conditions. The ratio realized during the year were as follows:

	Current Period		Prior Period	
		%		%
Average during the period		28		29
Highest		34		30
Lowest		20		20

Presentation of assets and liabilities according to their remaining maturities:

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Undistributed (*)	Total
Current Period								
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	664,917	1,276,764	-	-	-	-	-	1,941,681
Banks	297,105	507,798	-	3,298	-	-	-	808,201
Financial Assets at Fair Value Through Profit and Loss	663	9,622	9,292	61,551	135,520	27,934	-	244,582
Money Market Placements	-	199,585	-	-	-	-	-	199,585
Available-For-Sale Financial Assets	63	-	107,863	431,285	1,068,099	13,959	-	1,621,269
Loans	57,572	3,909,589	617,312	1,205,539	1,613,820	185,552	-	7,589,384
Factoring Receivables	3,174	190,850	227,142	58,876	-	-	-	480,042
Financial Lease Receivables	11,825	22,839	32,880	123,271	216,499	1,431	-	408,745
Held-To-Maturity Investments	-	3,200	-	1,211	3,329	-	-	7,740
Other Assets	113	286,766	30	328	-	2,079	361,843	651,159
Total Assets	1,035,432	6,407,013	994,519	1,885,359	3,037,267	230,955	361,843	13,952,388
Liabilities								
Bank Deposits	152,830	339,956	28,179	73	-	-	-	521,038
Other Deposits	1,418,894	5,652,065	455,491	115,817	20,875	-	-	7,663,142
Funds Provided From Other Financial Institutions	-	1,087,311	197,383	636,212	354,692	483,286	-	2,758,884
Money Market Borrowings	-	921,919	-	-	-	-	-	921,919
Marketable Securities Issued	-	-	-	-	-	-	-	-
Factoring Payables	-	152,511	17,094	-	-	-	-	169,605
Sundry Creditors	176,541	1,416	-	-	-	23,925	229	202,111
Other Liabilities	1,439	440,016	28,564	88,860	72,881	17,713	1,066,216	1,715,689
Total Liabilities	1,749,704	8,595,194	726,711	840,962	448,448	524,924	1,066,445	13,952,388
Liquidity Gap	(714,272)	(2,188,181)	267,808	1,044,397	2,588,819	(293,969)	(704,602)	-
Prior Period								
Total Assets	765,396	3,854,601	821,411	1,657,316	2,748,007	279,076	160,494	10,286,301
Total Liabilities	1,249,185	5,958,252	958,372	850,508	292,180	334,926	642,878	10,286,301
Liquidity Gap	(483,789)	(2,103,651)	(136,961)	806,808	2,455,827	(55,850)	(482,384)	-

(*) The assets which are necessary to provide banking services and could not be liquidated in a short term, such as tangible assets, investments in subsidiaries and associates, office supply inventory, prepaid expenses and non-performing loans, are classified as under undistributed.

Analysis of financial liabilities by remaining contractual maturities:

	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Adjustments	Total
As of December 31, 2007								
Money market borrowings	-	924,234	-	-	-	-	(2,315)	921,919
Other deposits	1,242,391	5,853,024	457,660	122,702	22,011	-	(34,646)	7,663,142
Bank deposits	147,409	346,054	28,505	176	-	-	(1,106)	521,038
Funds provided from other financial institutions	-	1,087,900	284,211	749,983	422,254	583,783	(369,247)	2,758,884
Total	1,389,800	8,211,212	770,376	872,861	444,265	583,783	(407,314)	11,864,983
As of December 31, 2006								
Money market borrowings	-	796,271	-	-	-	-	(1,582)	794,689
Other deposits	947,788	4,877,355	554,040	150,349	40,376	-	(32,403)	6,537,505
Bank deposits	46,912	137,129	4,402	-	-	-	(243)	188,200
Funds provided from other financial institutions	-	307,942	228,168	714,590	286,330	438,709	(279,404)	1,696,335
Total	994,700	6,118,697	786,610	864,939	326,706	438,709	313,632	9,216,729

Analysis of contractual expiry by maturity of the Bank's derivative financial instruments:

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
As of December 31, 2007						
Net Settled						
Foreign exchange forward contracts	-	-	-	-	-	-
Currency swaps	2	-	-	-	-	2
Interest rate swaps	-	-	-	-	-	-
Gross settled						
Foreign exchange forward contracts	321,952	220,215	465,673	1,351	-	1,009,191
Currency swaps	90,841	68,641	831,830	400,594	77,665	1,469,571
Interest rate swaps	213	544	1,766	3,947	-	6,470
Total	413,008	289,400	1,299,269	405,892	77,665	2,485,234
As of December 31, 2006						
Net Settled						
Foreign exchange forward contracts	-	-	-	-	-	-
Currency swaps	-	-	-	-	-	-
Interest rate swaps	-	-	-	-	-	-
Gross settled						
Foreign exchange forward contracts	154,368	173,670	55,423	7,028	-	390,489
Currency swaps	127,784	17,764	267,645	585,191	85,430	1,083,814
Interest rate swaps	295	276	1,336	4,808	-	6,715
Total	282,447	191,710	324,404	597,027	85,430	1,481,018

VIII. Explanations Related To Presentation of Financial Assets and Liabilities at Fair Value

The table below shows the book value and the fair value of the financial assets and liabilities which cannot be shown with their fair value in the financial statements of the Group.

Current period investment securities for investment purposes is comprised of interest-bearing assets held-to-maturity and interest-bearing assets available-for-sale. The fair value of the held to maturity financial assets is determined by market prices or quoted market prices of other marketable securities which are subject to redemption with same characteristics in terms of interest, maturity and other similar conditions when market prices cannot be determined.

The book value of demand deposits, money market placements with floating interest rate and overnight deposits represents their fair values due to their short-term nature. The estimated fair value of deposits and funds provided from other financial institutions with fixed interest rate is calculated by determining their cash flows discounted by the current interest rates used for other liabilities with similar characteristics and maturity structure. The fair value of loans is calculated by determining the cash flows discounted by the current interest rates used for receivables with similar characteristics and maturity structure. The book value of the sundry creditors reflect their fair values since they are short-term.

	Book Value		Fair Value	
	Current Period	Prior Period	Current Period	Prior Period
Financial Assets	10,274,480	8,374,087	10,079,484	8,291,551
Money Market Placements	199,585	1,194	199,585	1,203
Banks	808,201	1,064,165	808,215	1,064,107
Available-For-Sale Financial Assets	1,621,269	1,555,410	1,621,269	1,555,410
Held-To-Maturity Investments	7,740	11,057	7,595	10,626
Loans	7,637,685	5,742,261	7,442,820	5,660,205
Financial Liabilities	12,067,094	9,351,042	12,059,127	9,367,437
Bank Deposits	521,038	188,200	521,059	188,480
Other Deposits	7,663,142	6,537,505	7,655,281	6,553,620
Funds Borrowed From Other Financial Institutions (*)	3,680,803	2,491,024	3,680,676	2,491,024
Marketable Securities Issued	-	-	-	-
Sundry Creditors	202,111	134,313	202,111	134,313

(*) Funds provided under repo transactions and interbank money market takings are included in funds borrowed from other financial institutions.

The methodologies and assumptions used to determine fair values for those financial instruments which are not already recorded at fair value in the financial statements:

- i- For the fair value calculation of loans, the prevailing interest rates as of the balance sheet date were used.
- ii- For the fair value calculation of deposits, the prevailing interest rates as of the balance sheet date were used.
- iii- For the fair value calculation of banks, the prevailing interest rates as of the balance sheet date were used.
- iv- The fair value of the held to maturity financial assets is determined by quoted market prices as of the balance sheet date.

The following table shows an analysis of financial instruments recorded at fair value, between those whose fair value is recorded on quoted market prices, those involving valuation techniques where all model inputs are observable in the market and, those where the valuation techniques involves the use of non observable inputs.

	Quoted	Valuation techniques - market observable	Valuation techniques - non market observable	Fair value not available
Current Period				
Financial Assets				
Money Market Placements	-	199,585	-	-
Banks	-	808,215	-	-
Available-for-sale financial assets	1,621,269	-	-	-
Held-to-maturity investments	7,595	-	-	-
Loans	-	7,442,820	-	-
Financial Liabilities		-		
Bank deposits	-	521,059	-	-
Other deposits	-	7,655,281	-	-
Funds borrowed from other financial institutions(*)	-	3,680,676	-	-
Marketable securities issued	-	-	-	-
Sundry creditors	-	202,111	-	-
Prior Period				
Financial Assets				
Money Market Placements	-	1,203	-	-
Banks	-	1,064,107	-	-
Available-for-sale financial assets	1,555,410	-	-	-
Held-to-maturity investments	10,626	-	-	-
Loans	-	5,660,205	-	-
Financial Liabilities		-		
Bank deposits	-	188,480	-	-
Other deposits	-	6,553,620	-	-
Funds borrowed from other financial institutions(*)	-	2,491,024	-	-
Marketable securities issued	-	-	-	-
Sundry creditors	-	134,313	-	-

IX. Explanations Related To Transactions Made on Behalf of Others and Fiduciary Transactions

The Group performs buying transactions on behalf of customers, and gives custody, administration and consultancy services.

The Group does not deal with fiduciary transactions.

I. Explanations Related to the Consolidated Assets

1. a) Information on Cash and Balances with the Central Bank of Turkey:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Cash in TRY/Foreign Currency	93,307	97,782	50,159	75,324
Balances with the Central Bank of Turkey	482,152	1,265,989	200,718	635,346
Other	-	2,451	1,096	2,843
Total	575,459	1,366,222	251,973	713,513

b) Information related to the account of the Central Bank of Turkey:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Unrestricted demand deposit (*)	482,152	336,907	200,718	281,142
Unrestricted time deposit	-	929,082	-	354,204
Restricted time deposit	-	-	-	-
Total	482,152	1,265,989	200,718	635,346

(*) TRY 336,907 (2006 - TRY 281,142) foreign currency and TRY 1,163 domestic currency unrestricted demand deposit balance comprises of reserve deposits. Unrestricted demand deposit balance also includes average reserve deposit held in Central Bank. The interest rates applied for reserve deposits are 11.81% for TRY deposits and 1.80% - 1.95% for foreign currency deposits (2006 - TRY 13.12% and 1.73%-2.52% for foreign currency), respectively.

