

**TURK EKONOMI BANKASI
ANONIM SIRKETI**

**INDEPENDENT ACCOUNTANTS'
LIMITED REVIEW REPORT,
UNCONSOLIDATED FINANCIAL
STATEMENTS AND NOTES
FOR THE PERIOD ENDED 31 MARCH 2006**

*Translated into English from the
Original Turkish Report*

To the Board of Directors of
Türk Ekonomi Bankasi A.S.
Istanbul

TURK EKONOMI BANKASI ANONIM SIRKETI
INDEPENDENT ACCOUNTANTS' LIMITED REVIEW REPORT
FOR THE PERIOD 1 JANUARY 2006 – 31 MARCH 2006

- 1) We have performed a limited scope review of the accompanying balance sheet of Türk Ekonomi Bankasi A.S. ("The Bank") as at 31 March 2006 and the related statements of income, cash flows and changes in shareholders' equity for the period then ended. These financial statements are the responsibility of the Bank's management. As independent accountants our responsibility is to issue a report based on the limited scope review performed on these financial statements. The financial statements of the Bank for the year ended 31 December 2005 have been audited by other auditors whose report, dated 9 February 2006, expressed an unqualified opinion.
- 2) We conducted our review in accordance with the accounting rules and policies, and the accounting and auditing standards, set out as per the Banking Act No: 5411 and the provisional article 1 of this Banking Act. Those standards require that we plan and perform the review to obtain limited assurance as to whether the financial statements are free of material misstatement. Since a review is principally limited to reviewing financial statements by applying analytical procedures, inquiring as to the integrity of the financial statements and making inquiries of management to obtain information, it is substantially less in scope than an audit and therefore provides a lesser assurance. We have not performed a full scope audit and accordingly we do not express an audit opinion.
- 3) Based on our limited scope review, we are not aware of any material modifications that should be made to the accompanying financial statements of the Bank for the period ended 31 March 2006 for them to be in conformity with the prevailing accounting principles and standards set out as per the Banking Act No: 5411 and the provisional article 1 of this Banking Act.
- 4) Additional paragraph for English translation:

The accompanying financial statements are not intended to present the financial position and results of operations in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than those in Turkey. The standards, procedures and practices to review the accompanying financial statements are those generally accepted and applied in Turkey.

DENETİM SERBEST MALİ MÜŞAVİRLİK A.Ş.
Member of DELOITTE TOUCHE TOHMATSU

Hasan Kilic
Partner

Istanbul, May 3, 2006

THE UNCONSOLIDATED FINANCIAL REPORT OF TURK EKONOMI BANKASI A.S. FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2006

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The Reporting Package designed by the Banking Regulation and Supervision Agency in line with "Regulation on Accounting Practice numbered 17, Financial Statements for the three months to be Announced to the Public and the Accompanying Policies and Disclosures" consists of the sections listed below:

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON THE CORRESPONDING ACCOUNTING POLICIES APPLIED IN THE RELATED PERIOD
- INFORMATION ON FINANCIAL STRUCTURE OF THE BANK
- EXPLANATORY DISCLOSURES AND FOOTNOTES ON UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS
- OTHER EXPLANATIONS AND FOOTNOTES
- INDEPENDENT LIMITED REVIEW REPORT

The unconsolidated interim financial statements and the explanatory footnotes and disclosures, unless otherwise indicated, are prepared in **thousands of New Turkish Lira**, have been independently reviewed and presented below in accordance with the Regulation on Accounting Practice, related communiqués and the Banks' records.

May 3, 2006

Yavuz Canevi Head of Board of Directors	Alain Pierre André Bailly Head of Audit Committee	Ismail Yanik Vice Chairman of the Audit Committee	Varol Civil General Manager	E. Sevinc Ozsen Assistant General Manager Responsible of Financial Reporting	B. Ilgaz Dogan Manager Responsible of Financial Reporting
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Information related to responsible personnel for the questions can be raised about financial statements:

Name-Surname/ Title: Güzin Ustün / Investor Relations Director

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TURK EKONOMI BANKASI ANONIM SIRKETI
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2006

Amounts expressed in thousands of New Turkish Lira (TRY) unless otherwise stated.

SECTION ONE

GENERAL INFORMATION

I- Bank's Incorporation Date, Beginning Statue, Changes in the Existing Statue

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

II- Explanations Regarding 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 Bank

As of March 31, 2006 and December 31, 2005 the shareholders' structure and their respective percentages of ownership are summarized as follows:

Name of shareholders	Paid in capital	%
TEB Mali Yatirimlar A.S.	48,699	84.25
Publicly Traded	8,766	15.17
Other Shareholders	335	0.58
	57,800	100.00

As of March 31, 2006 and December 31, 2005 Bank's paid-in-capital consists of 115,600 million shares at the historical value of 0.0005 TRY nominal. In accordance with the notification made on February 10, 2005 TEB Mali Yatirimlar A.S., the ultimate shareholder of the Group, it was announced that TEB Mali Yatirimlar A.S. has transferred shares representing 50% of its capital to BNP Paribas on February 10, 2005, based on the share purchase agreement signed with BNP Paribas on November 22, 2004.

TURK EKONOMI BANKASI ANONIM SIRKETI
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2006

Amounts expressed in thousands of New Turkish Lira (TRY) unless otherwise stated.

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

<u>Title</u>	<u>Name</u>
Chairman of Board of Directors	: Yavuz Canevi
Members of Board of Directors	: Dr.Akin Akbaygil Alain Pierre André Bailly (Head of Audit Committee) Ismail Yanik (Vice Chairman of Audit Committee) Jean-Jacques Marie Santini Metin Togay Michel Roger Chevalier Refael Taranto Varol Civil (General Manager)
Chairman of Inspection Committee	: Hakan Tirasin
General Manager Assistants	: Emine Sevinc Ozsen Izzet Cemal Kismir Levent Celebioglu Necdet Osman Kolat Nilsen Atintas Nuri Tuncali Saniye Telci Turgut Boz Turgut Güney Umit Leblebici Unsal Aysun
Auditors	: Ayse Asardag Cihat Madanoglu

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

IV- The Bank's Service Activities and Operating Areas

The Bank's operating areas include, retail, commercial and corporate banking, fund management operations and project financing. Besides the daily banking operations, Bank is handling insurance agency functions by its branches under the name of TEB Sigorta A.S. As of March 31, 2006 Bank has 114 local branches and 1 foreign branch (December 31, 2005: 112 local branches, 1 foreign branch).

V- Other Explanations

Commercial name of the Bank	: Türk Ekonomi Bankasi Anonim Sirketi
Address of the head office	: Meclis-i Mebusan Caddesi No: 35 Findikli 34427 - ISTANBUL
Telephone number	: (0212) 251 21 21
Facsimile number	: (0212) 249 65 68
Web page	: www.teb.com.tr
E-mail address	: investorrelations@teb.com.tr
Reporting period	: January 1 – March 31, 2006
Reporting Monetary unit	: Thousands of New Turkish Lira

TURK EKONOMI BANKASI ANONIM SIRKETI
NOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2006

Amounts expressed in thousands of New Turkish Lira (TRY) unless otherwise stated.

VI- Explanations on The Interim Financial Statements

- a) There are no transactions realized in the interim period that display a seasonal or a periodical nature.
- b) There are no non-recurring transactions or fundamental accounting errors.
- c) There are no items that affect assets, liabilities, equity, net income and cash flows, and that falls outside the scope of the ordinary operations in terms of their nature, amounts and constitution.
- d) Prior period interim financial statements, do not contain any changes with respect to the estimated values related with the current period. There are no items in the prior period financial statements that are recorded with their estimated value.
- e) There are no convertible bonds or any other debt securities issued during the current period.
- f) In the General Assembly meeting of the Bank, dated March 23, 2006, it was decided to distribute the profit on the financial statements dated December 31, 2005. The amounts that will be distributed to the shareholders who are subject to and not subject to withholding tax are TRY 0.3242670 and TRY 0.2918403 (Nominal full TRY) respectively. Dividends amounting to TRY 18,742 were paid to the shareholders at 6 April, 2006.
- g) There are no subsequent events that occurred after the preparation date of the interim financial statements which have a material impact on the interim financial statements.
- h) There are no transactions that may result in a structural change for the Bank such as restructuring, mergers and acquisitions, or discontinued operations.
- i) There are no subsequent changes in the commitments and contingencies of the Bank that have arisen after the year-end balance sheet date.

SECTION TWO

UNCONSOLIDATED FINANCIAL STATEMENTS

- I. Balance Sheets
- II. Statements of Off Balance Sheet Contingencies and Commitments
- III. Income Statements
- IV. Statements of Changes in Shareholders' Equity
- V. Statements of Cash Flows

TURK EKONOMI BANKASI ANONIM SIRKETI
UNCONSOLIDATED BALANCE SHEET AS OF
31 MARCH 2006

Amounts expressed in thousands of New Turkish Lira (TRY) unless otherwise stated.