2. Information on financial assets at fair value through profit and loss (net):

a.1) Information on financial assets at fair value through profit and loss given as collateral or blocked:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Share certificates	-	-	-	-
Bond, Treasury bill and similar securities	-	-	542	-
Other	-	-	-	-
Total	-	-	542	-

a.2) Financial assets at fair value through profit and loss subject to repurchase agreements:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Government bonds	-	-	4,223	-
Treasury bills	-	-	642	-
Other public sector debt securities	-	-	-	-
Bank bonds and bank guaranteed bonds	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	-	-	4,865	-

Net book value of unrestricted financial assets at fair value through profit and loss is TRY 199,549 (2006 - TRY 85,521).

a.3) Positive differences related to derivative financial assets held-for-trading:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Forward Transactions	34,392	2,981	8,720	1,162
Swap Transactions	2,569	2,749	8,250	3,233
Futures Transactions	-	-	-	-
Options	2,302	40	713	148
Other	-	-	-	53
Total	39,263	5,770	17,683	4,596

3. a) Information on banks:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Banks				
Domestic	11,960	263	4,428	30,825
Foreign	50,016	745,962	-	1,028,912
Branches and head office abroad	-	-	-	-
Total	61,976	746,225	4,428	1,059,737

b) Information on foreign bank accounts:

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
European Union Countries	497,706	568,959	130,275	13,016
USA and Canada	157,350	375,720	-	-
OECD Countries*	2,615	71,086	-	-
Off-shore banking regions	6,972	47	-	-
Other	1,060	84	-	-
Total	665,703	1,015,896	130,275	13,016

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

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

a.1) Information on financial assets available-for-sale given as collateral or blocked:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Share certificates	-	-	-	-
Bond, Treasury bill and similar securities	40,175	134,762	-	188,531
Other	-	-	-	-
Total	40,175	134,762	-	188,531

a.2) Financial assets available-for-sale subject to repurchase agreements:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Government bonds	993,846	-	881,030	-
Treasury bills	-	-	-	-
Other public sector debt securities	-	-	-	-
Bank bonds and bank guaranteed bonds	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	993,849	-	881,030	-

Net book value of unrestricted financial assets available-for-sale is TRY 452,483 (2006 - TRY 485,849).

b) Information on financial assets available for sale portfolio:

	Current Period	Prior Period
Debt securities	1,628,950	1,568,698
Quoted on a stock exchange	1,454,094	1,380,167
Not quoted	174,856	188,531
Share certificates	63	68
Quoted on a stock exchange	-	-
Not quoted	63	68
Impairment provision(-)	(7,744)	(13,356)
Total	1,621,269	1,555,410

All unquoted available for sale equities are recorded at fair value except for the Bank's investment of TRY 63 which is recorded at cost since its fair value cannot be reliably estimated. (2006 - TRY 68)

5. Information on loans:

a) Information on all types of loans and advances given to shareholders and employees of the Bank:

	Current Period		Prior Period	
	Cash Loans	Non-Cash Loans	Cash Loans	Non-Cash Loans
Direct loans granted to shareholders	20,862	25,144	1,384	2,768
Corporate shareholders	20,862	25,144	1,384	2,768
Real person shareholders	-	-	-	-
Indirect loans granted to shareholders	-	-	-	-
Loans granted to employees	4,095	-	4,563	-
Total	24,957	25,144	5,947	2,768

b) Information on the first and second group loans and other receivables including restructured or rescheduled loans:

	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-specialized loans	7,588,065	-	-	1,319
Discount notes	121,012	-	-	-
Export loans	974,239	-	-	-
Import loans	-	-	-	-
Loans given to financial sector	266,746	-	-	-
Foreign loans	444,161	-	-	-
Consumer loans	981,190	-	-	-
Credit cards	264,400	-	-	-
Precious metal loans	150,971	-	-	-
Other	4,385,346	-	-	1,319
Specialized loans	-	-	-	-
Other receivables	-	-	-	-
Total	7,588,065	-	-	1,319

c) 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
Cash Loans				
Short-term loans and other receivables	5,139,854	-	-	-
Non-specialized loans	5,139,854	-	-	-
Specialized loans	-	-	-	-
Other receivables	-	-	-	-
Medium and Long-term loans and other receivables	2,448,211	-	-	1,319
Non-specialized loans	2,448,211	-	-	1,319
Specialized loans	-	-	-	-
Other receivables	-	-	-	-
Total	7,588,065	-	-	1,319

d) Information on consumer loans, individual credit cards, personnel loans and credit cards given to personnel:

	Short Term	Medium and Long Term	Total
Consumer Loans-TRY	54,327	808,768	863,095
Housing Loans	1,159	388,095	389,254
Car Loans	4,571	170,374	174,945
General Purpose Loans	44,892	239,573	284,465
Other	3,705	10,726	14,431
Consumer Loans -Indexed to FC	5,475	74,244	79,719
Housing Loans	254	40,808	41,062
Car Loans	503	28,820	29,323
General Purpose Loans	4,718	4,616	9,334
Other	-	-	-
Consumer Loans-FC	7,294	487	7,781
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	7,294	487	7,781
Individual Credit Cards-TRY	253,690	-	253,690
With Installments	67,375	-	67,375
Without Installments	186,315	-	186,315
Individual Credit Cards-FC	2,058	-	2,058
With Installments	-	-	-
Without Installments	2,058	-	2,058
Personnel Loans-TRY	1,009	2,360	3,369
Housing Loans	-	116	116
Car Loans	-	28	28
General Purpose Loans	1,009	2,216	3,225
Other	-	-	-
Personnel Loans- Indexed to FC	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TRY	183	-	183
With Installments	29	-	29
Without Installments	154	-	154
Personnel Credit Cards-FC	1	-	1
With Installments	-	-	-
Without Installments	1	-	1
Overdraft Accounts-TRY(Real Persons) (*)	27,226	-	27,226
Overdraft Accounts-FC(Real Persons)	-	-	-
Total	351,263	885,859	1,237,122

(*) Overdraft Accounts includes TRY 542 personnel loans.

e) Information on commercial loans with installments and corporate credit cards:

	Short Term	Medium and Long Term	Total
Commercial loans with installment facility-TRY	73,688	624,944	698,632
Business Loans	170	26,411	26,581
Car Loans	11,860	221,777	233,637
General Purpose Loans	61,658	375,544	437,202
Other	-	1,212	1,212
Commercial loans with installment facility - Indexed to FC	15,041	150,276	165,317
Business Loans	-	1,427	1,427
Car Loans	3,230	84,360	87,590
General Purpose Loans	11,811	62,062	73,873
Other	-	2,427	2,427
Commercial loans with installment facility -FC	-	-	-
Business Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Corporate Credit Cards-TRY	8,106	-	8,106
With Installments	-	-	-
Without Installments	8,106	-	8,106
Corporate Credit Cards-FC	362	-	362
With Installments	-	-	-
Without Installments	362	-	362
Overdraft Accounts-TRY(Legal Entities)	-	-	-
Overdraft Accounts-FC(Legal Entities)	-	-	-
Total	97,197	775,220	872,419

f) Loans according to borrowers:

	Current Period	Prior Period
Public	360	-
Private	7,589,024	5,727,717
Total	7,589,384	5,727,717

g) Domestic and foreign loans:

	Current Period	Prior Period
Domestic loans	7,145,223	5,276,475
Foreign loans	444,161	451,242
Total	7,589,384	5,727,717

h) Loans granted to subsidiaries and associates:

	Current Period	Prior Period
Direct loans granted to subsidiaries and associates	-	-
Indirect loans granted to subsidiaries and associates	-	-
Total	-	-

i) Specific provisions provided against loans:

	Current Period	Prior Period
Specific provisions		
Loans and receivables with limited collectibility	3,802	1,270
Loans and receivables with doubtful collectibility	12,030	1,778
Uncollectible loans and receivables	57,375	27,200
Total	73,207	30,248

j) Information on non-performing loans: (Net):

j.1) Information on loans and other receivables included in non-performing loans which are restructured or rescheduled: None.

j.2) The movement of non-performing loans:

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Prior period end balance	9,329	3,676	31,787
Additions (+)	110,723	6,593	1,775
Transfers from other categories of non-performing loans (+)	-	71,206	40,112
Transfers to other categories of non-performing loans (-)	71,206	40,112	-
Collections (-)	26,245	11,815	4,315
Write-offs (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Current period end balance	22,601	29,548	69,359
Specific provision (-)	3,802	12,030	57,375
Net Balances on Balance Sheet	18,799	17,518	11,984

j.3) Information on foreign currency non-performing loans and other receivables: None.

j.4) Information regarding gross and net amounts of non-performing loans with respect to user groups:

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Current Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	22,601	29,548	69,359
Specific provision (-)	3,802	12,030	57,375
Loans to Real Persons and Legal Entities (Net)	18,799	17,518	11,984
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	9,329	3,676	31,787
Specific provision (-)	1,270	1,778	27,200
Loans to Real Persons and Legal Entities (Net)	8,059	1,898	4,587
Banks (Gross)	--		-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-

k) Main principles of liquidating non performing loans and receivables:

According to the “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves” published on Official Gazette No. 26333 dated November 1, 2006; loans and other receivables for which the collection is believed to be impossible are classified as non performing loans by complying with the requirements of the Tax Procedural Law in accordance with the decision of the upper management of the Parent Bank.

l) Explanation related to write-off policy:

In compliance with the “Procedure for Write Off and Procedures for Delayed Receivables” unrecoverable non performing loans can be written off to prevent additional legal expenses.

m) Other explanations and disclosures:

Current Period	Corporate	Small Business	Consumer	Credit Cards	Other	Total
Neither past due nor impaired	4,748,324	1,572,267	974,176	237,373	-	7,532,140
Past due not impaired	6,943	16,260	7,014	27,027	-	57,244
Individually impaired	72,723	17,621	20,176	10,988	-	121,508
Total gross	4,827,990	1,606,148	1,001,366	275,388	-	7,710,892
Less: allowance for individually impaired loans	50,356	10,015	8,132	4,704	-	73,207
Total allowance for impairment	50,356	10,015	8,132	4,704	-	73,207
Total net	4,777,634	1,596,133	993,234	270,684	-	7,637,685

Prior Period	Corporate	Small Business	Consumer	Credit Cards	Other	Total
Neither past due nor impaired	4,066,425	910,771	692,657	44,509	-	5,714,362
Past due not impaired	2,551	1,568	3,465	5,771	-	13,355
Individually impaired	31,245	6,784	5,226	1,537	-	44,792
Total gross	4,100,221	919,123	701,348	51,817	-	5,772,509
Less: allowance for individually impaired loans	24,169	3,486	1,887	706	-	30,248
Total allowance for impairment	24,169	3,486	1,887	706	-	30,248
Total net	4,076,052	915,637	699,461	51,111	-	5,742,261

A reconciliation of the allowance for impairment losses and advances by classes is as follows;

	Corporate	Small Business	Consumer	Credit Cards	Other	Total
At January 1, 2007	24,169	3,486	1,887	706	-	30,248
Charge for the year	26,822	7,114	6,245	3,998	-	44,179
Recoveries	(635)	(585)	-	-	-	(1,220)
Amounts written off	-	-	-	-	-	-
At December 31, 2007	50,356	10,015	8,132	4,704	-	73,207

	Corporate	Small Business	Consumer	Credit Cards	Other	Total
At January 1, 2006	12,803	2,195	1,777	75	-	16,850
Charge for the year	13,843	1,291	1,418	631	-	17,183
Recoveries	(2,477)	-	(1,308)	-	-	(3,785)
Amounts written off	-	-	-	-	-	-
At December 31, 2006	24,169	3,486	1,887	706	-	30,248

The fair value of collateral, capped with the respective outstanding loan balance, that the parent Bank holds relating to loans individually determined to be impaired at December 31, 2007 is TRY 35,438 (2006: TRY 13,283).

Collaterals and credit enhancement obtained during the year:

December 31, 2007	Corporate	Small Business	Consumer	Credit Cards	Other	Total
Residential, commercial or industrial property	2,980	153	81	-	49	3,263
Financial assets	-	-	-	-	-	-
Other	16	-	-	-	-	16
Total	2,996	153	81	-	49	3,279

December 31, 2006	Corporate	Small Business	Consumer	Credit Cards	Other	Total
Residential, commercial or industrial property	891	-	29	-	-	920
Financial assets	-	-	-	-	-	-
Other	16	-	-	-	-	16
Total	907	-	29	-	-	936

Aging analysis of past due but not impaired loans per classes of financial statements:

December 31, 2007	Less than 30 days	31-60 days	61-90 days	More than 91 days	Total
Loans and Advances to customers					
Corporate lending	2,545	1,945	2,453	-	6,943
Small business lending	4,542	7,619	4,099	-	16,260
Consumer lending	2,296	3,607	1,111	-	7,014
Credit cards	10,811	12,069	4,147	-	27,027
Other	-	-	-	-	-
Total	20,194	25,240	11,810	-	57,244

December 31, 2006	Less than 30 days	31-60 days	61-90 days	More than 91 days	Total
Loans and Advances to customers					
Corporate lending	1,866	517	168	-	2,551
Small business lending	664	701	203	-	1,568
Consumer lending	1,176	1,865	424	-	3,465
Credit cards	2,345	2,567	859	-	5,771
Other	-	-	-	-	-
Total	6,051	5,650	1,654	-	13,355

Of the total aggregate amount of gross past due but not yet impaired loans and advances to customers, the fair value of collaterals, capped with the respective outstanding loan balance, that the Bank held as at December 31, 2007 was TRY 155,536 (2006: TRY 91,163).

Loans and advances amounting to TRY 2,869,116 have floating interest rates (2006 - TRY 2,396,179) and the rest TRY 4,720,268 have fixed interest rates (2006 - TRY 3,331,538).

6. Information on held-to-maturity investments :

a.1) Information on held-to-maturity investments given as collateral or blocked: None (2006 - None).

a.2) Held-to-maturity investments subject to repurchase agreements: None (2006 - None).

b) Information on public sector debt investments held-to-maturity:

	Current Period	Prior Period
Government Bonds	6,114	9,402
Treasury Bills	1,626	1,655
Other public sector debt securities	-	-
Total	7,740	11,057

c) Information on held-to-maturity investments:

	Current Period	Prior Period
Debt securities	7,740	11,057
Quoted on a stock exchange	7,740	11,057
Not quoted on a stock exchange	-	-
Provision for impairment (-)	-	-
Total	7,740	11,057

d) Movement of held-to-maturity investments:

	Current Period	Prior Period
Beginning balance	11,057	11,809
Foreign currency differences on monetary assets	(1,806)	183
Purchases during year	-	-
Disposals through sales and redemptions	(1,511)	(935)
Impairment provision (-)	-	-
Closing Balance	7,740	11,057

7. Information on associates (Net):

a.1) Information on the unconsolidated associates:

Participations	Current Period	Prior Period
Other Financial Associates / Gelişen İşletmeler Piyasası A.Ş.	12	12
Total	12	12

a.2) Gelişen İşletmeler Piyasası A.Ş. commenced its operations as of December 30, 2005.

b.1) Information on the consolidated associates:

	Current Period	Prior Period
Balance at the Beginning of the Period	-	1,535
Movements During the Period	-	(1,535)
Purchases	-	-
Free Shares Obtained	-	-
Dividends from Current Year Income	-	-
Sales	-	(1,535)
Revaluation Decrease	-	-
Provision for Impairment	-	-
Balance at the End of the Period	-	-
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

b.2) Valuation of consolidated associates: None (2006 - None).

b.3) Consolidated associates which are quoted on the stock exchange: None (2006 - None).

8. Information on subsidiaries (Net):

a) Information on the unconsolidated subsidiaries: None.

b) Information on the consolidated subsidiaries:

b.1) Information on the consolidated subsidiaries:

Description	Address (City/ Country)	Bank's share percentage-If different voting percentage(%)	Other shareholders' share percentage (%)
The Economy Bank N.V.	Netherlands	100.00	100.00
TEB Finansal Kiralama A.Ş.	İstanbul/Turkey	100.00	100.00
TEB Factoring A.Ş.	İstanbul/Turkey	100.00	100.00
TEB Yatırım Menkul Değerler A.Ş.	İstanbul/Turkey	74.94	100.00
TEB Portföy Yönetimi A.Ş.	İstanbul/Turkey	46.77	100.00

Information on the consolidated subsidiaries with the order as presented in the table above:

Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit / Loss	Prior Period Profit/Loss (*)	Fair Value
(i) 1,233,840	120,138	6,767	96,332	1,693	13,478	9,708	-
(ii) 586,319	62,711	90,755	42,602	1,612	(2,145)	(18,303)	-
(iii) 421,982	21,434	390	44,479	-	8,395	5,898	-
(iv) 67,418	41,792	1,408	12,035	856	14,117	9,837	-
(v) 11,841	10,955	598	1,502	378	3,574	4,713	-

(*) Represents the amounts in the financial statements as of December 31, 2006.

- (i) Represents financial figures of foreign currency statutory financial statements translated at period end foreign exchange rates for balance sheet and monthly average rates for profit and loss as of December 31, 2007.
- (ii) Represents statutory financial figures based on Tax Procedural Law as of December 31, 2007.
- (iii) Represents consolidated financial figures of TEB Yatırım and TEB Portföy based on Capital Markets Board regulations as of December 31, 2007.
- (iv) Represents financial figures based on Capital Markets Board regulations as of December 31, 2007.

b.2) Information on consolidated subsidiaries:

	Current Period	Prior Period
Balance at the beginning of the period	164,155	164,771
Movements during the period	(19)	(616)
Purchases	-	-
Bonus shares obtained	-	-
Share in current year income	-	-
Sales (*)	-	(651)
Revaluation increase	(19)	35
Provision for impairment	-	-
Balance at the end of the period	164,136	164,155
Capital commitments	-	-
Share percentage at the end of the period (%)	-	-

(*) The Board of Directors of Petek International Holdings B.V. passed a resolution on October 26, 2004 to liquidate the company.

b.3) Sectoral information on the consolidated subsidiaries and the related carrying amounts:

		Current Period	Prior Period
Banks	/The Economy Bank N.V.	61,254	61,254
Leasing Companies	/TEB Finansal Kiralama A.Ş.	40,190	40,190
Factoring Companies	/TEB Factoring A.Ş.	22,324	22,324
Other Financial Subsidiaries	/TEB Yatırım Menkul Değerler A.Ş.	34,770	34,770
	TEB Portföy Yönetimi A.Ş.	5,354	5,354
	Stichting Custody Services TEB	213	231
	Kronenburg Vastgoed B.V.	31	32
Total		164,136	164,155

The carrying amounts of the subsidiaries above have been eliminated in the consolidated financial statements.

b.4) Consolidated subsidiaries quoted in the stock exchange: None.

9. Information on entities under common control: None.

10. Information on finance lease receivables (Net):

a) Maturity Analysis:

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	176,626	178,992	181,606	155,942
Between 1-4 years	217,092	219,433	191,806	170,659
Over 4 years	81,211	10,320	1,113	1,081
Total	474,929	408,745	374,525	327,682

b) Other explanations and disclosures:

Current Period	Corporate	Small Business	Consumer	Credit Cards	Other	Total
Neither past due nor impaired	391,598	-	-	-	-	391,598
Past due not impaired	4,970	352	-	-	-	5,322
Individually impaired	11,825	-	-	-	-	11,825
Total gross	408,393	352	-	-	-	408,745
Less: allowance for individually impaired loans	3,830	-	-	-	-	3,830
Total allowance for impairment	3,830	-	-	-	-	3,830
Total net	404,563	352	-	-	-	404,915

Prior Period	Corporate	Small Business	Consumer	Credit Cards	Other	Total
Neither past due nor impaired	319,292	-	-	-	-	319,292
Past due not impaired	3,512	253	-	-	-	3,765
Individually impaired	4,625	-	-	-	-	4,625
Total gross	327,429	253	-	-	-	327,682
Less: allowance for individually impaired loans	1,616	-	-	-	-	1,616
Total allowance for impairment	1,616	-	-	-	-	1,616
Total net	325,813	253	-	-	-	326,066

A reconciliation of the allowance for impairment losses and advances by classes is as follows;

	Corporate	Small Business	Consumer	Credit Cards	Other	Total
At January 1, 2007	1,616	-	-	-	-	1,616
Charge for the year	3,321	-	-	-	-	3,321
Recoveries	(1,107)	-	-	-	-	(1,107)
Amounts written off	-	-	-	-	-	-
At December 31, 2007	3,830	-	-	-	-	3,830

	Corporate	Small Business	Consumer	Credit Cards	Other	Total
At January 1, 2006	916	-	-	-	-	916
Charge for the year	765	-	-	-	-	765
Recoveries	(65)	-	-	-	-	(65)
Amounts written off	-	-	-	-	-	-
At December 31, 2006	1,616	-	-	-	-	1,616

The fair value of collateral that TEB Finansal Kiralama A.Ş. holds relating to lease receivables individually determined to be impaired at December 31, 2007 is TRY 7,075 (2006: TRY 3,005).

Aging analysis of past due but not impaired loans per classes of financial statements:

December 31, 2007	Less than 30 days	31-60 days	61-90 days	More than 91 days	Total
Loans and Advances to customers					
Corporate lending	2,389	909	1,673	-	4,971
Small business lending	230	121	-	-	351
Consumer lending	-	-	-	-	-
Credit cards	-	-	-	-	-
Other	-	-	-	-	-
Total	2,619	1,030	1,673	-	5,322

December 31, 2006	Less than 30 days	31-60 days	61-90 days	More than 91 days	Total
Loans and Advances to customers					
Corporate lending	245	1,065	2,201	-	3,511
Small business lending	151	103	-	-	254
Consumer lending	-	-	-	-	-
Credit cards	-	-	-	-	-
Other	-	-	-	-	-
Total	396	1,168	2,201	-	3,765

Of the total aggregate amount of gross past due but not yet impaired loans and advances to customers, the fair value of collaterals, capped with the respective outstanding loan balance, that TEB Finansal Kiralama A.Ş. held as at December 31, 2007 was TRY 29,339 (2006: TRY 6,461).

11. Information on derivative financial assets for hedging purposes: None

12. Information on tangible assets:

	Opening Balance December 31, 2006	Additions	Disposals	Other	Ending Balance December 31, 2007
Cost:					
Land and buildings	17,378	17,280	(223)	(591)	33,844
Leased tangible assets	46,208	36,678	(113)	-	82,773
Vehicles	586	95	(253)	45	473
Other	86,198	29,409	(362)	(210)	115,035
Total Cost	150,370	83,462	(951)	(756)	232,125
	Opening Balance December 31, 2006	Period Charge	Disposals	Other	Ending Balance December 31, 2007
Accumulated Depreciation:					
Land and buildings	(3,453)	(379)	5	46	(3,781)
Leased tangible assets	(33,594)	(4,119)	113	-	(37,600)
Vehicles	(409)	(77)	237	12	(237)
Other	(48,216)	(13,376)	334	127	(61,131)
Total Accumulated Depreciation	(85,672)	(17,951)	689	185	(102,749)
Net Book Value	64,698	65,511	(262)	(571)	129,376

a) If impairment amount on individual asset recorded or reversed in the current period is material for the overall financial statements:

a.1) Events and conditions for recording or reversing impairment: None.

a.2) Amount of recorded or reversed impairment in the financial statements: None.

b) The impairment provision set or cancelled in the current period according to the asset groups not individually significant but materially affecting the overall financial statements, and the reason and conditions for this: None.

c) Pledges, mortgages and other restrictions on the tangible fixed assets, expenses arising from the construction for tangible fixed assets, commitments given for the purchases of tangible fixed assets: None.

d) A building will be constructed through financial leasing on the part of the land already acquired through financial leasing by the parent Bank on December 31, 2002. Part of the land previously acquired through leasing on which the building will be constructed has been transferred to building obtained through financial leasing account together with the cost of the building..