I- BALANCE SHEET – ASSETS

	Note Ref. (Section 5)	Reviewed			Audited		
		Current Period			Prior Period		
		31.03.2006			31.12.2005		
		TRY	FC	Total	TRY	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK OF TURKEY		64,433	358,831	423,264	118,067	235,419	353,486
1.1 Cash		26,246	-	26,246	25,854	-	25,854
1.2 Foreign currency		-	64,957	64,957	-	60,028	60,028
1.3 Balances with the Central Bank of Turkey	I-1	37,862	291,914	329,776	92,213	173,945	266,158
1.4 Other		325	1,960	2,285	-	1,446	1,446
II. TRADING SECURITIES (Net)		48,283	1,033	49,316	89,100	725	89,825
2.1 Public sector debt securities	I-2	48,283	315	48,598	89,100	127	89,227
2.1.1 Government bonds	I-2	47,685	278	47,963	88,042	126	88,168
2.1.2 Treasury bills	I-2	598	-	598	1,058	-	1,058
2.1.3 Other public sector debt securities	I-2	-	37	37	-	1	1
2.2 Share certificates		-	-	-	-	-	-
2.3 Other marketable securities		-	718	718	-	598	598
III. BANKS AND OTHER FINANCIAL INSTITUTIONS		62,024	101,287	163,311	224,613	84,437	309,050
3.1 Due from banks		62,024	101,287	163,311	224,613	84,437	309,050
3.1.1 Domestic banks		62,024	21	62,045	81,013	29,749	110,762
3.1.2 Foreign banks		-	101,266	101,266	143,600	54,688	198,288
3.1.3 Branches and head office abroad		-	-	-	-	-	-
3.2 Other financial institutions		-	-	-	-	-	-
IV. MONEY MARKET PLACEMENTS		430,000	-	430,000	150,000	-	150,000
4.1 Interbank money market placements		430,000	-	430,000	150,000	-	150,000
4.2 Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3 Receivables from reverse repurchase agreements		-	-	-	-	-	-
V. SECURITIES AVAILABLE FOR SALE (Net)		641,955	257,104	899,059	811,281	235,456	1,046,737
5.1 Share certificates	I-3	9	-	9	9	-	9
5.2 Other marketable securities	I-3	641,946	257,104	899,050	811,272	235,456	1,046,728
VI. LOANS		1,917,946	1,215,408	3,133,354	1,747,430	1,191,214	2,938,644
6.1 Short term	I-4	1,184,688	821,497	2,006,185	1,161,731	821,577	1,983,308
6.2 Medium and long term	I-4	718,702	393,911	1,112,613	568,869	369,637	938,506
6.3 Loans under follow-up	I-4	34,723	-	34,723	33,679	-	33,679
6.4 Specific provisions (-)	I-4	(20,167)	-	(20,167)	(16,849)	-	(16,849)
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. SECURITIES HELD TO MATURITY (Net)		-	-	-	100	-	100
8.1 Public sector debt securities	I-5	-	-	-	100	-	100
8.1.1 Government bonds	I-5	-	-	-	100	-	100
8.1.2 Treasury bills	I-5	-	-	-	-	-	-
8.1.3 Other public sector debt securities	I-5	-	-	-	-	-	-
8.2 Other marketable securities	I-5	-	-	-	-	-	-
IX. INVESTMENTS IN ASSOCIATES (Net)		-	-	-	-	-	-
9.1 Financial associates	I-6	-	-	-	-	-	-
9.2 Non-Financial associates		-	-	-	-	-	-
X. INVESTMENTS IN SUBSIDIARIES (Net)		90,954	48,762	139,716	90,954	48,276	139,230
10.1 Financial subsidiaries	I-7	90,954	48,762	139,716	90,954	48,276	139,230
10.2 Non-Financial subsidiaries		-	-	-	-	-	-
XI. OTHER INVESTMENTS (Net)		-	-	-	-	-	-
XII. FINANCE LEASE RECEIVABLES (Net)		-	-	-	-	-	-
12.1 Gross finance lease receivables	I-9	-	-	-	-	-	-
12.2 Unearned income (-)	I-9	-	-	-	-	-	-
XIII. RESERVE DEPOSITS		-	206,201	206,201	-	211,383	211,383
XIV. SUNDRY DEBTORS		944	1,864	2,808	759	1,020	1,779
XV. ACCRUED INTEREST AND INCOME RECEIVABLES		39,664	25,255	64,919	47,120	25,940	73,060
15.1 Loans	I-10	18,844	16,690	35,534	14,250	16,231	30,481
15.2 Marketable securities	I-10	11,842	4,923	16,765	25,710	6,059	31,769
15.3 Other	I-10	8,978	3,642	12,620	7,160	3,650	10,810
XVI. PROPERTY AND EQUIPMENT (Net)		53,025	-	53,025	54,015	-	54,015
16.1 Book value		136,656	-	136,656	134,388	-	134,388
16.2 Accumulated depreciation (-)		(83,631)	-	(83,631)	(80,373)	-	(80,373)
XVII. INTANGIBLE ASSETS (Net)		3,535	-	3,535	3,952	-	3,952
17.1 Goodwill		-	-	-	-	-	-
17.2 Other		12,977	-	12,977	12,890	-	12,890
17.3 Accumulated amortization (-)		(9,442)	-	(9,442)	(8,938)	-	(8,938)
XVIII. DEFERRED TAX ASSET	I-11	3,590	-	3,590	5,957	-	5,957
XIX. OTHER ASSETS	I-12	55,722	797	56,519	43,958	690	44,648
TOTAL ASSETS		3,412,075	2,216,542	5,628,617	3,387,306	2,034,560	5,421,866

The accompanying notes are an integral part of these balance sheets.

TURK EKONOMI BANKASI ANONIM SIRKETI
UNCONSOLIDATED BALANCE SHEET AS OF
31 MARCH 2006

Amounts expressed in thousands of New Turkish Lira (TRY) unless otherwise stated.

I- BALANCE SHEET - LIABILITIES

	Note Ref. (Section 5)	Reviewed			Audited		
		Current Period			Prior Period		
		31.03.2006			31.12.2005		
		TRY	FC	Total	TRY	FC	Total
I. DEPOSITS		1,429,960	2,228,872	3,658,832	1,107,346	2,134,851	3,242,197
1.1 Bank deposits	II-1	10,103	62,847	72,950	70,129	31,274	101,403
1.2 Saving deposits	II-1	763,349	-	763,349	434,955	-	434,955
1.3 Public sector deposits	II-1	12,829	-	12,829	684	-	684
1.4 Commercial deposits	II-1	542,774	-	542,774	571,392	-	571,392
1.5 Other institutions deposits	II-1	100,905	-	100,905	30,186	-	30,186
1.6 Foreign currency deposits	II-1	-	2,159,823	2,159,823	-	2,102,248	2,102,248
1.7 Precious metals deposit accounts	II-1	-	6,202	6,202	-	1,329	1,329
II. MONEY MARKET BORROWINGS		368,970	-	368,970	754,462	-	754,462
2.1 Interbank money market borrowings		-	-	-	-	-	-
2.2 Istanbul Stock Exchange money market borrowings		-	-	-	-	-	-
2.3 Funds provided under repurchase agreements	II-2	368,970	-	368,970	754,462	-	754,462
III. FUNDS BORROWED		238,532	538,807	777,339	190,611	462,240	652,851
3.1 Funds borrowed from the Central Bank of Turkey		-	-	-	-	-	-
3.2 Other funds borrowed	II-3	238,532	538,807	777,339	190,611	462,240	652,851
3.2.1 Domestic banks and institutions	II-3	41,132	90,257	131,389	40,711	79,071	119,782
3.2.2 Foreign banks, institutions and funds	II-3	197,400	448,550	645,950	149,900	383,169	533,069
IV. MARKETABLE SECURITIES ISSUED (Net)		-	-	-	-	-	-
4.1 Bills	II-4	-	-	-	-	-	-
4.2 Asset backed securities	II-4	-	-	-	-	-	-
4.3 Bonds	II-4	-	-	-	-	-	-
V. FUNDS	II-5	-	-	-	-	-	-
VI. SUNDRY CREDITORS	II-6	55,735	8,405	64,140	46,804	2,284	49,088
VII. OTHER LIABILITIES	II-7	48,165	4,102	52,267	38,083	4,485	42,568
VIII. TAXES AND OTHER DUTIES PAYABLE		11,247	-	11,247	14,920	-	14,920
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. FINANCE LEASE PAYABLES (Net)		-	3,714	3,714	-	3,714	3,714
10.1 Finance Lease Payables	II-8	-	6,328	6,328	-	6,328	6,328
10.2 Deferred finance lease expenses (-)	II-8	-	(2,614)	(2,614)	-	(2,614)	(2,614)
XI. ACCRUED INTEREST AND EXPENSES PAYABLE		24,156	15,943	40,099	29,168	13,103	42,271
11.1 Deposits	II-9	7,687	5,899	13,586	6,352	3,531	9,883
11.2 Borrowings	II-9	5,459	7,549	13,008	4,949	5,735	10,684
11.3 Repurchase agreements	II-9	137	-	137	630	-	630
11.4 Other	II-9	10,873	2,495	13,368	17,237	3,837	21,074
XII. PROVISIONS		64,042	7,887	71,929	63,767	-	63,767
12.1 General loan loss provisions	II-10	10,997	7,887	18,884	18,300	-	18,300
12.2 Reserve for employee termination benefits		1,828	-	1,828	2,154	-	2,154
12.3 Provisions for income taxes		50,765	-	50,765	42,959	-	42,959
12.4 Insurance technical reserves (Net)		-	-	-	-	-	-
12.5 Other provisions	II-10	452	-	452	354	-	354
XIII. SUBORDINATED LOANS	II-10	-	87,211	87,211	-	87,217	87,217
XIV. DEFERRED TAX LIABILITY		-	-	-	-	-	-
XV. SHAREHOLDERS' EQUITY		492,016	853	492,869	466,749	2,062	468,811
15.1 Paid-in capital	II-11	57,800	-	57,800	57,800	-	57,800
15.2 Supplementary capital		255,448	853	256,301	259,761	2,062	261,823
15.2.1 Share premium	II-12	-	-	-	-	-	-
15.2.2 Share cancellation profits		-	-	-	-	-	-
15.2.3 Marketable securities value increase fund		2,772	853	3,625	7,085	2,062	9,147
15.2.4 Revaluation fund		-	-	-	-	-	-
15.2.5 Value increase in revaluation fund		-	-	-	-	-	-
15.2.6 Other capital reserves		252,676	-	252,676	252,676	-	252,676
15.2.7 Effect of inflation accounting on share capital		-	-	-	-	-	-
15.3 Profit reserves		130,446	-	130,446	70,471	-	70,471
15.3.1 Legal reserves		14,950	-	14,950	9,253	-	9,253
15.3.2 Status reserves		-	-	-	-	-	-
15.3.3 Extraordinary reserves		115,496	-	115,496	61,218	-	61,218
15.3.4 Other profit reserves		-	-	-	-	-	-
15.4 Profit or loss		48,322	-	48,322	78,717	-	78,717
15.4.1 Prior year income/loss		-	-	-	-	-	-
15.4.2 Current period net income/loss		48,322	-	48,322	78,717	-	78,717
TOTAL LIABILITIES AND EQUITY		2,732,823	2,895,794	5,628,617	2,711,910	2,709,956	5,421,866

The accompanying notes are an integral part of these balance sheets.

TURK EKONOMI BANKASI ANONIM SIRKETI
UNCONSOLIDATED STATEMENT OF OFF BALANCE SHEET COMMITMENTS
AS OF 31 MARCH 2006

Amounts expressed in thousands of New Turkish Lira (TRY) unless otherwise stated.

II- STATEMENT OF OFF-BALANCE SHEET CONTINGENCIES AND COMMITMENTS

	Note Ref.	Reviewed			Audited			
		(Section 5)	Current Period 31.03.2006			Prior Period 31.12.2005		
			TRY	FC	TOTAL	TRY	FC	TOTAL
A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II-III)		1,851,692	3,075,386	4,927,078	1,686,475	2,519,962	4,206,437	
I. GUARANTEES	IV-2,3	679,282	1,208,323	1,887,605	629,976	1,077,010	1,706,986	
1.1 Letters of guarantee		649,571	618,300	1,267,871	608,643	549,443	1,158,086	
1.1.1 Guarantees subject to State Tender Law		33,917	97,404	131,321	29,271	44,051	73,322	
1.1.2 Guarantees given for foreign trade operations		92,495	23,855	116,350	102,202	32,076	134,278	
1.1.3 Other letters of guarantee		523,159	497,041	1,020,200	477,170	473,316	950,486	
1.2 Bank acceptances		33	49,285	49,318	23	52,662	52,685	
1.2.1 Import acceptances		33	49,285	49,318	23	52,662	52,685	
1.2.2 Other bank acceptances		-	-	-	-	-	-	
1.3 Letters of credit		125	457,574	457,699	62	393,677	393,739	
1.3.1 Documentary letters of credit		125	399,876	400,001	62	359,913	359,975	
1.3.2 Other letters of credit		-	57,698	57,698	-	33,764	33,764	
1.4 Guaranteed prefinancing		-	-	-	-	-	-	
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		28,220	67,985	96,205	20,465	70,156	90,621	
1.9 Other suretyships		1,333	15,179	16,512	783	11,072	11,855	
II. COMMITMENTS		468,037	538,977	1,007,014	451,726	269,733	721,459	
2.1 Irrevocable commitments		468,037	517,110	985,147	451,726	245,532	697,258	
2.1.1 Asset purchase commitments		-	248,770	248,770	-	138,188	138,188	
2.1.2 Deposit purchase and sales commitments		-	268,340	268,340	-	107,344	107,344	
2.1.3 Share capital commitment to associates and subsidiaries		-	-	-	-	-	-	
2.1.4 Loan granting commitments		105,453	-	105,453	104,337	-	104,337	
2.1.5 Securities issue brokerage commitments		-	-	-	-	-	-	
2.1.6 Commitments for reserve deposit requirements		-	-	-	-	-	-	
2.1.7 Payment commitment for checks	IV-2	196,307	-	196,307	175,952	-	175,952	
2.1.8 Tax and fund liabilities from export commitments		7,405	-	7,405	10,242	-	10,242	
2.1.9 Commitments for credit card expenditure limits	IV-2	158,872	-	158,872	161,195	-	161,195	
2.1.10 Receivables from short sale commitments		-	-	-	-	-	-	
2.1.11 Payables for short sale commitments		-	-	-	-	-	-	
2.1.12 Other irrevocable commitments		-	-	-	-	-	-	
2.2 Revocable commitments		-	21,867	21,867	-	24,201	24,201	
2.2.1 Revocable loan granting commitments		-	-	-	-	-	-	
2.2.2 Other revocable commitments		-	21,867	21,867	-	24,201	24,201	
III. DERIVATIVE FINANCIAL INSTRUMENTS		704,373	1,328,086	2,032,459	604,773	1,173,219	1,777,992	
3.1 Forward foreign currency buy/sell transactions		181,342	503,065	684,407	113,268	388,975	502,243	
3.1.1 Forward foreign currency transactions-buy		40,843	298,989	339,832	21,639	225,688	247,327	
3.1.2 Forward foreign currency transactions-sell		140,499	204,076	344,575	91,629	163,287	254,916	
3.2 Swap transactions related to f.c. and interest rates		193,204	413,654	606,858	249,633	420,844	670,477	
3.2.1 Foreign currency swap-buy		-	291,501	291,501	-	256,918	256,918	
3.2.2 Foreign currency swap-sell		180,742	117,010	297,752	182,013	91,551	273,564	
3.2.3 Interest rate swaps-buy		6,876	2,700	9,576	-	69,650	69,650	
3.2.4 Interest rate swaps-sell		5,586	2,443	8,029	67,620	2,725	70,345	
3.3 Foreign currency and interest rate options		325,978	342,069	668,047	241,711	306,390	548,101	
3.3.1 Foreign currency options-buy		170,927	164,148	335,075	121,681	153,070	274,752	
3.3.2 Foreign currency options-sell		155,051	177,921	332,972	120,030	153,319	273,349	
3.3.3 Interest rate options-buy		-	-	-	-	-	-	
3.3.4 Interest rate options-sell		-	-	-	-	-	-	
3.3.5 Securities options-buy		-	-	-	-	-	-	
3.3.6 Securities options-sell		-	-	-	-	-	-	
3.4 Foreign currency futures		3,849	34,135	37,984	161	28,207	28,368	
3.4.1 Foreign currency futures-buy		-	34,135	34,135	161	28,053	28,214	
3.4.2 Foreign currency futures-sell		3,849	-	3,849	-	154	154	
3.5 Interest rate futures		-	-	-	-	-	-	
3.5.1 Interest rate futures-buy		-	-	-	-	-	-	
3.5.2 Interest rate futures-sell		-	-	-	-	-	-	
3.6 Other		-	35,163	35,163	-	28,803	28,803	
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		27,503,222	1,411,990	28,915,212	27,220,288	1,349,584	28,569,872	
IV. ITEMS HELD IN CUSTODY		25,530,265	459,747	25,990,012	25,705,316	448,286	26,153,602	
4.1 Assets under management		-	-	-	-	-	-	
4.2 Investment securities held in custody		23,687,485	155,800	23,843,285	23,851,318	156,779	24,008,097	
4.3 Checks received for collection		1,654,624	141,255	1,795,879	1,695,786	146,001	1,841,787	
4.4 Commercial notes received for collection		188,050	102,734	290,784	158,116	84,964	243,080	
4.5 Other assets received for collection		33	59,835	59,868	23	60,422	60,445	
4.6 Assets received for public offering		-	-	-	-	-	-	
4.7 Other items under custody		73	123	196	73	120	193	
4.8 Custodians		-	-	-	-	-	-	
V. PLEDGED ITEMS		1,972,865	952,243	2,925,108	1,514,880	901,298	2,416,178	
5.1 Marketable securities		308,390	24,210	332,600	307,785	21,613	329,398	
5.2 Guarantee notes		4,786	3,419	8,205	4,865	3,635	8,500	
5.3 Commodity		19	63,574	63,593	19	105,405	105,424	
5.4 Warranty		-	-	-	-	-	-	
5.5 Properties		1,117,126	547,406	1,664,532	791,907	510,311	1,302,218	
5.6 Other pledged items		542,544	313,634	856,178	410,304	260,334	670,638	
5.7 Pledged items-depository		-	-	-	-	-	-	
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		92	-	92	92	-	92	
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		29,354,914	4,487,376	33,842,290	28,906,763	3,869,546	32,776,309	

The accompanying notes are an integral part of these statements.

TURK EKONOMI BANKASI ANONIM SIRKETI
UNCONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM
1 JANUARY TO 31 MARCH 2006

Amounts expressed in thousands of New Turkish Lira (TRY) unless otherwise stated.

III- STATEMENT OF INCOME

	Note Ref. (Section 5)	Reviewed	Reviewed
		Current Period 01.01 - 31.03.2006	Prior Period 01.01. - 31.03.2005
		Total	Total
I. INTEREST INCOME	III-1	154,036	104,804
1.1 Interest on loans		99,267	66,845
1.1.1 Interest on TRY loans		80,243	55,879
1.1.1.1 Short term loans		57,074	48,809
1.1.1.2 Medium and long term loans		23,169	7,070
1.1.2 Interest on foreign currency loans		18,744	10,800
1.1.2.1 Short term loans		12,899	8,280
1.1.2.2 Medium and long term loans		5,845	2,520
1.1.3 Interest on loans under follow-up		280	166
1.1.4 Premiums received from Resource Utilization Support Fund		-	-
1.2 Interest received from reserve deposits		3,276	1,680
1.3 Interest received from banks		9,630	8,718
1.3.1 The Central Bank of Turkey		648	1,483
1.3.2 Domestic banks		3,685	5,705
1.3.3 Foreign banks		5,297	1,530
1.3.4 Branches and head office abroad		-	-
1.4 Interest received from money market placements		7,749	2,293
1.5 Interest received from marketable securities portfolio		34,072	25,234
1.5.1 Trading securities		3,678	3,118
1.5.2 Available-for-sale securities		30,390	18,053
1.5.3 Held to maturity securities		4	4,063
1.6 Other interest income		42	34
II. INTEREST EXPENSES	III-2	88,987	49,383
2.1 Interest on deposits		58,211	32,541
2.1.1 Bank deposits		1,473	2,316
2.1.2 Saving deposits		22,443	15,461
2.1.3 Public sector deposits		30	-
2.1.4 Commercial deposits		16,422	6,998
2.1.5 Other institutions deposits		1,733	1,028
2.1.6 Foreign currency deposits		16,098	6,738
2.1.7 Precious metals vault accounts		12	-
2.2 Interest on money market borrowings		16,568	9,987
2.3 Interest on funds borrowed		13,922	6,512
2.3.1 The Central Bank of Turkey		-	-
2.3.2 Domestic banks		2,456	2,320
2.3.3 Foreign banks		9,585	3,162
2.3.4 Branches and head office abroad		-	-
2.3.5 Other financial institutions		1,881	1,030
2.4 Interest on securities issued		-	-
2.5 Other interest expense		286	343
III. NET INTEREST INCOME (I - II)		65,049	55,421
IV. NET FEES AND COMMISSIONS INCOME		14,715	7,866
4.1 Fees and commissions received		18,473	12,580
4.1.1 Cash loans		3,060	1,393
4.1.2 Non-cash loans		4,833	3,951
4.1.3 Other		10,580	7,236
4.2 Fees and commissions paid		(3,758)	(4,714)
4.2.1 Cash loans		(319)	(2,440)
4.2.2 Non-cash loans		(14)	(8)
4.2.3 Other		(3,425)	(2,266)
V. DIVIDEND INCOME		-	-
5.1 Trading securities		-	-
5.2 Available-for-sale securities		-	-
VI. NET TRADING INCOME/LOSS		11,511	9,086
6.1 Profit/losses on trading transactions (Net)		10,151	14,746
6.1.1 Profit on trading transactions		40,305	37,962
6.1.1.1 Profit on derivative financial instruments		22,309	27,192
6.1.1.2 Profit on other trading transactions		17,996	10,770
6.1.2 Losses on trading transactions (-)		(30,154)	(23,216)
6.1.2.1 Losses on derivative financial instruments		(25,520)	(19,375)
6.1.2.2 Losses on other trading transactions		(4,634)	(3,841)
6.2 Foreign exchange gains/losses (Net)		1,360	(5,660)
6.2.1 Foreign exchange gains		108,484	72,475
6.2.2 Foreign exchange losses (-)		(107,124)	(78,135)
VII. OTHER OPERATING INCOME	III-3	10,711	2,252
VIII. TOTAL OPERATING INCOME (III+IV+V+VI+VII)		101,986	74,625
IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	III-4	7,759	8,738
X. OTHER OPERATING EXPENSES (-)		53,499	36,926
XI. NET OPERATING INCOME (VIII-IX-X)		40,728	28,961
XII. PROFIT/LOSSES FROM ASSOCIATES AND SUBSIDIARIES	III-5	18,528	7,942
XIII. NET MONETARY GAIN/(LOSS)		-	-
XIV. INCOME BEFORE TAXES		59,256	36,903
XV. PROVISION FOR TAXES ON INCOME (-)	III-6	12,538	10,372
15.1 Provision for current income taxes		7,805	-
15.2 Provision for deferred taxes		4,733	-
XVI. NET OPERATING INCOME/EXPENSE AFTER TAXES (XIV-XV)		46,718	26,531
XVII. EXTRAORDINARY INCOME/EXPENSE AFTER TAXES		1,604	-
17.1 Extraordinary net income/expense after taxes		1,604	-
17.1.1 Extraordinary income		1,604	-
17.1.2 Extraordinary expense (-)		-	-
17.2 Provision for taxes on extraordinary income (-)		-	-
XVIII. NET PROFIT/LOSS FOR THE PERIOD (XVI+XVII)	III-7	48,322	26,531
Earnings/Losses per share (Full amount)		0.00041	0.00023

The accompanying notes are an integral part of these statements.