13. Information on intangible assets:

	Opening Balance December 31, 2006	Additions	Disposals	Other	Ending Balance December 31, 2007
Cost:					
Leasehold improvements	54,380	38,376	(3,573)	-	89,183
Other intangible assets	22,253	4,469	(29)	(89)	26,604
Total Cost	76,633	42,845	(3,602)	(89)	115,787
	Opening Balance December 31, 2006	Period Charge	Disposals	Other	Ending Balance December 31, 2007
Accumulated Depreciation:					
Leasehold improvements	(21,024)	(9,812)	2,503	-	(28,333)
Other intangible assets	(14,075)	(3,722)	21	74	(17,702)
Total Accumulated Depreciation	(35,099)	(13,534)	2,524	74	(46,035)
Net Book Value	41,534	29,311	(1,078)	(15)	69,752

a) Disclosures for book value, description and remaining depreciation time for a specific intangible fixed asset that is material to the financial statements: None.

b) Disclosure for intangible fixed assets acquired through government grants and accounted for at fair value at initial recognition: None.

c) The method of subsequent measurement for intangible fixed assets that are acquired through government incentives and recorded at fair value at the initial recognition : None.

d) The book value of intangible fixed assets that are pledged or restricted for use: None.

e) Amount of purchase commitments for intangible fixed assets: None.

f) Information on revalued intangible assets according to their types: None.

g) Amount of total research and development expenses recorded in income statement within the period if any: None.

h) Positive or negative consolidation goodwill on entity basis: There is a positive goodwill of TRY 1,205 (2006 - TRY 1,205) arising from the purchase of TEB Portföy by TEB Yatırım on February 27, 2005.

i) Movements on goodwill in the current period:

	Current Period	Prior Period
Gross value at the beginning of the period	1,685	1,685
Accumulated depreciation (-)	480	480
Impairment provision (-)	-	-
Movements within the period :	-	-
Additional goodwill	-	-
Corrections arising from the changes in value of assets and liabilities	-	-
Goodwill written off due to discontinued operations in current period or complete /partial sale of an asset (-)	-	-
Amortisation (-)	-	-
Impairment provision (-)	-	-
Reversal of impairment provision (-)	-	-
Other differences occurred in the book value	-	-
Gross value at the end of the period	1,685	1,685
Accumulated amortization (-)	480	480
Impairment provision (-)	-	-
Net book value at the end of the period	1,205	1,205

14. Information on investment property: None (2006 - None).

15. Explanations on deferred tax asset:

a) As of December 31, 2007, deferred tax asset computed on the temporary differences and reflected to the balance sheet is TRY 46,272 (2006 - TRY 14,506). There are no carried forward tax losses or tax exemptions or deductions over which deferred tax asset is computed.

b) Temporary differences over which deferred tax asset is not computed and recorded in the balance sheet in prior periods: None.

c) Allowance for deferred tax and deferred tax assets from reversal of allowance: None.

d) Movement of deferred tax:

	Current Period	Prior Period
At January 1	14,506	10,092
Effect of change in tax rate	-	(1,074)
Deferred tax (charge)/benefit	34,903	(1,105)
Deferred tax (charge)/benefit (Net)	34,903	(2,179)
Deferred tax journalized in Shareholders' Equity	(3,137)	6,593
Deferred Tax Asset	46,272	14,506

	Current Period	Prior Period
At January 1 (Deferred Tax Asset)	-	-
Effect of change in tax rate	-	-
Deferred tax (charge)/benefit	(12)	-
Deferred tax (charge)/benefit (Net)	(12)	-
Deferred tax journalized in Shareholders' Equity	-	-
Deferred Tax Liability	(12)	-

16. Information on assets held for sale and discontinued operations : None (2006: None).

17. Information on other assets:

a) Breakdown of other assets:

	Current Period	Prior Period
Clearing Account (*)	195,113	-
Receivables From Securities Transactions	30,254	29,818
Leasing Contracts in Progress	37,279	6,769
Collateral Given for Derivative Financial Assets	8,863	7,965
Advances Given	3,678	9,186
Transaction Cost Related to Financial Liabilities	5,485	2,786
Prepaid Rents	4,103	3,401
Prepaid Insurance Premiums	158	188
Other Prepaid Expenses	13,575	11,286
Receivables from Credit Cards Payments	43,356	3,880
Other	15,582	8,749
Total	357,446	84,028

(*) In prior periods, other banks' cheques sent to the other banks for clearing purposes, have been recorded in off-balance sheet from sending to collection; and after cash collection they were being taken out from these accounts and recorded to the customers' deposit accounts by the parent Bank. This period, upon the announcement that was sent to all banks by BRSA, they are recorded to related clearing accounts in the balance sheet after the approval of the related clearing office for such cheques.

b) Other assets which exceed 10% of the balance sheet total (excluding off balance sheet commitments) and breakdown of these which constitute at least 20% of grand total: None.

18. Information on factoring receivables:

a) Maturity Analysis:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Short term	286,584	109,343	209,281	91,580
Medium and Long Term	59,178	24,937	-	-
Total	345,762	134,280	209,281	91,580

b) Other explanations and disclosures:

Current Period	Corporate	Small Business	Consumer	Credit Cards	Other	Total
Neither past due nor impaired	233,732	243,136	-	-	-	476,868
Past due not impaired	-	-	-	-	-	-
Individually impaired	1,555	1,619	-	-	-	3,174
Total gross	235,287	244,755	-	-	-	480,042
Less: allowance for individually impaired loans	1,225	1,189	-	-	-	2,414
Total allowance for impairment	1,225	1,189	-	-	-	2,414
Total net	234,062	243,566	-	-	-	477,628

Prior Period	Corporate	Small Business	Consumer	Credit Cards	Other	Total
Neither past due nor impaired	147,742	151,142	-	-	-	298,884
Past due not impaired	-	-	-	-	-	-
Individually impaired	969	1,008	-	-	-	1,977
Total gross	148,711	152,150	-	-	-	300,861
Less: allowance for individually impaired loans	935	973	-	-	-	1,908
Total allowance for impairment	935	973	-	-	-	1,908
Total net	147,776	151,177	-	-	-	298,953

A reconciliation of the allowance for impairment losses and advances by classes is as follows;

	Corporate	Small Business	Consumer	Credit Cards	Other	Total
At January 1, 2007	935	973	-	-	-	1,908
Charge for the year	349	216	-	-	-	565
Recoveries	(59)	-	-	-	-	(59)
Amounts written off	-	-	-	-	-	-
At December 31, 2007	1,225	1,189	-	-	-	2,414

	Corporate	Small Business	Consumer	Credit Cards	Other	Total
At January 1, 2006	749	781	-	-	-	1,530
Charge for the year	339	217	-	-	-	556
Recoveries	(153)	(25)	-	-	-	(178)
Amounts written off	-	-	-	-	-	-
At December 31, 2006	935	973	-	-	-	1,908

II. Explanations Related to the Consolidated Liabilities

1. a) Information on maturity structure of deposits:

a.1) Current period:

	Demand	7 Day Call Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Month - 1 Year	1 Year and Over	Accumulated Deposits	Total
Saving deposits	142,343	-	953,016	931,558	5,719	6,993	657	-	2,040,286
Foreign currency deposits	803,108	-	2,195,232	1,052,312	119,001	21,822	69,895	-	4,261,370
Residents in Turkey	636,116	-	1,688,532	860,793	115,997	17,964	20,245	-	3,339,647
Residents abroad	166,992	-	506,700	191,519	3,004	3,858	49,650	-	921,723
Public sector deposits	85,678	-	2,944	759	-	-	-	-	89,381
Commercial deposits	379,708	-	498,343	264,585	989	5,221	-	-	1,148,846
Other institutions deposits	5,079	-	59,310	53,465	331	356	-	-	118,541
Precious metals deposits	2,978	-	-	1,552	93	95	-	-	4,718
Interbank deposits	152,830	-	285,968	82,167	73	-	-	-	521,038
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	176	-	175,789	11,136	-	-	-	-	187,101
Foreign Banks	18,292	-	110,179	71,031	73	-	-	-	199,575
Special finance houses	134,362	-	-	-	-	-	-	-	134,362
Other	-	-	-	-	-	-	-	-	-
Total	1,571,724	-	3,994,813	2,386,398	126,206	34,487	70,552	-	8,184,180

a.2) Prior period:

	Demand	7 Day Call Accounts	Up to 1 Month	1-3 Months	3-6 Months	6 Month - 1 Year	1 Year and Over	Accumulated Deposits	Total
Saving deposits	95,995	-	562,625	969,109	5,135	4,374	243	-	1,637,481
Foreign currency deposits	718,973	-	2,204,429	862,073	136,787	112,097	41,012	-	4,075,371
Residents in Turkey	589,595	-	1,552,553	663,097	116,387	75,136	13,227	-	3,009,995
Residents abroad	129,378	-	651,876	198,976	20,400	36,961	27,785	-	1,065,376
Public sector deposits	725	-	2,794	-	-	-	-	-	3,519
Commercial deposits	248,736	-	371,789	118,242	791	148	-	-	739,706
Other institutions deposits	13,009	-	16,241	36,902	20	9	-	-	66,181
Precious metals deposits	14,930	-	-	115	57	145	-	-	15,247
Interbank deposits	48,338	-	112,965	25,862	1,035	-	-	-	188,200
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	440	-	58,854	1,011	1,035	-	-	-	61,340
Foreign Banks	13,136	-	54,111	24,851	-	-	-	-	92,098
Special finance houses	34,762	-	-	-	-	-	-	-	34,762
Other	-	-	-	-	-	-	-	-	-
Total	1,140,70	-	3,270,843	2,012,303	143,825	116,773	41,255	-	6,725,705

b) Information on saving deposits under the guarantee of saving deposit insurance:

b.1) Saving deposits exceeding the limit of insurance:

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

Saving Deposits	Under the guarantee of insurance		Exceeding the limit of insurance	
	Current Period(*)	Prior Period	Current Period(*)	Prior Period
Saving deposits	683,211	516,610	1,286,305	1,043,618
Foreign currency saving deposits	367,602	310,722	1,175,941	1,076,286
Other deposits in the form of saving deposits	842	1,113	3,690	5,008
Foreign branches' deposits under foreign authorities' insurance	-	-	-	-
Off-shore banking regions' deposits under foreign authorities' insurance	-	-	-	-
Total	1,051,655	828,445	2,465,936	2,124,912

(*) According to the BRSA's circular no 1584 dated on February 23, 2005, accruals are included in the saving deposit amounts.

b.2) Information on the saving deposits of the bank with head office abroad, if the saving deposits in the branches of the bank located in Turkey are under the guarantee of saving deposit insurance in that country abroad: None.

b.3) Saving deposits not guaranteed by insurance:

i) Deposit of real persons not under the guarantee of saving deposit insurance:

	Current Period	Prior Period
Deposits and accounts in branches abroad	14,249	-
Deposits of ultimate shareholders and their close families	655,656	450,351
Deposits of chairman and members of the Board of Directors and their close families	2,300	1,001
Deposits obtained through illegal acts defined in the 282nd Article of the 5237 numbered Turkish Criminal Code dated September 26, 2004.	-	-
Saving deposits in banks established in Turkey exclusively for off shore banking activities	-	-

2. Information on derivative financial liabilities:

a) Negative differences table related to derivative financial liabilities held-for-trading:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Forward Transactions	31,987	2,258	9,013	497
Swap Transactions	222,680	3,217	58,079	847
Futures Transactions	-	-	-	-
Options	2,134	52	288	168
Other	-	187	-	226
Total	256,801	5,714	67,380	1,738

3. a) Information on banks and other financial institutions:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Loans from Central Bank of Turkey	-	-	-	-
From Domestic Banks and Institutions	296,549	163,031	86,953	109,213
From Foreign Banks, Institutions and Funds	454,657	1,456,767	300,338	899,919
Total	751,206	1,619,798	387,291	1,009,132

b) Maturity analysis of borrowings:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Short-term	691,607	1,175,116	321,375	714,816
Medium and Long Term	59,599	444,682	65,916	294,316
Total	751,206	1,619,798	387,291	1,009,132

c) Additional explanation related to the concentrations of the Parent Bank's major liabilities:

Parent Bank diversifies its funding resources by the customer deposits and by the foreign borrowings. As of December 31, 2007, the parent Bank has a syndication loan of EUR 240,000,000, with a maturity of 1 year, under foreign borrowings obtained as of November 20, 2007.

Parent Bank makes analysis of its customers that provide the maximum amount of funds within the branches and throughout the Parent Bank, in consideration of profitability. Parent Bank takes short and long term preventive measures to spread its customers on a wider spectrum on the basis of customer concentration in the branches.

Information on funds provided from repurchase agreement transactions:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
From domestic transactions	904,293	-	770,983	-
Financial institutions and organizations	896,082	-	765,830	-
Other institutions and organizations	424	-	584	-
Real persons	7,787	-	4,569	-
From foreign transactions	38	5,005	21	-
Financial institutions and organizations	-	5,005	-	-
Other institutions and organizations	-	-	-	-
Real persons	38	-	21	-
Total	904,331	5,005	771,004	-

4. Other liabilities which exceed 10% of the balance sheet total (excluding off-balance sheet commitments) and the breakdown of these which constitute at least 20% of grand total: None.