TURK EKONOMI BANKASI ANONIM SIRKETI
UNCONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD FROM
1 JANUARY TO 31 MARCH 2006

Amounts expressed in thousands of New Turkish Lira (TRY) unless otherwise stated.

IV. STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	Paid-in Capital	Effect of inflation Accounting on Capital and Other Capital Reserves	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Current Period Net Income/(Loss)	Prior Period Net Income/(Loss)	Revaluation Fund	Value Increase Fund Revaluation Fund	Marketable Securities Value Increase Fund	Total
Prior Period – 01.01. - 31.03.2005													
I Balances at the end of prior period	57,800	252,676	-	-	6,838	-	39,247	-	33,800	-	-	3,836	394,197
II. Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New balance (I+II)	57,800	252,676	-	-	6,838	-	39,247	-	33,800	-	-	3,836	394,197
IV. Net Profit or Loss	-	-	-	-	-	-	-	26,531	-	-	-	-	26,531
V. Profit Distribution	-	-	-	-	2,415	-	21,971	-	(33,800)	-	-	-	(9,414)
5.1 Dividends distributed	-	-	-	-	-	-	-	-	(9,414)	-	-	-	(9,414)
5.2 Transfers to reserves	-	-	-	-	2,415	-	21,971	-	(24,386)	-	-	-	-
5.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Increase in capital	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1 Cash	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2 Revaluation Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
6.3 Value Increase Fund Revaluation Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
6.4 Marketable Securities Value Increase Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
6.5 Inflation adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-
6.6 Issuance of share certificates at end of period	-	-	-	-	-	-	-	-	-	-	-	-	-
6.7 Foreign exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-
6.8 Other	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Convertible bonds	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Others	-	-	-	-	-	-	-	-	-	-	-	(2,002)	(2,002)
Balances (I+II+IV+V+VI+VII)	57,800	252,676	-	-	9,253	-	61,218	26,531	-	-	-	1,834	409,312
Current Period – 01.01. - 31.03.2006													
I. Balances at the end of prior period	57,800	252,676	-	-	9,253	-	61,218	-	78,717	-	-	9,147	468,811
Increases in the period:	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Investments securities available for sale	-	-	-	-	-	-	-	-	-	-	-	(5,522)	(5,522)
2.1 Net fair value gains/losses	-	-	-	-	-	-	-	-	-	-	-	(5,522)	(5,522)
III. Cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-
3.1 Net fair value gains/losses	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred Amounts	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Investments securities available for sale	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Transferred to net income	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-
5.1 Transferred to net income	-	-	-	-	-	-	-	-	-	-	-	-	-
5.2 Transferred to assets	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Net Profit or Loss	-	-	-	-	-	-	-	48,322	-	-	-	-	48,322
VII. Profit Distribution	-	-	-	-	5,697	-	54,278	-	(78,717)	-	-	-	(18,742)
7.1 Dividends distributed	-	-	-	-	-	-	-	-	(18,742)	-	-	-	(18,742)
7.2 Transfers to reserves	-	-	-	-	5,697	-	54,278	-	(59,975)	-	-	-	-
7.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Increase in capital	-	-	-	-	-	-	-	-	-	-	-	-	-
8.1 Cash	-	-	-	-	-	-	-	-	-	-	-	-	-
8.2 Revaluation Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
8.3 Value Increase Fund Revaluation Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
8.4 Marketable Securities Value Increase Fund	-	-	-	-	-	-	-	-	-	-	-	-	-
8.5 Adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-
8.6 Issuance of share certificates	-	-	-	-	-	-	-	-	-	-	-	-	-
8.7 Foreign exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-
8.8 Other	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Convertible bonds	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balances (I+II+IV+V+VI+VII)	57,800	252,676	-	-	14,950	-	115,496	48,322	-	-	-	3,625	492,869

The accompanying notes are an integral part of these statements.

TURK EKONOMI BANKASI ANONIM SIRKETI
UNCONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD FROM
1 JANUARY TO 31 MARCH 2006

Amounts expressed in thousands of New Turkish Lira (TRY) unless otherwise stated.

V. STATEMENTS OF CASH FLOWS

		Reviewed	Not Reviewed
	Note Ref.	Current Period	Prior Period
		31.03.2006	31.03.2005
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1	Operating profit before changes in operating assets and liabilities	78,343	37,248
1.1.1	Interest received	162,266	103,934
1.1.2	Interest paid	(83,342)	(50,023)
1.1.3	Dividend received	18,528	7,942
1.1.4	Fees and commissions received	18,473	12,580
1.1.5	Other income	10,775	16,087
1.1.6	Collections from previously written off loans	2,946	1,528
1.1.7	Payments to personnel and service suppliers	(27,789)	(20,295)
1.1.8	Taxes paid	(42,959)	(19,295)
1.1.9	Others	19,445	(15,210)
1.2	Changes in operating assets and liabilities	45,755	(175,275)
1.2.1	Net (increase) decrease in trading securities	40,509	(41,764)
1.2.2	Net (increase) decrease in due from banks and other financial institutions	45,265	5,000
1.2.3	Net (increase) decrease in loans	(198,890)	(368,642)
1.2.4	Net (increase) decrease in other assets	(14,079)	(20,496)
1.2.5	Net increase (decrease) in bank deposits	(413,945)	135,197
1.2.6	Net increase (decrease) in other deposits	445,088	135,808
1.2.7	Net increase (decrease) in funds borrowed	124,488	(22,061)
1.2.8	Net increase (decrease) in matured payables	-	-
1.2.9	Net increase (decrease) in other liabilities	17,319	1,683
I.	Net cash provided from banking operations	124,098	(138,027)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II.	Net cash provided from investing activities	143,144	(79,292)
2.1	Cash paid for purchase of investments, associates and subsidiaries	-	-
2.2	Cash obtained from sale of investments, associates and subsidiaries	-	-
2.3	Fixed assets purchases	(2,472)	(2,792)
2.4	Fixed assets sales	(2,162)	(2,482)
2.5	Cash paid for purchase of securities available for sale	(744,780)	(260,733)
2.6	Cash obtained from sale of securities available for sale	892,458	187,613
2.7	Cash paid for purchase of investment securities	-	(898)
2.8	Cash obtained from sale of investment securities	100	-
2.9	Extraordinary items	-	-
2.10	Others	-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III.	Net cash provided from financing activities	(18,748)	(9,387)
3.1	Cash obtained from funds borrowed and securities issued	-	148
3.2	Cash used for repayment of funds borrowed and securities issued	(6)	-
3.3	Capital increase	-	-
3.4	Dividends paid	(18,742)	(9,414)
3.5	Payments for finance leases	-	(121)
3.6	Extraordinary items	-	-
3.7	Others	-	-
IV.	Effect of change in foreign exchange rate on cash and cash equivalents	(29)	16,545
V.	Net increase / (decrease) in cash and cash equivalents	248,465	(210,161)
VI.	Cash and cash equivalents at beginning of the year	V-1	743,090
			1,098,878
VII.	Cash and cash equivalents at end of the year	V-1	991,555
			888,717

(*) As of March 31, 2005 banks were not required to prepare statement of cash flows.

The accompanying notes are an integral part of these statements.

TURK EKONOMI BANKASI ANONIM SIRKETI
NOTES TO THE UNCONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2006

Amounts expressed in thousands of New Turkish Lira (TRY) unless otherwise stated.

SECTION THREE

ACCOUNTING PRINCIPLES

I- Basis of Presentation

The Bank prepares its financial statements in accordance with the “Accounting Application Regulations” (AAR) based on “Accounting and Recording System”, Article 37 and the provisional Article 1, of the Banking Law 5411 and related communiqués and related explanations and further communiqués that add or cause a change on the content of the relevant communiqués.

Preparation of Financial Statements at the Current Purchasing Power Parity

The indicators which are explained in Banking Regulation and Supervision Agency (BRSA)’s April 21, 2005 dated and 1623 numbered resolution and April 28, 2005 dated circular and 5th Article of Number 14 Decree of Regulation on Accounting Practice – “Preparation of Financial Statements in Hyperinflationary Periods” are no longer valid and banks’ obligation to prepare their financial statements according to those regulations is no longer in effect. Thus, no inflation accounting has not been used since January 1, 2005 and prior year figures for comparison are expressed at December 31, 2004’s purchasing power parity.

After the hyperinflationary period in Turkey, with the increasing digits in Turkish Lira (TL), transactions became harder to be expressed and recorded. With a new legislation dated January 31, 2004; the New Turkish Lira (TRY) became the monetary unit of the Republic of Turkey with a conversion rate of TL 1,000,000 to TRY 1. After January 1, 2005 the new currency came in effect and became the Bank’s reporting currency. According to BRSA’s January 5, 2005 dated circular, prior period figures are expressed as TRY.

Other Basis of Valuation

Basis of valuation used for assets and liabilities in the preparation of financial statements are explained in the accounting principles for the related assets and liabilities.

II- Explanations on Forward and Option Contracts and Derivative Instruments

In the absence of forward foreign currency market rates and reliable forward rate estimations in a volatile market, values of foreign currency forward, swap transactions are determined by comparing the period end Bank foreign exchange rates with the forward rates discounted to the balance sheet date. The resulting gain or loss is reflected to the income statement. In determination of the fair values of interest rate swaps, discounted values calculated using the fixed and floating interest rates between the transaction date and repricing date are used. Fair value of option transactions are determined by comparing the option rates discounted to balance sheet with the period end foreign exchange rates of the 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 Internal Rate of Return (IRR) method. The Bank also enters into future agreements. Future transactions are valued daily by the primary market prices and related gains or losses are reflected in income statement.

There are no embedded derivatives separated from the host contract or that are designated as hedging instruments.

Foreign Currency Assets and Liabilities

Gains or losses arising from foreign currency transactions are reflected in the statement of income as they are realized during the period. 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 Bank and the resulting foreign exchange gains or losses are recorded in the income statement as foreign exchange gain or loss. The net investment in foreign entities as of the related period-ends were translated into New Turkish Lira by applying the exchange rates prevailing at respective dates. The resulting foreign exchange gains or losses are recorded in the income statement.

III- Offsetting of Financial Assets and Liabilities

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

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IV- Interest Income and Expenses

Interest income and expense are recognized in the income statement for all interest bearing instruments on an accrual basis using the effective interest method. In accordance with the related regulation, the due and not due interest accruals of the non-performing loans are reversed and interest income related to these loans are recorded as interest income only when collected.

V- Fees and Commission Income and Expenses

Fees for various banking services are recorded as income when collected and prepaid commission income 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 and expensed on a monthly basis.

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

VI- Securities Held for Trading

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 "Provision for Decrease in Value of Marketable Securities".

VII- Sales and Repurchase Agreements and Lending of Securities

The sales and purchase of government securities under repurchase agreements made with the clients are being recorded in balance sheet accounts in accordance with the Uniform Chart of Accounts. Accordingly in the financial statements, the government bonds and treasury bills sold to clients 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. The interest expense accruals are calculated using the effective interest method for the funds obtained under repurchase agreements and are reflected to the interest and other expense accruals account in the balance sheet.

The above-mentioned transactions are short-term and consist of domestic public sector debt securities.

The income and expenses generated from above mentioned transactions are reflected to the "Interest Income on Marketable Securities" and "Interest Expense on Money Market Accounts" accounts in the income statements.

As of March 31, 2006, the Bank does not have any reverse repo transactions (December 31, 2005 - None).

As of March 31, 2006, the Bank does not have any marketable securities lending (December 31, 2005 - None).

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VIII- Securities Held to Maturity, Securities Available for Sale and Bank Originated Loans and Receivables

Securities 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. This portfolio excludes bank originated loans and receivables.

Securities available for sale include all securities other than bank originated 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 values and the unrealized gain/loss originating from the difference between the amortized cost and the fair value is recorded in "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 the fair values of these securities are determined using Official Gazette prices or other valuation methods stated in the articles of the AAR's Communiqué No:1, "Accounting Standards of Financial Instruments."

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

Held to maturity securities are measured at amortized cost by using effective interest rate less impairment losses, if any.

The interests received from securities held to maturity are recorded as interest income. There are no dividends related with any marketable securities that are held to maturity.

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

The Bank classifies its securities according to the above-mentioned portfolios at the acquisition date of related security.

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

IX- Investments in Associates

New Turkish Lira investments in associates which are quoted on the stock exchange are measured at fair value based on quoted bid prices and any positive difference between fair value price and cost is included under shareholders' equity in "Marketable Securities Value Increase Fund" account in the financial statements. Unquoted investments in associates are reflected at restated costs until December 31, 2004, computed by using relevant conversion factors considering purchase and capital contribution dates excluding share capital increases from internally generated funds such as the revaluation fund.

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X- Investments in Subsidiaries

New Turkish Lira investments in subsidiaries are reflected at restated costs until December 31, 2004, computed by using relevant conversion factors considering purchase and capital contribution dates excluding share capital increases from internally generated amounts such as the revaluation fund. Foreign currency denominated subsidiaries are valued with period-end foreign exchange rates. Provision is made when there is an evidence for permanent impairment in value of the subsidiaries.

XI- Originated Loans and Receivables and Provisions for Impairment

The Bank initially records originated loans and receivables at cost. In the subsequent periods, in accordance with the AAR, Communiqué No:1, these loans are measured at amortized cost using effective interest rate method.

Cash loans are recorded in accordance with the regulations stated in the Communiqué on the Uniform Chart of Accounts and Its Explanations. According to the changes in the Uniform Chart of Accounts and Prospects dated November 2, 2005, the foreign exchange difference income of the foreign currency indexed loans that are classified under interest income are shown under other operating income and the foreign exchange difference expense classified under provision for loans and other receivables are shown under other operating expenses.

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

Specific reserves are computed and provided for Group III, IV and V loans in accordance with the Banking Law No.4389 as amended by Law Number 4672 and the Banking Law No. 5411, Article 3, Sub Article 11 and Article 11, Sub Article 12 published on the Official Gazette No. 24448 dated June 30, 2001 on "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" amended by Communiqués published on the Official Gazette No:34657 date January 31, 2002. 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 deducted 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 under "Other Operating Income" account and related interest income is recorded under the "Interest Received from Non-performing Loans" account.

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

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XII- Goodwill and Other Intangible Assets

There is no goodwill regarding the investments in associates and subsidiaries.

The intangible assets are reflected at restated costs until December 31, 2004 in accordance with inflation accounting and are depreciated with straight-line method. The cost of assets subject to depreciation is restated after deducting the exchange differences, capitalized financial expenses and revaluation increases, if any, from the cost of the assets.

The intangible assets of the 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. Software used are mainly developed within the Bank by the Bank's personnel and the related expenses are not capitalized. Software is purchased only in emergency cases and for special projects.

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

XIII- Tangible Fixed Assets

Buildings are reflected at their restated costs until December 31, 2004 , 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 reflected at their restated costs until December 31, 2004 and depreciated by straight-line method. Depreciation of assets held less than one year as of the balance sheet date is accounted for proportionately. Leasehold improvements are depreciated over the lease period by straight-line method. 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	5-50
Leasehold improvements	Lease period

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 the 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.

Bank employs independent appraisers in determining the current fair values of the real estates at year ends.

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XIV- Leasing Transactions

Tangible fixed assets acquired by financial leases are accounted in accordance with AAR, Article 7 of the Communiqué No:4, "Accounting Standard for Leasing Transactions." In accordance with the above-mentioned article, the leasing transactions, which consist only foreign currency liabilities, are translated to New Turkish Lira with the exchange rates effective at the transaction dates and they are recorded both as an asset and a liability. The foreign currency liabilities are translated to New Turkish Lira with the 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 agreement period to form a fixed interest rate.

In addition to the interest expense, the Bank records depreciation expense for the leased assets in each period. The depreciation rate is determined in accordance with Communiqué No. 2 "Accounting Standard for Tangible Fixed Assets" and the depreciation rate used is 20%.

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

The Bank does not have any leasing transactions as lessor.

XV- Provisions and Contingent Liabilities

The provisions and contingent liabilities are determined in accordance with the Communiqué No:8 of AAR, except for the general and specific provisions set for the loans and other receivables. Provisions are immediately for present obligations as a result of past events immediately at the estimated amounts.

XVI- Liabilities Regarding Employee Benefits

In accordance with the prevailing laws in Turkey, the Bank is required to make lump-sum termination indemnities including retirement and notice payments to each employee whose employment is terminated due to retirement or for reasons other than resignation or misconduct. The retirement pay is calculated for every year worked in the Bank over the salary for 30 days and the notice pay is determined by the relevant notice period time calculated over the years worked in the Bank. In accordance with AAR, Communiqué No:10, the Bank sets provision for retirement, notice pay and vacation pay liabilities by taking the actual payment rates for the previous 5 years into consideration.

The Bank has no employees contracted for temporary periods.

As of March 31, 2006 and December 31, 2005, the arithmetic average of the actual payments realized for the previous five years are 4.50% and 8.35% respectively and this forms the base of the provision amount that is set for the retirement and notice pay liabilities.

The Bank employees are members of "Tebhliler" Foundation. 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.

There are no liabilities that require additional provisions related to other employee rights.

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XVII- Taxation

Corporate tax

For the year 2006, the corporation tax rate is 30%. (2005- 30%)

The tax legislation, requires advance tax of 30% (2005-30%) 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 until the fifteenth day of the fourth month following the balance sheet date and paid in one installment until the end of the related month.

Current tax related with items that are credited or charged directly to equity are charged or credited to equity. As of March 31, 2006, TRY 1,848 of current tax liability relating to items classified under equity is charged to "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 were incurred. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

Deferred Tax Liability / Asset

As of June 30, 2004 and prior periods, the Bank calculated and reflected 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 March 31, 2006 and December 31, 2005, in accordance with Communiqué Number 18 of AAR published on August 12, 2004 and effective from July 1, 2004 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 other assets and the net deferred tax liability is reflected under other liabilities on the balance sheet. TRY 4,733 of deferred tax provision credit is stated under the tax provision in the income statement. TRY 1,555 of deferred tax asset resulting from differences related to items that are credited or charged directly to equity is netted with these accounts.

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

XVIII- Additional Explanations on Borrowings

There are no debt securities issued by the Bank.

The Bank has not issued convertible bonds.

XIX- Paid-in Capital and Share Certificates

The Bank does not have any transaction costs related to share issue.

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XX- 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- Government Incentives

There are no government incentives utilized by the Bank.

XXII- Securities at Custody

Securities held by the Bank at custody on behalf of clients are not included in the balance sheet since they are not assets of the Bank. As of March 31, 2006, securities at custody in the off-balance sheet includes investment funds as thousand shares (December 31, 2005 – thousand shares).

XXIII- Other Matters

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) issued by the International Accounting Standards Board. 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.

There are no other matters required to be disclosed.

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SECTION FOUR

INFORMATION ON FINANCIAL STRUCTURE

I- Explanations and Footnotes Related to the Capital Adequacy Standard Ratio

The method used for risk measurement in determining 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 January 31, 2002 in the Official Gazette numbered 24657. As of March 31, 2006, the Bank's capital adequacy ratio is 12.45% (December 31, 2005 – 12.33%).

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 "Internal Control and Risk Management Systems of the 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 not considered while calculating risk-weighted assets, non-cash loans and contingent liabilities. Assets subject to depreciation and amortization 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 found by means of deducting the 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 rates presented at the Clause 1, Article 21 of the "Communiqué on Regulations on the Establishment and Operations of Banks", and included in the related risk group and accordingly risk weighted.

Receivables from counter parties generated from derivative foreign currency and interest rate transactions are included in the related risk group at the loan conversion rates stated in Clause 2, Article 21 of the "Communiqué on Regulations on the Establishment and Operations of Banks" and weighted for a second time by the weight of the related risk group.