5. Explanations on financial lease obligations (Net):

a) The general explanations on criteria used in determining installments of financial lease agreements, renewal and purchasing options and restrictions in the agreements that create significant obligations to the group:

In the financial lease agreements, installments are based on useful life, usage periods and provisions of the Tax Procedural Code.

b) The explanation on modifications in agreements and new obligations resulting from such modifications:

The financial lease agreement of the parent Bank, dated December 31, 2002 for the acquisition of the land, has been

modified in the current period due to the construction of a building through financial leasing on this land as explained in detail in the disclosure on tangible assets.

c) Explanation on finance lease payables: None.

d) Explanations regarding operational leases:

Except for the Head-Office-Istanbul and Izmir-Ege Kurumsal Branch buildings, all branch premises of the Parent Bank are leased under operational leases. During the period ended December 31, 2007, operational lease expenses amounting to TRY 45,986 (2006 - TRY 26,984) have been recorded in the profit and loss accounts. The lease periods vary between 1 and 10 years and lease agreements are cancelable subject to a certain period of notice.

e) Explanations on the lessor and lessee in sale and lease back transactions, agreement conditions, and major agreement terms: None.

6. Information on derivative financial liabilities for hedging purposes: None.

7. Information on provisions:

a) Information on general provisions:

	Current Period	Prior Period
General Provisions		
Provisions for First Group Loans and Receivables	44,713	25,649
Provisions for Second Group Loans and Receivables	-	-
Provisions for Non-Cash Loans	6,710	3,958
Other	5,204	5,371
Total	56,627	34,978

b) Foreign exchange losses on the foreign currency indexed loans and finance lease receivables: The foreign exchange losses on the foreign currency indexed loans amounting to TRY 49,294 (2006 - TRY 12,108) is netted off from loans on the balance sheet.

c) The specific provisions provided for unindemnified non cash loans amount to TRY 552 (2006 - TRY 207).

d) Information on employee termination benefits and unused vacation accrual:

The Group has calculated reserve for employee termination benefits by using actuarial valuations as set out in the TAS No:19 and reflected this in the financial statements.

As of December 31, 2007, TRY 11,187 (2006 - TRY 7,516) reserve for employee termination benefits was provided

against a total undiscounted liability of TRY 27,406 (2006 - TRY 21,039). The ratio of provision of this benefit to undiscounted total liabilities is 41%. (2006 - 36%)

As of December 31, 2007, the Group provided a reserve of TRY 7,879 (2006- TRY 6,460) for the unused vacations. This balance is classified under other provisions in the financial statements.

d.1) Movement of employee termination benefits

	Current Period	Prior Period
As of January 1	7,516	6,490
Arising during the year	5,113	1,971
Benefits paid	(1,442)	(945)
Total	11,187	7,516

e) Information on other provisions:

e.1) Provisions for possible losses: None.

e.2) The breakdown of the subsidiary accounts if other provisions exceed 10% of the grand total of provisions

	Current Period	Prior Period
Provision for employee benefits	7,879	6,460
Specific provision for factoring and leasing receivables	6,244	3,524
Provision for promotion of credit cards and banking services	2,030	812
Other	552	208
Total	16,705	11,004

f) Liabilities on pension rights: None.

f.1) Liabilities for pension funds established in accordance with "Social Security Institution": None.

f.2) Liabilities resulting from all kinds of pension funds, foundations etc, which provide post retirement benefits for the employees: None.

8. Explanations on taxes payable:

a) Information on current tax liability:

a.1) Corporate taxes:

	Current Period	Prior Period
Provision for Corporate Taxes	11,387	20,082

a.2) Information on taxes payable:

	Current Period	Prior Period
Taxation on Securities	9,825	5,909
Property Tax	671	517
Banking Insurance Transaction Tax (BITT)	10,503	6,517
Foreign Exchange Transaction Tax	1,008	1,071
Value Added Tax Payable	485	543
Other (*)	6,815	3,062
Total	29,307	17,619

(*) Others include stamp taxes payable amounting to TRY 448 (2006 - TRY 300).

b) Information on premiums:

	Current Period	Prior Period
Social Security Premiums-Employee	1,927	2,193
Social Security Premiums-Employer	2,712	3,097
Bank Social Aid Pension Fund Premium-Employee	-	-
Bank Social Aid Pension Fund Premium-Employer	-	-
Pension Fund Membership Fees and Provisions-Employee	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Unemployment Insurance-Employee	136	155
Unemployment Insurance-Employer	268	309
Other	884	162
Total	5,927	5,916

c) Explanations on deferred tax liabilities, if any:

The deferred tax liability of the Group is TRY 12 as of December 31, 2007. The deferred tax liability movement is presented under "Explanations on Deferred Tax Asset".

9. Information on liabilities regarding assets held for sale and discontinued operations: None.

10. Explanations on the number of subordinated loans the Parent Bank used, maturity, interest rate, institution that the loan was borrowed from, and conversion option, if any:

The Parent Bank has signed an agreement with the International Finance Corporation (IFC) on July 17, 2002, for a subordinated loan of USD 15 million. The maturity of the loan is October 14, 2011 and interest rate is LIBOR+2.85%.

The Parent Bank has signed another agreement with the IFC on June 27, 2005, for a subordinated loan. The facility is a USD 50 million subordinated loan, with a maturity of June 29, 2015 and with an interest rate of LIBOR+3.18%.

The Parent Bank has signed an agreement with the Economy Luxembourg S.A on October 31, 2006 for a subordinated loan. The facility is a EUR 110 million subordinated loan, with a maturity of October 31, 2016, and with an interest rate of 6.10%.

The Bank has obtained a primary subordinated loan by issuing a bond amounting USD 100 million as of July 31, 2007. The investor of the said bond is IFC International Finance Corporation (IFC). The maturity of the borrowing is indefinite with six monthly interest payment. The interest rate is defined as 6 month Libor+3.5% until July 31, 2017. In case the borrowed amount is not repaid at that date, the interest rate will be revised as 6 month Libor+ 5.25%.

Each of the four of the above facilities match BRSA's subordinated loan-capital definitions and positively contribute to the Parent Bank's capital adequacy ratio as well as creating long term financing.

a) Information on subordinated loans:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	-	-	-	-
From Other Foreign Institutions	-	387,880	-	299,912
Total	-	387,880	-	299,912

Explanations on factoring payables:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Domestic	111,850	-	67,213	-
Short-term	111,850	-	67,213	-
Medium and long-term	-	-	-	-
Foreign	-	57,755	-	43,859
Short-term	-	57,755	-	43,859
Medium and long-term	-	-	-	-
Total	111,850	57,755	67,213	43,859

11. Information on Shareholders' Equity:

a) Presentation of Paid-in capital:

	Current Period	Prior Period
Common stock	755,000	76,500
Preferred stock	-	-

b) Paid-in capital amount, explanation as to whether the registered share capital system is applicable at bank if so amount of registered share capital ceiling:

Capital System	Paid-in capital	Ceiling
Registered Capital System	755,000	900,000

c) Information on share capital increases and their sources; other information on increased capital shares in current period:

Based on the meeting of the General Assembly on March 27, 2007, after completing all of the legal procedures, it was decided to increase the paid-in capital of the Bank to TRY 100,000 by TRY 23,500 within the registered capital ceiling and decided to incorporate TRY 11,750 of TRY 23,500 increase from the extraordinary reserves, and the remaining TRY 11,750 from the inflation accounting differences on share capital and in exchange distribute the investors as bonus shares as per their proportionate shares, and the capital increase procedures were completed as of June 7, 2007.

At the meeting held on August 28, 2007, the Board of Directors decided to increase the paid-in capital of the Parent Bank to TRY 755,000 by TRY 655,000 within the registered capital ceiling subsequent to the resolution of the ceiling increase at the Extraordinary General Assembly, by injecting TRY 210,000 from the shareholders' in cash and in exchange distribute shares as per their proportionate shareholding, incorporating TRY 240,000 from the inflation accounting differences on share capital and TRY 205,000 from the extraordinary reserves and in exchange distribute bonus shares to the shareholders as per their proportionate shareholding. The Extraordinary General Assembly of the Parent Bank resolved to increase the capital ceiling TRY 100,000 to TRY 900,000 on September 5, 2007. The increase was registered with Istanbul Trade Registry Office on September 6, 2007. The capital increase procedures were completed as of November 21, 2007.

Date of increase	Amount of increase	Cash	Profit reserves	Capital reserves
November 21, 2007	655,000	210,000	205,000	240,000
June 7, 2007	23,500	-	11,750	11,750

d) Information on share capital increases from revaluation funds: 251,750 YTL.

e) Capital commitments in the last fiscal year and at the end of the following interim period, the general purpose of these commitments and projected resources required to meet these commitments: None.

f) Indicators of the Parent Bank's income, profitability and liquidity for the previous periods and possible effects of these future assumptions due to the uncertainty of these indicators on the Parent Bank's equity:

Prior year income, profitability and liquidity of the Parent Bank is closely monitored and reported to Board of Directors, Asset and Liability Committee, and Risk Management by the Budget and Financial Control Group. This group tries to forecast the effects of interest, currency and maturity fluctuations that change these indicators with static and dynamic scenario analysis. Net asset value, which is defined as the difference of fair values of assets and liabilities, is measured. Expectations are made for the Bank's future interest income via simulations of net interest income and scenario analysis.

g) Information on preferred shares:

7% of the Bank's remaining net income after tax subsequent to deducting legal reserves and first dividends, corresponding to the Bank's 60,000 shares of YTL 30 (in full TRY) is distributed to the founder shares.

h) Information on marketable securities value increase fund:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
From Associates, Subsidiaries, and Entities Under Common Control (Joint Vent.)	-	-	-	-
Valuation Difference	1,854	545	(12,344)	2,220
Foreign Exchange Difference	-	-	-	-
Total	1,854	545	(12,344)	2,220

	Current Period	Prior Period
Foreign currency marketable securities value increase fund	545	2,220
Foreign exchange gains resulting from foreign currency associates, subsidiaries, and securities held to maturity related to the above amount	-	-
Total	545	2,220

Information on legal reserves:

	Current Period	Prior Period
First legal reserves	27,970	20,303
Second legal reserves	8,453	8,453
Other legal reserves appropriated in accordance with special legislation	-	-
Total	36,423	28,756

Information on extraordinary reserves:

	Current Period	Prior Period
Reserves appropriated by the General Assembly	61,105	162,201
Retained earnings	-	-
Accumulated losses	-	-
Foreign currency share capital exchange difference	-	-
Total	61,105	162,201

Other Information on Shareholders' Equity:

The Group has ceased the hedge of the net investment risk of its subsidiary The Economy Bank NV ("TEB NV"), operating in Netherlands with capital of EUR 30 million, in compliance with the Turkish Accounting Principles as of

October 31, 2007. The valuation differences of the net investment risk and the valuation differences in the hedging instrument until October 31, 2007 have been accounted for under "Other Reserves".