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I- Explanations and Footnotes Related to the Capital Adequacy Standard Ratio (cont'd)

Information related to the capital adequacy ratio:

	Risk Weight			
	0%	20%	50%	100%
Risk Weighted Assets, Liabilities and Non-Cash Loans				
Balance Sheet items (Net)	1,235,353	186,895	607,040	2,421,314
Cash	93,482	6	-	-
Due from banks	329,776	163,038	-	273
Interbank money market placements	430,000	-	-	-
Receivables from reverse repo transactions	-	-	-	-
Reserve deposits	206,201	-	-	-
Special finance houses	-	-	-	-
Loans	132,931	23,851	600,149	2,361,867
Loans under follow-up (Net)	-	-	-	14,556
Subsidiaries, associates and investments held to maturity	-	-	-	-
Sundry debtors	-	-	-	2,809
Marketable securities held to maturity (Net)	-	-	-	-
Advances for assets acquired by financial leasing	-	-	-	-
Financial lease receivables	-	-	-	-
Leased assets (Net)	-	-	6,891	-
Fixed assets (Net)	-	-	-	31,933
Other assets	42,963	-	-	9,876
Off balance sheet items	317,254	759,235	510,672	176,712
Guarantees and suretyships	22,961	749,852	129,042	115,060
Commitments	290,208	-	381,630	-
Other off balance sheet items	-	-	-	-
Transactions related with derivative financial instruments	-	-	-	26,119
Interest and income accruals	4,085	5,793	-	35,533
Non risk weighted accounts	-	3,590	-	-
Total Value at Risk	1,552,607	946,130	1,117,712	2,598,026
Total Risk Weighted Assets		189,226	558,856	2,598,026

Summary information related to the capital adequacy ratio:

	Current Period	Prior Period
Total Risk Weighted Assets	3,346,108	3,196,838
Amount Subject to Market Risk	143,800	142,000
Shareholders' Equity	434,610	411,722
Shareholders' Equity / (TRWA + ASMR) *100	12.45	12.33

TRWA: Total Risk Weighted Assets

ASMR: Amount subject to market risk

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I- Explanations and Footnotes Related to the Capital Adequacy Standard Ratio (cont'd)

Information related to the components of shareholders' equity:

	Current Period	Prior Period
CORE CAPITAL		
Paid-in Capital	57,800	57,800
Nominal capital	57,800	57,800
Capital commitments (-)	-	-
Other Capital Reserves	252,676	252,676
Share Premium and Cancellation Profits	-	-
Legal Reserves	14,950	9,253
First legal reserve (Turkish Commercial Code 466/1)	9,414	5,479
Second legal reserve (Turkish Commercial Code 466/2)	5,536	3,774
Other legal reserve per special legislation	-	-
Statute Reserves	-	-
Extraordinary reserves	115,496	61,218
Reserves allocated by the General Assembly	115,496	61,218
Retained earnings	-	-
Accumulated losses	-	-
Foreign currency share capital exchange difference	-	-
Profit	48,322	78,717
Current period profit	48,322	78,717
Prior years' profits	-	-
Loss (-)	-	-
Current period loss	-	-
Prior years' losses	-	-
Total Core Capital	489,244	459,664
SUPPLEMENTARY CAPITAL		
Revaluation Fund	-	-
Furniture, fixture and vehicles	-	-
Buildings	-	-
Profit on sale of associates, subsidiaries and buildings to be transferred to share capital	-	-
Revaluation fund of leasehold improvements	-	-
Increase in the Value of Revaluation Fund	-	-
Foreign Exchange Differences	-	-
General Loan Loss Reserves	18,884	18,300
Provisions for Possible Losses	-	-
Subordinated Loans	83,991	83,997
Marketable Securities Value Increase Fund	3,625	9,147
Associates and subsidiaries	-	-
Available for sale securities	3,625	9,147
Instruments Regarding Structured Position	-	-
Total Supplementary Capital	106,500	111,444
TIER III CAPITAL	-	-
CAPITAL	595,744	571,108
DEDUCTIONS FROM THE CAPITAL	161,134	159,386
Investments in Financial Companies Whose Main Activities are Money and Capital Markets, Insurance And That Operate With Licenses Provided In Accordance With Special Laws.	139,716	139,230
Leasehold improvements	14,202	15,287
Start-up costs	-	-
Prepaid expenses	7,216	4,869
The negative difference between the market values and the carrying amounts for investments, subsidiaries, other investments and fixed assets	-	-
Subordinated loans given to other banks which operate in Turkey	-	-
Goodwill (Net)	-	-
Capitalized expenses	-	-
Total Shareholder's Equity	434,610	411,722

II- Explanations and Footnotes Related to Market Risk

The Bank 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 Communiqués on "Internal Control and Risk Management Systems of Banks", and "Measurement and Assessment of Capital Adequacy of Banks".

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II- Explanations and Footnotes Related to Market Risk (cont'd)

The Board of Directors determines the limits for the basic risk that the Bank is exposed to. Those limits are revised periodically in line with the strategies of the 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 Bank.

The interest rate and exchange rate risks 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, the amount subject to VAR is taken into consideration by the standard method. VAR for Market risks using international models Scenario analysis and stress tests are calculated and such tests supported by results are reported to senior management.

	Amount
Capital to be employed for interest rate risk – standard method	6,864
Capital to be employed for general market risk	6,864
Capital to be employed for specific risk	-
Capital to be employed for options subject to interest rate risk	-
Capital to be employed for common stock position risk – Standard method	-
Capital to be employed for general market risk	-
Capital to be employed for specific risk	-
Capital to be employed for options subject to common stock position risk	-
Capital to be employed for currency risk – Standard method	4,640
Capital liability	4,450
Capital to be employed for options subject to currency risk	190
Total Value-at-risk (VAR)-Internal Model	-
Total capital to be employed for market risk	11,504
Amount subject to market risk	143,800

III- Explanations and Footnotes Related to 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 Bank are taken into consideration and value at risk is calculated by using the standard method.

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

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

The Treasury Department of the Bank is responsible for the management of 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 Bank's Asset-Liability Committee.

As of March 31, 2006, the Bank's net short position is TRY 56,583 (December 31, 2005 - TRY 45,232 net short) resulting from short position amounting to TRY 311,443 (December 31, 2005 - TRY 338,818) on the balance sheet and long position amounting to TRY 254,860 (December 31, 2005 - TRY 293,586) on the off-balance sheet.

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III- Explanations and Footnotes Related to Currency Risk (cont'd)

The announced current foreign exchange buying rates of the Bank at the balance sheet date and the previous five working days are as follows:

	24.03.2006	27.03.2006	28.03.2006	29.03.2006	30.03.2006	31.03.2006
USD	1,3408	1.3386	1.3464	1.3562	1.3427	1.3417
CHF	1.0159	1.0217	1.031	1.0333	1.0275	1.0272
GBP	2.3224	2.3374	2.3531	2.3548	2.3342	2.3314
JPY	1.1323	1.1447	1.1511	1.1485	1.1408	1.1389
EUR	1.605	1.6105	1.6237	1.6284	1.6211	1.6254

The simple arithmetic averages of the major current foreign exchange buying rates of the Bank for the thirty days before March 31, 2006 are as follows:

	Monthly Average Foreign Exchange Rate
USD	1.3253
CHF	1.0209
GBP	2.3203
JPY	1,1322
EUR	1.5940

Information on the foreign currency risk of the Bank:

Current Period	EUR	USD	YEN	OTHER FC	TOTAL
Assets					
Cash (cash in vault, foreign currency cash, money in transit, cheques purchased, precious materials) and balances with the Central Bank of Turkey	47,761	513,081	60	4,130	565,032
Due from other banks and financial institutions	19,341	69,837	729	11,380	101,287
Trading securities	78	237	-	718	1,033
Money market placements	-	-	-	-	-
Investment securities available-for-sale	-	257,104	-	-	257,104
Loans (**)	766,792	729,283	11,487	67,170	1,574,732
Investments in associates and subsidiaries	48,762	-	-	-	48,762
Investment securities held-to-maturity	-	-	-	-	-
Property and equipment	-	-	-	-	-
Goodwill	-	-	-	-	-
Other assets (***)	8,732	17,331	48	545	26,656
Total Assets	891,466	1,586,873	12,324	83,943	2,574,606
Liabilities					
Bank deposits	3,696	38,599	220	20,332	62,847
Foreign currency deposits (*)	541,587	1,565,548	6,963	51,927	2,166,025
Money market borrowings	-	-	-	-	-
Funds provided from other financial institutions	374,277	232,922	-	18,819	626,018
Marketable securities issued	-	-	-	-	-
Sundry creditors	247	8,016	20	122	8,405
Other liabilities (***)	6,470	15,775	257	252	22,754
Total liabilities	926,277	1,860,860	7,460	91,452	2,886,049
Net Balance Sheet Position	(34,811)	(273,987)	4,864	(7,509)	(311,443)
Net Off-Balance Sheet Position	63,769	187,016	(5,589)	9,664	254,860
Financial derivative assets	223,167	492,974	3,999	71,333	791,473
Financial derivative liabilities	159,398	305,958	9,588	61,669	536,613
Non-cash loans (****)	442,129	715,755	7,553	42,886	1,208,323
Prior Period					
Total Assets	824,192	1,469,785	11,812	60,790	2,366,579
Total Liabilities	854,206	1,768,429	8,637	74,125	2,705,397
Net Balance Sheet Position	(30,014)	(298,644)	3,175	(13,335)	(338,818)
Net Off-Balance Sheet Position	28,413	253,987	(3,023)	14,209	293,586
Non-cash loans (****)	351,571	676,805	6,042	42,592	1,077,010

(*) Gold account deposits amounting to TRY 6,202 (December 31, 2005 - TRY 1,329) are included in the foreign currency deposits.

(**) Foreign currency indexed loans amounting to TRY 359,324 (December 31, 2005 - TRY 334,434) are included in the loan portfolio.

(***) TRY 438 of prepaid expenses and TRY 822 of derivative income of accruals from financial operations are deducted from other assets; TRY 1,005 of expense of accruals from financial operations and TRY 7,887 of provision for general loans have been deducted from other liabilities.

(****) There are no effects on the net off-balance sheet position.

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IV- Explanations and Footnotes Related to 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 Bank's 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 Bank. The negative effects of the fluctuations in the market interest rates on the financial position and the cash flows are minimized by revising budget targets.