The movement of the other reserves is as follows:

	Current Period	Prior Period
At January 1	(10,124)	9,354
Net unrealised gains on available for sale investments	20,723	(24,421)
Realised gains on available for sale investments recycled to income statement on disposal	-	-
Realised losses on available for sale investments recycled to income statement on disposal and impairment	(5,063)	(1,650)
Tax effect of net gains on available for sale investments	(3,137)	6,593
Unrealised gains / (losses) on cash flow hedges	-	-
Gains / (losses) on cash flow hedges recycled to income statement	-	-
Tax effect of net gains on cash flow hedges	-	-
At December 31	2,399	(10,124)

12. Information on minority shares: None.

III. Explanations Related to the Consolidated Off-Balance Sheet Contingencies and Commitments

1. Information on off-balance sheet liabilities:

a) Nature and amount of irrevocable loan commitments: Credit card expenditure limit commitments are TRY 822,709 and TRY 260,614; payment commitments for checks are TRY 456,009 and TRY 259,573 as of December 31, 2007 and December 31, 2006 respectively.

b) Possible losses and commitments related to off-balance sheet items including items listed below:

The Group, within the context of banking activities, undertakes certain commitments, consisting of loan commitments, letters of guarantee, acceptance credits and letters of credit.

b.1) Non-cash loans including guarantees, acceptances, financial guarantee and other letters of credits:

As of December 31, 2007 total guarantees and commitments consist of letters of guarantee amounting to TRY 2,178,914 (2006 - TRY 1,767,670), acceptances amounting to TRY 64,002 (2006 - TRY 50,146) and letters of credit amounting to TRY 856,381 (2006 - TRY 911,707).

b.2) Guarantees, suretyships, and similar transactions: The Group has other guarantees and suretyships amounting to TRY 200,080 as of December 31, 2007 (2006 - TRY 204,801).

c) c.1) Total amount of non-cash loans:

	Current Period	Prior Period
Non-cash loans given against achieving cash loans	186,955	213,246
With maturity of 1 year or less than 1 year	8,281	43,639
With maturity of more than 1 year	178,674	169,607
Other non-cash loans	3,112,422	2,721,078
Total	3,299,377	2,934,324

c.2) Information on sectoral risk breakdown of non-cash loans:

	Current Period				Prior Period			
	TRY	(%)	FC	(%)	TRY	(%)	FC	(%)
Agricultural	16,138	1.21	16,537	0.84	13,872	1.47	17,990	0.90
Farming and raising livestock	12,882	0.97	15,316	0.78	10,702	1.14	15,767	0.79
Forestry	2,792	0.21	1,221	0.06	2,953	0.31	2,223	0.11
Fishery	464	0.03	-	-	217	0.02	-	-
Manufacturing	667,856	50.27	1,018,365	51.67	502,475	53.38	980,057	49.18
Mining	50,595	3.81	25,615	1.30	33,412	3.55	37,419	1.88
Production	600,432	45.20	970,190	49.23	465,769	49.48	920,364	46.18
Electric, gas and water	16,829	1.27	22,560	1.14	3,294	0.35	22,274	1.12
Construction	226,578	17.05	360,869	18.31	142,803	15.17	273,451	13.72
Services	351,092	26.43	285,703	14.50	244,592	25.99	387,019	19.42
Wholesale and retail trade	174,009	13.10	71,259	3.62	115,931	12.32	69,025	3.46
Hotel, food and beverage services	8,543	0.64	5,511	0.28	4,186	0.45	9,698	0.49
Transportation and telecommunication	47,226	3.55	56,208	2.85	33,878	3.60	55,870	2.80
Financial institutions	31,651	2.38	106,797	5.42	29,362	3.12	215,712	10.82
Real estate and renting services	23,356	1.76	28,441	1.44	12,224	1.30	29,839	1.50
Self-employment services	36,704	2.76	10,424	0.53	28,644	3.04	2,122	0.11
Education services	1,362	0.10	10	-	841	0.09	-	-
Health and social services	28,241	2.13	7,053	0.36	19,526	2.07	4,753	0.24
Other	66,860	5.03	289,379	14.68	37,569	3.99	334,496	16.78
Total	1,328,524	100.00	1,970,853	100.00	941,311	100.00	1,993,013	100.00

c.3) Information on I st and II nd Group non-cash loans:

	I st Group		II nd Group	
	TRY	FC	TRY	FC
Non-cash loans				
Letters of guarantee	1,248,728	930,186	-	-
Bank acceptances	-	64,002	-	-
Letters of credit	156	856,225	-	-
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring commitments	-	-	-	-
Other commitments and contingencies	79,640	120,440	-	-
Total	1,328,52	1,970,853	-	-

The Parent Bank provided reserve of TRY 552 for non-cash loans not yet indemnified amounting to TRY 1,620.

2. Information related to derivative financial instruments:

	Derivative Transactions According to Purposes			
	Trading		Hedging	
	Current Period	Prior Period	Current Period	Prior Period
Types of trading transactions				
Foreign currency related derivative transactions (I)	5,266,646	3,181,745	-	-
Forward transactions	2,023,401	783,670	-	-
Swap transactions	2,295,238	1,616,585	-	-
Futures transactions	144,668	53,299	-	-
Option transactions	803,339	728,191	-	-
Interest related derivative transactions (II)	14,682	16,919	-	-
Forward rate transactions	-	-	-	-
Interest rate swap transactions	14,682	16,919	-	-
Interest option transactions	-	-	-	-
Futures interest transactions	-	-	-	-
Marketable securities call-put options (III)	7,988	-	-	-
Other trading derivative transactions (IV)	218,483	198,096	-	-
A.Total trading derivative transactions (I+II+III+IV)	5,507,799	3,396,760	-	-
Types of hedging transactions				
Fair value hedges	-	-	-	-
Cash flow hedges	-	-	-	-
Net investment hedges	-	-	-	-
B.Total hedging related derivatives	-	-	-	-
Total Derivative Transactions (A+B)	5,507,799	3,396,760	-	-

Related to agreements of forward transactions and options; the information based on the type of forward and options transactions are disclosed separately, specified with related amounts, type of agreement, purpose of transaction, nature of risk, strategy of risk management, hedging relationship, possible effects on the Bank's financial position, timing of cash flows, reasons of unrealized transactions which previously projected to be realized, income and expenses that could not be linked to income statement in the current period because of the agreements :

Forward foreign exchange and swap transactions are based on protection from interest and currency fluctuations. According to TAS, they do not qualify as hedging instruments and as trading transactions are remeasured at fair value.

As of December 31, 2007, breakdown of the Group's foreign currency forward and swap transactions based on currencies are disclosed below in their TRY equivalents:

	Forward Buy	Forward Sell	Swap Buy	Swap Sell	Option Buy	Option Sell	Future Buy	Future Sell
Current Period								
TRY	389,552	456,229	50,725	1,064,799	212,950	205,775	2	55
USD	342,185	430,844	866,600	107,105	150,313	153,458	144,609	2
EURO	238,059	79,984	71,682	27,904	38,712	42,131	-	-
OTHER	44,414	42,134	71,736	49,369	-	-	-	-
Total	1,014,210	1,009,191	1,060,743	1,249,177	401,975	401,364	144,611	57
Prior Period								
TRY	184,672	97,912	29,314	708,375	106,152	101,498	-	-
USD	43,819	230,953	724,655	65,380	161,294	165,514	53,299	-
EURO	140,904	59,808	-	28,698	96,867	96,866	-	-
OTHER	23,786	1,816	45,138	31,944	-	-	-	-
Total	393,181	390,489	799,107	834,397	364,313	363,878	53,299	-

As of December 31, 2007, the Group has no cash flow hedges.

As of December 31, 2007, the Group has no hedge of net investment in foreign operations. The Group has ceased the hedge of investment in foreign operations as of October 31, 2007 and has accounted the foreign currency valuation difference of TRY 405 in the accompanying consolidated financial statements.

3. Explanations on contingent liabilities and assets:

a.1) The Group's share in contingent liabilities arising from entities under common control together with other venturers: None.

a.2) Share of entity under common control in its own contingent liabilities: None.

a.3) The Group's contingent liabilities resulting from liabilities of other venturers in entity under common control: None.

b) Accounting and presentation of contingent assets and liabilities in the financial statements:

b.1) Contingent assets are accounted for, if probability of realization is almost certain. If probability of realization is high, then it is explained in the footnotes. As of December 31, 2007 there are no contingent assets that need to be explained. (2006 – None.)

b.2) A provision is made for contingent liabilities, if realization is probable and the amount can reliably be determined. If realization is remote or the amount cannot be determined reliably, then it is explained in the footnotes: As of December 31, 2007 there are no contingent liabilities that need to be explained. (2006 – None.)

4. Custodian and intermediary services:

The Parent Bank provides trading and safe keeping services in the name and account of third parties, which are presented in the statement of contingencies and commitments.

Investment securities held in custody include investment fund participation certificates which are accounted for by their number of certificates. As of balance sheet date the total number of certificates is 24,189,005 thousand (2006 - 18,779,675 thousand) and the total fair value is TRY 3,064,762 (2006 – TRY 2,480,927).

5. The information on the Bank's rating by the international rating introductions (*):

The results of the rating performed by Moody's Investor Services and Fitch Ratings are shown below:

Moody's Investor Services: December 2007

View	Stable
Bank Financial Strength	D+
Foreign Currency Deposits	B1/NP

Fitch Ratings: December 2007

Foreign Currency Commitments

Long term	BB
Short term	B
View	Positive

New Turkish Lira Commitments

Long term	BBB-
Short term	F3
View	Positive
National	AAA (tur)
View	Stable

Individual Rating C/D

Support Points 3

(*) Ratings above are not performed based on the "Communiqué for Authorization and Activities of Rating Institutions"

IV. Explanations Related to the Consolidated Income Statement

1. a) Information on interest on loans:

Current Period	Current Period		Prior Period	
	TRY	FC	TRY	FC
Interest on loans (*)				
Short term loans	719,020	113,916	371,276	96,112
Medium and long term loans	247,783	44,712	131,056	34,059
Interest on non-performing loans	1,732	-	784	-
Premiums received from Resource Utilization Support Fund	-	-	-	-
Total	968,534	158,628	503,116	130,171

(*) Includes fees and commissions obtained from cash loans. Fees and commissions from cash loans are TRY 31,743 (2006: TRY 18,472).

b) Information on interest received from banks:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
The Central Bank of Turkey	-	3,496	-	2,488
Domestic banks	5,970	506	8,843	2,152
Foreign banks	5,771	57,189	5,552	49,393
Branches and head office abroad	-	-	-	-
Total	11,741	61,191	14,395	54,033

c) Interest received from marketable securities portfolio:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Trading securities	22,577	940	9,310	408
Financial assets at fair value through profit and loss	-	219	-	-
Available-for-sale securities	231,551	17,614	137,151	20,547
Held-to-maturity securities	306	453	634	536
Total	254,434	19,226	147,095	21,491

d) Information on interest income received from associates and subsidiaries:

Interest income received from associates and subsidiaries are eliminated in the consolidated financial statements.

2. a) **Information on interest on funds borrowed (*):**

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Banks				
The Central Bank of Turkey	-	-	-	-
Domestic banks	34,455	16,683	9,962	20,226
Foreign banks	100,511	43,475	30,797	43,224
Branches and head office abroad	-	-	-	-
Other financial institutions	-	25,386	-	10,516
Total	134,966	85,544	40,759	73,966

(*) Includes fees and commission expenses of cash loans. Fees and commissions expenses of cash loans are TRY 1,648 (2006: TRY 1,822).

b) **Information on interest expense to associates and subsidiaries: None**

c) **Distribution of interest expense on deposits based on maturity of deposits:**

Account Name	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year	Accumulated Deposits	Total
TRY								
Bank deposits	21	9,888	1,125	183	-	-	-	11,217
Saving deposits	3,117	174,166	160,598	2,276	1,175	49	-	341,381
Public sector deposits	-	483	227	9,493	-	-	-	10,203
Commercial deposits	290	89,141	45,722	415	29	34	-	135,631
Other deposits	3	10,737	7,823	23	125	-	-	18,711
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	3,431	284,415	215,495	12,390	1,329	83	-	517,143
FC								
Foreign currency deposits	3,215	95,034	70,644	5,424	1,511	4,378	-	180,206
Bank deposits	92	2,157	149	-	228	-	-	2,626
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	5	2	5	17	1	-	-	30
Total	3,312	97,193	70,798	5,441	1,740	4,378	-	182,862
Grand Total	6,743	381,608	286,293	17,831	3,069	4,461	-	700,005

3. **Information on dividend income:**

	Current Period	Prior Period
Trading securities	-	-
Financial assets at fair value through profit and loss	-	-
Available-for-sale securities	7	4
Other	-	-
Total	7	4

4. Information on net trading income:

	Current Period	Prior Period
Income	2,078,148	1,442,651
Gains on capital market operations	446,664	253,022
Gains on derivative financial instruments	396,112	202,449
Other	50,552	50,573
Foreign exchange gains (*)	1,631,484	1,189,629
Losses (-)	2,099,163	1,404,399
Losses on capital market operations	589,294	227,686
Losses on derivative financial instruments	561,510	207,579
Other	27,784	20,107
Foreign exchange losses (*)	1,509,869	1,176,713

(*) As of December 31, 2007, the foreign exchange gain on the foreign currency indexed loans is TRY 3,209 (2006: TRY 58,012). As of December 31, 2007 the foreign exchange loss on the foreign currency indexed loans is TRY 88,917 (2006: TRY 16,042).

5. Information on other operating income:

The information on the factors effecting the parent Bank's income including new developments, and the explanation on nature and amount of income earned from extraordinary such items: None.

6. Provision expenses of banks for loans and other receivables:

	Current Period	Prior Period
Specific provisions for loans and other receivables	43,304	17,217
III. Group Loans and Receivables	2,802	1,288
IV. Group Loans and Receivables	10,349	1,563
V. Group Loans and Receivables	30,153	14,366
General provision expenses	23,982	14,421
Provision expenses for possible losses	-	-
Marketable securities impairment losses	1,755	2,068
Financial assets at fair value through profit and loss	190	1
Investment securities available for sale	1,565	2,067
Impairment provision expense	-	-
Associates	-	-
Subsidiaries	-	-
Entities under common control (Joint Vent.)	-	-
Investments held to maturity	-	-
Other	2,777	1,256
Total	71,818	34,962

7. Information on other operating expenses:

	Current Period	Prior Period
Personnel expenses	276,877	175,871
Reserve for employee termination benefits	5,113	1,026
Bank social aid fund deficit provision	-	-
Impairment expenses of fixed assets	-	-
Depreciation expenses of fixed assets	17,951	11,615
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	13,534	7,566
Impairment for investments accounted for under equity method	-	-
Impairment expenses of assets to be disposed	-	-
Depreciation expenses of assets to be disposed	-	-
Impairment expenses of assets held for sale and discontinued operations	-	-
Other operating expenses	170,141	107,293
Rent expenses	47,525	27,672
Maintenance expenses	4,507	2,756
Advertisement expenses	27,364	20,867
Other expenses	90,745	55,998
Loss on sales of assets	43	292
Other(*)	31,859	21,392
Total	515,518	325,055

(*) Included in other, the premiums paid to Saving Deposit Insurance Fund is TRY 6,152 (2006 – TRY 4,068).

8. Information on profit/(loss) from continued and discontinued operations before taxes:

Profit before tax of the Group has increased by 20% for the period ended December 31, 2007 as compared to the prior year. In comparison with prior year, the Group's net interest income, net fees and commissions income and provision and operating expenses increased by 69%, 57% and 63%, respectively.

9. Information on tax provision for continued and discontinued operations:

- As of December 31, 2007, current tax charge is TRY 80,915 (2006 – TRY 35,659) and deferred tax benefit is TRY 34,891 (2006 – TRY 2,179 deferred tax charge).
- Deferred tax benefit on temporary differences is TRY 34,891 (2006 – TRY 2,179 deferred tax charge).
- Deferred tax benefit or charge for temporary differences reflected to the income statement, on carried forward tax losses or tax exemptions or deductions: None.

d) Tax reconciliation:

	Current Period	Prior Period
Profit before tax	193,094	161,159
Corporate tax rate	%20	%20
Tax calculated:	38,619	32,233
Tax effect of disallowables	69,567	23,550
Tax effect of income not taxable	(28,248)	(21,456)
Tax effect of change in tax rate	977	1,332
Deferred tax (benefit) / charge	(34,891)	2,179
Total	46,024	37,838

10. Information on net operating income after taxes:

The Group increased its profit for the period ended December 31, 2007 by 19% as compared to the prior period profit.

11. The explanations on net income / loss for the period:

a) The nature and amount of certain income and expense items from ordinary operations is disclosed if the disclosure for nature, amount and repetition rate of such items is required for the complete understanding of the Bank's performance for the period: None.

b) Effect of changes in accounting estimates on income statement for the current and, if any, for subsequent periods: None.

b) Profit or loss attributable to minority shares: None.

c) If the other items in the income statement exceed 10% of the income statement total, accounts amounting to at least 20% of these items are shown below:

	Current Period	Prior Period
Other interest income		
Factoring interest income	44,479	26,362
Other	6,504	3,877
Total	50,983	30,239

	Current Period	Prior Period
Other fees and commissions received		
Brokerage commissions received	23,210	17,600
Credit cards commissions and fees	58,983	14,172
Import letters of credit commissions	6,316	6,065
Inquiry and company search fees and commissions	19,361	11,098
Settlement expense provision, eft, swift, agency commissions	11,204	8,340
Insurance commissions	7,627	4,232
Transfer commissions	5,284	3,832
Commissions and fees earned from correspondent banks	3,675	2,275
Consultancy fees	3,984	280
Other	26,617	19,959
Total	166,261	87,853

	Current Period	Prior Period
Other fees and commissions given		
Credit cards commissions and fees	42,436	13,794
Commissions and fees paid to correspondent banks	4,407	3,889
Settlement and swift commissions	3,208	2,437
Other	7,936	4,033
Total	57,987	24,153

e) Nature and amount of changes in accounting estimates, which have a material effect on current period or expected to have a material effect on subsequent periods: None.

V. Explanations Related to Statement of Shareholders' Equity Movement

a) Increase resulting from revaluation of financial assets available for sale is TRY 12,523 (2006 – TRY 19,478 decrease).

Gain or loss arising from measurement of financial assets available-for-sale included in shareholders' equity in the current period, excluding those related to hedging: Indicated above.

The amount recycled from equity to net income/loss account if the loss or gain related with measurement at fair value is recorded to equity for the financial assets available-for-sale (excluding the assets related to hedging): TRY 5,063 (2006 – TRY 1,650).

b) Increase in cash flow risk hedging items: None.

b.1) Reconciliation of beginning and ending balances: None.

b.2) Amount recorded in the current period if a gain or loss from a cash flow hedging derivative or non-derivative financial asset is accounted for under shareholders' equity: None.

c) The reconciliation related with foreign exchange amounts in the beginning and end of the period: None.

d) The Group has ceased the hedge of the net investment risk of its subsidiary The Economy Bank NV ("TEB NV"), operating in Netherlands with capital of EUR 30 million, in compliance with the Turkish Accounting Principles as of October 31, 2007. The valuation differences of the net investment risk and the valuation differences in the hedging instrument until October 31, 2007 have been accounted for under "Other Reserves".

e) Dividends declared subsequent to the balance sheet date, but before the announcement of the financial statements: None.

f) Dividends per share proposed subsequent to the balance sheet date: Profit appropriation will be resolved in the General Assembly meeting which has not been conducted as of the date of the accompanying financial statements are authorized for issue.

g) Proposals to General Assembly for the payment dates of dividends and if it will not be appropriated the reasons for this: The Board of Directors has not decided for profit appropriation as of the date of the financial statements are authorized for issue.

h) Amounts transferred to legal reserves: Amount transferred to legal reserves from retained earnings is TRY 7,667.

i) Information on shares issued:

Share premium that consists of the difference between the sales value of nominal share certificates of the parent Bank of TRY 138 and TRY 67 on the Istanbul Stock Exchange (ISE) -from the capital increase dated June 30, 2006 and October 31, 2007 and that corresponds to the shares of shareholders who have not used their pre-emptive rights- and the nominal value of the said share certificates has been realized as TRY 1,592 and TRY 144, respectively. The Bank has recorded this amount at "Share Premiums" account.

VI. Explanations Related To Statement Of Cash Flows

1. The effects of the other items stated in the cash flow statement and the changes in foreign currency exchange rates on cash and cash equivalents:

"Other items" amounting to TRY 257,653 (2006 – TRY 266,111) in "Operating profit before changes in operating assets and liabilities" consists of fees and commissions paid and other expenses except for personnel expenses, leasing expenses, reserve for employee termination benefits, depreciation expenses and taxes paid.

"Net increase/decrease in other liabilities" amounting to TRY 503,149 (2006 – TRY 75,430) in "Changes in operating assets and liabilities" consists of changes in sundry creditors, other liabilities and interbank money market borrowings.

“Net increase/decrease in other assets” amounting to TRY 588,161 (2006 – TRY 327,257) consists of changes in sundry debtors and other assets.

2. Cash and cash equivalents at beginning and end of periods:

The reconciliation of the components of cash and cash equivalents, accounting policies used to determine these components, the effect of any change made in accounting principle in the current period, the recorded amounts of the cash and cash equivalent assets at the balance sheet and the recorded amounts in the cash flow statement:

Beginning of the period	Current Period	Prior Period
Cash	684,344	355,962
Cash in TRY/Foreign Currency	125,483	85,914
Central Bank – Unrestricted amount	554,922	268,602
Other	3,939	1,446
Cash equivalents	1,060,876	1,065,146
Banks	1,060,876	908,496
Money market placements	-	156,650
Total cash and cash equivalents	1,745,220	1,421,108

End of the period	Current Period	Prior Period
Cash	1,592,944	684,344
Cash in TRY/Foreign Currency	191,089	125,483
Central Bank – Unrestricted amount	1,399,404	554,922
Other	2,451	3,939
Cash equivalents	1,002,123	1,060,876
Banks	802,621	1,060,876
Money market placements	199,502	-
Total cash and cash equivalents	2,595,067	1,745,220

VII. Explanations on the Risk Group of the Bank

1. Volume of related party transactions, income and expense amounts involved and outstanding loan and deposit balances:

a) Current Period:

Related Parties	Subsidiaries, associates and entities under common control (Joint Vent.)		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and other receivables						
Balance at beginning of period	-	-	4,081	2,768	15,091	53,964
Balance at end of period	-	-	26,294	25,144	7,060	7,074
Interest and commission income	-	-	5,310	2	14,289	63

Included in the balances above, the Parent Bank has placements in foreign bank accounts amounting to TRY 5,432 with respect to direct and indirect corporate and real person shareholders and TRY 2,458 other entities included in the risk group.

b) Prior Period:

Related Parties	Subsidiaries, associates and entities under common control (Joint Vent.)		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and other receivables						
Balance at beginning of period	-	-	-	16,179	29,353	78,444
Balance at end of period	-	-	4,081	2,768	15,091	53,964
Interest and commission income received	-	-	3,011	2	2,833	436

Included in the balances above, the Parent Bank has placements in foreign bank accounts amounting to TRY 2,697 with respect to direct and indirect corporate and real person shareholders and TRY 2,166 other entities included in the risk group.

c.1) Information on related party deposits balances:

Related parties	Subsidiaries, associates and entities under common control (Joint Vent.)		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Current Period	Prior Period	Current period	Prior Period	Current period	Prior Period
Deposits						
Balance at beginning of period	-	-	377,579	580,396	815,971	715,008
Balance at end of period	-	-	587,446	377,579	684,332	815,971
Interest on deposits	-	-	53,587	25,706	39,921	42,229

c.2) Information on forward and option agreements and other similar agreements made with related parties:

Related Parties	Subsidiaries, associates and entities under common control (Joint Vent.)		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Current Period	Prior Period	Current period	Prior Period	Current period	Prior Period
Financial Assets at Fair Value Through Profit and Loss						
Beginning of period	-	-	196,272	177,256	9,117	2,867
End of period	-	-	1,363,285	196,272	75,136	9,117
Total income/loss	-	-	(12,654)	13,255	(40)	23
Hedging transactions purposes						
Beginning of period	-	-	-	-	-	-
End of period	-	-	-	-	-	-

2. Disclosures for related parties:

a) The relations of the Bank with the entities controlled by the Bank and its related parties, regardless of whether there are any transactions or not:

In the normal course of its banking activities, the Parent Bank conducted various business transactions with related parties at commercial terms and at rates which approximate market rates.

b) Besides the structure of relationship, nature of the transaction, amount and ratio to the total volume of transactions, amount of major items and ratio to all items, pricing policies and other factors:

	Amount	% Compared to the Amounts in the Financial Statements
Cash loans	33,354	0.44
Non-cash loans	32,218	0.98
Deposits	1,271,778	15.54
Derivative financial instruments	1,438,421	26.12

These transactions are priced in accordance with the general pricing policies of the Parent Bank and are in line with market rates.

c) Except for cases whereby separate disclosure is necessary, the total of similar items in order to present the total impact on the financial statements: Explained in b).

d) Transactions accounted for under the equity method: None.

e) Disclosures related to purchase and sale of real estate and other assets, services given/received, agency contracts, leasing contracts, transferring information as a result of research and development, license contracts, financing (including supports in the form of loans, capital in cash and capital in kind), guarantees, and management contracts:

The Group enters into lease agreements with TEB Finansal Kiralama A.Ş. As of December 31, 2007 the total leasing obligations related to these agreements amounted to TRY 32,035. This amount is eliminated from the accompanying consolidated financial statements. Additionally, the Bank provides agency services for TEB Yatırım Menkul Değerler A.Ş. and TEB Sigorta A.Ş. via its branches.

Within the limits of the Banking Law, the Group renders cash and non-cash loans to its related parties and the ratio of these to the Group's total cash and non-cash loan portfolio is 0.6%. Details of these loans are explained in the Section V, Note VII- 1a.

As of December 31, 2007 the Parent Bank has no purchases and sale of real estate and other assets, transfer of information as a result of research and development and management contracts with the related parties.

VIII. Explanations on the Bank's domestic branches, agencies and branches abroad and off-shore branches

1. Explanations on parent Bank's domestic branches, agencies and branches abroad and off-shore branches:

	Number	Employees			
Domestic branches	269	5,109			
Rep-offices abroad			Country	Total Assets	Capital
Branches abroad	3	30	Cyprus	30,172	2,560
Off-shore branches	1	2	Bahrain	660,194	-

2. Explanations on Branch and Agency Openings or Closings of the Parent Bank:

The Bank opened 103 new branches in 2007.

I. Other Explanations on the Operations of the Bank:

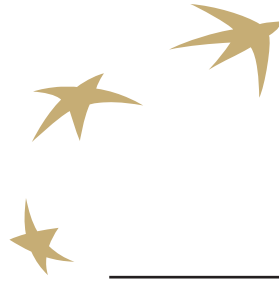
In the Board of Directors meeting dated February 4, 2008, it has been decided that the issued capital of the Parent Bank shall be increased within the registered capital ceiling, from TRY 755,000 to TRY 900,000 by an increase of TRY 145,000 in cash.

I . Explanations on the Independent Auditor's Report:

The consolidated financial statements of the Group were audited by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of Deloitte Touche Tohmatsu) and the independent auditor's report dated February 13, 2008 is presented preceding the financial statements.

II. Other Footnotes and Explanations Prepared by Independent Auditors:

None.



APPENDIX 4

CHANGES IN THE ARTICLES OF ASSOCIATION

OLD VERSION

AUTHORIZED CAPITAL

Article 5 - The company adopts the authorized capital system in accordance with the Capital Markets Law No: 2499 and the permission of the Capital Markets Board numbered 53/704, dated 10 June 1999.

The company's authorized capital is YTL 100,000,000 (One hundred million New Turkish Liras), divided into 100,000,000 (One hundred million) registered shares each with a nominal value of YTL 1 (One New Turkish Lira).

Issued capital, which has been fully paid, is YTL 57,800,000 (Fifty seven million eight hundred thousand New Turkish Liras), divided into 57,800,000 (Fifty seven million eight hundred thousand) registered shares each with a nominal value of YTL 1 (One New Turkish Lira).

The nominal value of each share certificate, which was TL 500 (Five hundred Turkish Liras) has been converted to YTL 1 (One New Turkish Lira) in accordance with the Law No 5274 amending the Turkish Commercial Code. Total number of shares has fallen due to this conversion, and 57,800,000 (Fifty seven million eight hundred thousand) shares each with a value of YTL 1 (One New Turkish Lira) shall be issued to replace 115,600,000,000 (One hundred fifteen billion six hundred million) shares each with a value of YTL 500 (Five hundred New Turkish Liras). In this conversion, shareholders' rights related to their shares shall be reserved. Shares

NEW VERSION

AUTHORIZED CAPITAL

Article 5 - The company adopts the authorized capital system in accordance with the Capital Markets Law No: 2499 and the permission of the Capital Markets Board numbered 53/704, dated 10 June 1999.

The company's authorized capital is YTL 900,000,000 (Nine hundred million New Turkish Liras), divided into 900,000,000 (Nine hundred million) registered shares each with a nominal value of YTL 1 (One New Turkish Lira).

Issued capital, which has been fully paid, is YTL 100,000,000 (One hundred million New Turkish Liras), divided into 100,000,000 (One hundred million) registered shares each with a nominal value of YTL 1 (One New Turkish Lira).

Shares representing the capital shall be tracked on record in accordance with dematerialization principles.

representing the capital shall be tracked on record in accordance with dematerialization principles.

At any time deemed necessary and in accordance with the relevant provisions of the Capital Markets Law and other applicable legislation, the Board of Directors shall be authorized to increase issued capital by issuing registered share certificates up to authorized capital.

The Board of Directors shall be authorized to issue share certificates above their nominal value, fully or partially restrict the pre-emptive rights of shareholders on newly issued shares, and issue bonds and certificates.

At the time of the incorporation of the company, founders' shares equal to 7% of the capital stock have been allocated to the founders who have signed these Articles of Association and have subscribed and paid the original capital, as stipulated in Article 298 of the Turkish Commercial Code, and accordingly, 125 registered and bonus founders' shares have been issued. No other founders' shares shall be issued.

Founders' shares shall entitle their holders to the dividends specified in these Articles of Association, and in case of the liquidation of the company, to a share of liquidation proceeds to be determined by the General Meeting approving the liquidation.

The company shall be obliged to issue its share certificates against cash payment, as registered shares, and to have them quoted on the stock exchange.

The Board of Directors shall be authorized to issue share certificates above their nominal value, fully or partially restrict the pre-emptive rights of shareholders on newly issued shares, and issue bonds and certificates.

At the time of the incorporation of the company, founders' shares equal to 7% of the capital stock have been allocated to the founders who have signed these Articles of Association and have subscribed and paid the original capital, as stipulated in Article 298 of the Turkish Commercial Code, and accordingly, 125 registered and bonus founders' shares have been issued. No other founder's shares shall be issued.

Founders' shares shall entitle their holders to the dividends specified in these Articles of Association, and in case of the liquidation of the company, to a share of liquidation proceeds to be determined by the General Meeting approving the liquidation.

The company shall be obliged to issue its share certificates against cash payment, as registered shares, and to have them quoted on the stock exchange.

APPENDIX 5

PROPOSAL FOR DIVIDEND DISTRIBUTION

TÜRK EKONOMİ BANKASI A.Ş. 2007 DISTRIBUTION OF PROFIT CHART (YTL)

1. Paid-in / Issued Capital	755,000,000
2. Total legal reserves (According to Legal Records)	20,235,127

Information regarding the privilege, if any privilege with respect to distribution of profit is stated in the articles of association

	According to Capital Markets Board (CMB)	According to Legal Records (LR)
3. Profit for the period	165,989,562	165,989,562
4. Taxes to be paid (-)	(35,701,403.83)	(35,701,403.83)
5. Net profit for the period (=)	130,288,158.51	130,288,158.51
6. Losses related to the Previous Years (-)	(0)	(0)
7. Primary Legal Reserve (-)	(6,514,407.93)	(6,514,407.93)
8. Distributable Profit amount (distribution decision has not rendered) of the Affiliate (*) which is subject to Consolidation (-)	(0)	
9. NET DISTRIBUTABLE PROFIT FOR THE PERIOD (=)	123,773,750.58	123,773,750.58
10. Donations made within the year (+)	569,821.88	
11. Net distributable profit (donations are included) for the period according to which the first divided will be calculated	124,343,572.46	
12. First divided for the shareholders		
-Cash	0	
-Free of cost	0	
-Total	0	
13. Dividend distributed to the holders of the privileged share	0	
14. Dividend distributed to the Board of Directors members, employees etc.	0	
15. Dividend distributed to the holders of redeemed share certificates	0.31	

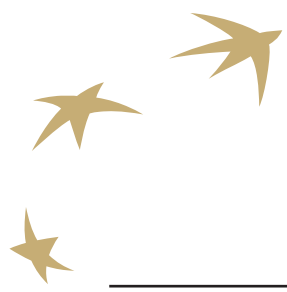
16. Second dividend for the shareholders	0	
17. Secondary Legal Reserves	0.03	
18. Statutory Reserves	0	0
19. Special Reserves	0	0
20. EXTRAORDINARY RESERVES	123,773,750.24	123,773,750.24
21. Other resources planned to be distributed		
- Profit of the previous year		
- Extraordinary Reserves		
- Other distributable reserves according to the laws and articles of association		

(*)Affiliate means; an affiliate of the main partnership, subsidiary and the partnerships which are subject to common management.

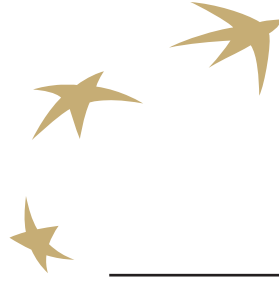
INFORMATION REGARDING THE PERCENTAGE OF THE DISTRIBUTED PROFIT(1) DIVIDEND INFORMATION REGARDING EACH SHARE				
	GROUP	TOTAL DIVIDEND AMOUNT (YTL)	DIVIDEND CORRESPONDS TO SHARES WITH A NOMINAL VALUE OF 1 YTL	
			AMOUNT (YTL)	PERCENTAGE (%)
GROSS	A	0	0	0
	B	0.31	0	0
	TOTAL	0.31	0	0
NET	A	0	0	0
	B	0.26	0	0
	TOTAL	0.26	0	0
THE PROPORTION BETWEEN THE DISTRIBUTED SHARE OF PROFIT AND NET DISTRIBUTABLE PROFIT (DONATIONS ARE INCLUDED) FOR THE PERIOD				
SHARE OF PROFIT DISTRIBUTED TO THE SHAREHOLDERS (YTL)	THE PROPORTION BETWEEN THE DISTRIBUTED SHARE OF PROFIT TO THE SHAREHOLDERS AND NET DISTRIBUTABLE PROFIT (DONATIONS ARE INCLUDED) FOR THE PERIOD (%)			
0.31	0			

(1)

If there is a privileged share group in the profit, a group separation shall be realized.



DIRECTORY



DIRECTORY

TÜRK EKONOMİ BANKASI A.Ş.
Operation Center

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Fax: (236) 234 88 77

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Fax: (236) 412 68 47

Manisa-Kes

Tel: (236) 233 31 36
Fax: (236) 233 29 95

Salihli

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Fax: (236) 715 11 20

Turgutlu

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Fax: (236) 312 41 90

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Fax: (324) 814 30 78

Free Zone

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Fax: (324) 238 83 51

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Fax: (324) 358 33 61

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Fax: (252) 313 12 55

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Financial Calendar

Announcement of financial results:

1st Quarter : Within six weeks from March 31
2nd Quarter : Within eight weeks from June 30
3rd Quarter : Within six weeks from September 30
Year-end : Within ten weeks from December 31

Annual Shareholders Assembly Meeting: No later than March 31

Information for Shareholders

ISE Ticker Symbol : <TEBNK.IS>
GDR Ticker Symbol : <TKKKYP(144A)>
Reuters Code : <TURAq.L> on SEAQ International on the London Stock Exchange
Bloomberg Code : <TURA LL>

Enquiries

All enquiries, including shareholder enquiries and notifications concerning dividends, share certificates, Global Depository Receipts or transfers and address changes should be sent to: TEB Investor Relations Division at the following address:

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