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

Since the Bank does not permit maturity mismatches or imposes limits on the mismatch, to 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	3-6 Months	6-12 Months	1 Year and Over	Non-interest bearing	Total
Current Period							
Assets							
Cash (cash in vault, foreign currency cash, money in transit, cheques purchased, precious materials) and balances with the Central Bank of Turkey	498,115	-	-	-	-	131,350	629,465
Due from banks and other financial institutions	108,944	31,632	10,000	12,735	-	-	163,311
Trading securities	170	497	1,877	665	45,389	718	49,316
Money market placements	430,000	-	-	-	-	-	430,000
Securities available-for-sale	-	72,354	678,011	1,989	146,696	9	899,059
Loans	1,061,148	322,799	477,287	356,172	901,392	-	3,118,798
Securities held-to-maturity	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	338,668	338,668
Total Assets	2,098,377	427,282	1,167,175	371,561	1,093,477	470,745	5,628,617
Liabilities							
Bank deposits	68,593	4,357	-	-	-	-	72,950
Other deposits	3,139,997	394,969	39,200	11,634	82	-	3,585,882
Money market borrowings	368,970	-	-	-	-	-	368,970
Sundry creditors	-	-	-	-	-	64,140	64,140
Marketable securities issued	-	-	-	-	-	-	-
Funds provided from other financial institutions	568,147	114,145	105,678	30,886	45,694	-	864,550
Other liabilities	-	-	-	-	3,715	668,410	672,125
Total Liabilities	4,145,707	513,471	144,878	42,520	49,491	732,550	5,628,617
Balance Sheet Interest Sensitivity Gap	(2,047,330)	(86,189)	1,022,297	329,041	1,043,986	(261,805)	-
Off Balance Sheet Interest Sensitivity Gap	1,547	-	-	-	-	-	1,547
Total Interest Sensitivity Gap	(2,045,783)	(86,189)	1,022,297	329,041	1,043,986	(261,805)	1,547

The other assets line in the non-interest bearing column consists of property and equipments amounting to TRY 53,025, intangible assets amounting to TRY 3,535, TRY 64,919 of accrued interest and income receivables, subsidiaries amounting to TRY 139,716 and the other liabilities line includes the shareholders' equity of TRY 492,869.

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IV- Explanations and Footnotes Related to Interest Rate Risk (cont'd)

	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Non-interest bearing	Total
Prior Period							
Assets							
Cash (cash in vault, foreign currency cash, money in transit, cheques purchased, precious materials) and balances with the Central Bank of Turkey	385,328	-	-	-	-	179,541	564,869
Due from banks and other financial institutions	247,050	14,000	32,000	16,000	-	-	309,050
Trading securities	973	18,664	13,651	462	55,477	598	89,825
Money market placements	150,000	-	-	-	-	-	150,000
Securities available-for-sale	33,537	577,672	79,262	44,328	311,929	9	1,046,737
Loans	935,966	416,094	457,080	386,468	726,206	-	2,921,814
Securities held-to-maturity	-	100	-	-	-	-	100
Other assets	-	-	-	-	-	339,471	339,471
Total Assets	1,752,854	1,026,530	581,993	447,258	1,093,612	519,619	5,421,866
Liabilities							
Bank deposits	88,681	12,722	-	-	-	-	101,403
Other deposits	2,115,822	250,205	43,882	6,591	80	724,214	3,140,794
Money market borrowings	754,462	-	-	-	-	-	754,462
Sundry creditors	-	-	-	-	-	49,088	49,088
Marketable securities issued	-	-	-	-	-	-	-
Funds provided from other financial institutions	112,335	111,172	427,393	23,991	65,177	-	740,068
Other liabilities	-	-	-	-	3,715	632,336	636,051
Total Liabilities	3,071,300	374,099	471,275	30,582	68,972	1,405,638	5,421,866
Balance Sheet Interest Sensitivity Gap	(1,318,446)	652,431	110,718	416,676	1,024,640	(886,019)	-
Off Balance Sheet Interest Sensitivity Gap	(695)	-	-	-	-	-	(695)
Total Interest Sensitivity Gap	(1,319,141)	652,431	110,718	416,676	1,024,640	(886,019)	(695)

The other assets line at the non-interest bearing column consists of property and equipment amounting to TRY 54,015 intangible assets amounting to TRY 3,952, TRY 73,060 of accrued interest and income receivables, investments in associates amounting to TRY 139,230 and the other liabilities line includes the shareholders' equity of TRY 468,811.

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	-	-	-	-
Due from banks and other financial institutions	-	-	-	14.48
Trading securities	5.28	6.55	-	13.98
Money market placements	-	-	-	13.50
Securities available-for-sale	-	6.30	-	14.73
Loans	5.20	6.33	3.65	19.54
Securities held-to-maturity	-	-	-	-
Liabilities				
Bank deposits	2.00	4.86	-	13.34
Other deposits	2.79	4.71	-	15.21
Money market borrowings	-	-	-	13.93
Sundry creditors	-	-	-	-
Marketable securities issued	-	-	-	-
Funds provided from other financial institutions	2.89	6.59	-	12.03

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IV- Explanations and Footnotes Related to Interest Rate Risk (cont'd)

	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	1.14	2.05	-	10.65
Due from banks and other financial institutions	2.53	4.34	-	15.14
Trading securities	-	5.21	-	14.45
Money market placements	-	-	-	14.98
Securities available-for-sale	-	5.70	-	15.14
Loans	6.03	6.51	4.06	25.14
Securities held-to-maturity	-	-	-	-
Liabilities				
Bank deposits	2.55	4.00	-	17.61
Other deposits	2.47	3.93	-	15.67
Money market balances	-	-	-	13.93
Sundry creditors	-	-	-	-
Marketable securities issued	-	-	-	-
Funds provided from other financial institutions	2.84	6.85	-	14.64

V- Explanations and Footnotes Related to 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 Bank'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 Bank continuously determines standards for the liquidity ratios, and monitors them.

According to the general policies of the Bank, 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 Bank manages its maturity risk within the limits determined by Bank's Management.

When the funding and liquidity sources are considered, the 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 Bank is in a lender position.

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V- Explanations and Footnotes Related to Liquidity Risk (cont'd)

Presentation of assets and liabilities according to their remaining maturities :

Current Period	Demand	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Undistributed (*)	Total
Assets								
Cash (cash in vault, foreign currency cash, money in transit, cheques purchased, precious materials) and Balances with the Central Bank of Turkey		498,115						
Due from banks and other financial institutions	131,350		-	-	-	-	-	629,465
Trading securities	101,195	7,749	31,632	10,000	12,735	-	-	163,311
Money market placements	718	136	389	850	651	46,572	-	49,316
Securities available-for-sale	-	430,000	-	-	-	-	-	430,000
Loans	9	-	-	2,041	4,037	892,972	-	899,059
Securities held-to-maturity	-	1,061,148	322,799	477,287	356,172	901,392	-	3,118,798
Other assets	-	-	-	-	-	-	-	-
Other assets	-	67,502	8,700	8,245	5,645	26,542	222,034	338,668
Total Assets	232,272	2,064,650	363,520	498,423	379,240	1,867,478	222,034	5,628,617
Liabilities								
Bank deposits	13,427	55,166	4,357	-	-	-	-	72,950
Other deposits	661,246	2,478,751	394,969	39,200	11,634	82	-	3,585,882
Money market borrowings	-	368,970	-	-	-	-	-	368,970
Funds provided from other financial institutions	-	136,965	119,021	38,593	372,220	197,751	-	864,550
Marketable securities issued	-	-	-	-	-	-	-	-
Sundry creditors	64,140	-	-	-	-	-	-	64,140
Other liabilities	-	82,091	5,790	2,258	57,092	10,863	514,031	672,125
Total Liabilities	738,813	3,121,943	524,137	80,051	440,946	208,696	514,031	5,628,617
Net Liquidity Gap	(505,541)	(1,057,293)	(160,617)	418,372	(61,706)	1,658,782	(291,997)	-
Prior Period								
Total Assets	233,599	1,720,060	439,203	520,412	566,626	1,716,714	225,252	5,421,866
Total Liabilities	788,130	3,062,577	369,150	123,718	411,310	177,362	489,619	5,421,866
Net Liquidity Gap	(554,531)	(1,342,517)	70,053	396,694	155,316	1,539,352	(264,367)	-

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

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SECTION FIVE

**FOOTNOTES AND EXPLANATIONS ON
UNCONSOLIDATED FINANCIAL STATEMENTS**

I- Footnotes And Explanations Related to the Assets

1. Information related to the account of the Central Bank of Turkey:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Unrestricted demand deposit	37,862	-	92,213	-
Unrestricted time deposit	-	291,914	-	173,945
Total	37,862	291,914	92,213	173,945

2. Information about trading portfolio (shown in terms of their net values):

a) Trading securities given as collateral or blocked:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Share certificates	-	-	-	-
Bond, Treasury bill and similar investment securities	318	-	318	-
Others	-	-	-	-
Total	318	-	318	-

b) Trading securities subject to repurchase agreements:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Government bonds	44,768	-	62,526	-
Treasury bills	196	-	71	-
Other government debt securities	-	-	-	-
Bank bonds and bank guaranteed bonds	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	44,964	-	62,597	-

As of March 31, 2006, trading securities which are not given as collateral, amount to TRY 4,034 (December 31, 2005 - TRY 26,910).

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I- Footnotes And Explanations Related to the Assets (cont'd)

3. Information on available for sale portfolio:

- a) Main types of available for sale securities: Available for sale securities include public sector, domestic and foreign debt securities and share certificates.
- b) Information on available for sale portfolio:

	Current Period	Prior Period
Debt securities	904,972	1,050,024
Quoted on a stock exchange	624,766	979,126
Not quoted	280,206	70,898
Share certificates	9	9
Quoted on a stock exchange	-	-
Not quoted	9	9
Provision for impairment (-)	(5,922)	(3,296)
Total	899,059	1,046,737

- c) Available for sale securities given as collateral: Available for sale securities, given as collateral consist of public sector debt securities of TRY 200,817 with cost value (December 31, 2005 - TRY 201,673) given as collateral for regulatory requirements.
- d) Information on investment securities available-for-sale given as collateral or blocked:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Share certificates	-	-	-	-
Bond, Treasury bill and similar investment securities	33,336	167,481	34,179	167,494
Others	-	-	-	-
Total	33,336	167,481	34,179	167,494

- e) Information on investment securities available-for-sale subject to repurchase agreements:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Government bonds	387,927	-	756,798	-
Treasury bills	-	-	17,199	-
Other public sector debt securities	-	-	-	-
Bank bonds and bank guaranteed bonds	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	387,927	-	773,997	-

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I- Footnotes And Explanations Related to the Assets (cont'd)

4. 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	1,090	20,418	-	16,179
Corporate shareholders	1,090	20,418	-	16,179
Real person shareholders	-	-	-	-
Indirect loans granted to shareholders	-	-	-	-
Loans granted to employees	2,949	-	2,825	-
Total	4,039	20,418	2,825	16,179

b) Information on the first and second group loans and other receivables including restructured or rescheduled loans:

Cash 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
Non-specialized loans	3,111,430	-	-	7,368
Discount notes	50,967	-	-	-
Export loans	774,948	-	-	-
Import loans	-	-	-	-
Loans given to financial sector	45,778	-	-	-
International loans	44,948	-	-	-
Consumer loans	460,427	-	-	-
Credit cards	25,495	-	-	-
Precious metals loans	56,445	-	-	-
Other	1,652,422	-	-	7,368
Specialized loans	-	-	-	-
Other receivables	-	-	-	-
Total	3,111,430	-	-	7,368

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I- Footnotes And Explanations Related to the Assets (cont'd)

4. Information on loans : (cont'd)

c) Information on consumer loans, individual credit cards, personnel loans and credit cards given to personnel:

	Short Term	Medium and Long Term	Total	Interest Income Accrual
Consumer Loans-TRY	23,169	385,738	408,907	3,220
Real Estate Loans	713	193,150	193,863	1,275
Automotive Loans	4,851	143,941	148,792	1,227
Consumer Loans	12,333	48,647	60,980	718
Other	5,272	-	5,272	-
Consumer Loans -Indexed to FC	1,515	47,872	49,387	-
Real Estate Loans	347	22,305	22,652	-
Automotive Loans	1,057	23,703	24,760	-
Consumer Loans	111	1,864	1,975	-
Other	-	-	-	-
Consumer Loans-FC	-	-	-	-
Real Estate Loans	-	-	-	-
Automotive Loans	-	-	-	-
Consumer Loans	-	-	-	-
Other	-	-	-	-
Individual Credit Cards-TRY	21,689	-	21,689	-
With Installments	137	-	137	-
Without Installments	21,552	-	21,552	-
Individual Credit Cards-FC	1,233	-	1,233	-
With Installments	-	-	-	-
Without Installments	1,233	-	1,233	-
Personnel Loans-TRY	914	1,219	2,131	23
Real Estate Loans	-	-	-	-
Automotive Loans	-	8	6	-
Consumer Loans	805	1,211	2,016	23
Other	109	-	109	-
Personnel Loans- Indexed to FC	-	-	-	-
Real Estate Loans	-	-	-	-
Automotive Loans	-	-	-	-
Consumer Loans	-	-	-	-
Other	-	-	-	-
Personnel Loans-FC	-	-	-	-
Real Estate Loans	-	-	-	-
Automotive Loans	-	-	-	-
Consumer Loans	-	-	-	-
Other	-	-	-	-
Personnel Credit Cards-TRY	779	-	779	-
With Installments	16	-	16	-
Without Installments	763	-	763	-
Personnel Credit Cards-FC	37	-	37	-
With Installments	-	-	-	-
Without Installments	37	-	37	-
Total	49,336	434,829	484,165	3,243

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I- Footnotes And Explanations Related to the Assets (cont'd)

4. Information on loans : (cont'd)

d) Information on commercial loans with installments and corporate credit cards:

	Short Term	Medium and Long Term	Total	Interest Income Accrual
Commercial loans with installment facility-TRY	24,683	163,665	188,348	1,597
Real Estate Loans	118	9,542	9,660	54
Automotive Loans	7,219	82,792	90,011	682
Consumer Loans	17,313	70,437	87,750	853
Other	33	894	927	8
Commercial loans with installment facility - Indexed to FC	6,789	106,979	113,768	-
Real Estate Loans	-	1,027	1,027	-
Automotive Loans	2,446	67,480	69,926	-
Consumer Loans	4,343	37,122	41,465	-
Other	-	1,350	1,350	-
Commercial loans with installment facility -FC	-	-	-	-
Real Estate Loans	-	-	-	-
Automotive Loans	-	-	-	-
Consumer Loans	-	-	-	-
Other	-	-	-	-
Corporate Credit Cards-TRY	1,509	-	1,509	-
With Installments	-	-	-	-
Without Installments	1,509	-	1,509	-
Corporate Credit Cards-FC	248	-	248	-
With Installments	-	-	-	-
Without Installments	248	-	248	-
Total	33,229	270,644	303,873	1,597

e) Domestic and foreign loans:

	Current Period	Prior Period
Domestic loans	3,073,850	2,881,347
Foreign loans	44,948	40,467
Total	3,118,798	2,921,814

f) 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	-	-

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I- Footnotes And Explanations Related to the Assets (continued)

4. Information on loans : (cont'd)

g) Specific provisions provided against loans:

	Current Period	Prior Period
Specific provisions		
Loans and receivables with limited collectibility	622	1,950
Loans and receivables with doubtful collectibility	5,110	1,716
Uncollectible loans and receivables	14,435	13,183
Total	20,167	16,849

h) Information on loans under follow-up account (Net) :

h.1) Information on loans and other receivables included in loans under follow-up account which are restructured or rescheduled: None.

h.2) The movement of loans under follow-up:

	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	11,866	4,068	17,745
Additions (+)	3,807	140	43
Transfers from other categories of loans under follow-up (+)	-	11,417	1,399
Transfers to other categories of loans under follow-up (-)	11,417	1,399	-
Collections (-)	832	1,188	926
Write-offs (-)	-	-	-
Effect of Inflation (-)	-	-	-
Current period end balance	3,424	13,038	18,261
Specific provision (-)	622	5,110	14,435
Net Balances on Balance Sheet	2,802	7,928	3,826

h.3) Information on foreign currency loans and other receivables under follow-up: None.

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I- Footnotes And Explanations Related to the Assets (cont'd)

5. Information on held to maturity portfolio (Net) :

a) Information on held to maturity portfolio:

	Current Period	Prior Period
Debt securities	-	100
Quoted in a stock exchange	-	100
Not quoted in a stock exchange	-	-
Provision for impairment (-)	-	-
Total	-	100

b) Movement of held to maturity portfolio in one year :

	Current Period	Prior Period
Beginning balance	100	65,449
Effect of inflation (-)	-	-
Foreign currency differences on monetary assets	-	-
Purchases during year	-	898
Disposals through sales and redemptions	(100)	(66,247)
Impairment provision (-)	-	-
Closing Balances	-	100

c.1) Information on accounts in which investment securities held-to-maturity are recorded:

	Current Period				Prior Period			
	Cost		Amortized Cost		Cost		Amortized Cost	
	TRY	FC	TRY	FC	TRY	FC	TRY	FC
Held to Maturity Portfolio								
Given as collateral or blocked	-	-	-	-	100	-	101	-
Subject to repo transactions	-	-	-	-	-	-	-	-
Held for structural position	-	-	-	-	-	-	-	-
Receivables from securities lending	-	-	-	-	-	-	-	-
Collaterals on securities lending	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-
Closing Balances	-	-	-	-	100	-	101	-

c.2) Marketable securities held to maturity given as collateral for regulatory requirements: None (December 31, 2005- 100 TRY)

Securities held-to-maturity given as collateral or blocked:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Bonds	-	-	-	-
Bills and similar investment securities	-	-	100	-
Other	-	-	-	-
Total	-	-	100	-

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I- Footnotes And Explanations Related to the Assets (cont'd)

5. Information on held to maturity portfolio (Net) : (cont'd)

c.3) Securities held-to-maturity subject to repurchase agreements given as collateral for regulatory requirements: None (December 31, 2005- None)

c.4) Securities held-to-maturity held for structural position: None.

6. Information on associates (Net):

a.1) Information on the unconsolidated associates: None.

a.2) Based on the line on (a.1), there are not any unconsolidated associates: None.

a.3) Out of group members/ shareholders who have the control power with the Parent Company and/or other members of the financial group: None.

a.4) Reasons of not consolidating the unconsolidated associates and accounting policy of the Bank for associates: None.

b.1) Information on the consolidated associates: None.

b.2) Valuation of the consolidated associates: None.

b.3) Sectoral information related to the consolidated associates: None.

b.4) Consolidated associates which are quoted on the stock exchange: None.

b.5) Information related to the consolidated associates: None.

b.6) Information on investments which are sold in current period : None.

b.7) Consolidated associates purchased in the current period: None.

7. Information on subsidiaries (Net):

a) Information on the unconsolidated subsidiaries: None.

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I- Footnotes And Explanations Related to the Assets (cont'd)

7. Information on subsidiaries (Net): (cont'd)

b) Information on the consolidated subsidiaries:

b.1) Information on the consolidated subsidiaries:

	Current Period	Prior Period
Balance at the beginning of the period	139,230	146,474
Movements during the period	486	(7,244)
Purchases	-	-
Bonus shares obtained	-	-
Share in current year income	-	-
Sales (*)	(651)	-
Revaluation increase (**)	1,137	(7,180)
Provision for impairment	-	(64)
Balance at the end of the period	139,716	139,230
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 10, 2004 to liquidate the company.

(**) The amount represent the effect of exchange rate difference of the foreign subsidiaries.

b.2) Valuation of the consolidated subsidiaries:

Subsidiaries denominated in Turkish Lira are reflected by restating their costs, from the amounts adjusted until December 31, 2004, with the conversion factors applicable for the relevant dates after deducting the capital increases from internally generated funds like revaluation fund. Subsidiaries denominated in foreign currencies are translated into Turkish Lira by applying the exchange rates prevailing at balance sheet dates. An impairment loss is made when there is a permanent diminution in value of the subsidiaries.

	Current Period	Prior Period
Valuation with cost	139,716	139,230
Valuation with fair value	-	-
Valuation with equity method	-	-

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I- Footnotes And Explanations Related to the Assets (cont'd)

7. Information on subsidiaries (Net): (cont'd)

b.3) Sectoral information on the consolidated subsidiaries and the related carrying amounts:

		Current Period	Prior Period
Banks	/The Economy Bank N.V.	48,762	47,625
Leasing Companies	/TEB Leasing	40,190	40,190
Factoring Companies	/TEB Factoring	22,324	22,324
Other Financial Subs	/TEB Yatirim Menkul Degerler A.S.	26,382	26,382
	TEB Portföy Yönetimi A.S.	2,058	2,058
	Petek International Holdings B.V.	-	651
Total		139,716	139,230

b.4) Consolidated subsidiaries which are quoted in a stock exchange: None.

b.5) Information on the consolidated subsidiaries:

Description	Address (City/ Country)	Bank's share percentage-If different voting percentage(%)	Bank's risk group share percentage (%)
The Economy Bank N.V.	Hollanda	100.00	100.00
TEB Finansal Kiralama A.S.	Istanbul/Türkiye	100.00	100.00
TEB Factoring A.S.	Istanbul/Türkiye	100.00	100.00
TEB Yatirim Menkul Degerler A.S.	Istanbul/Türkiye	74.94	100.00
TEB Portföy Yönetimi A.S.	Istanbul/Türkiye	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)1,240,777	95,383	6,916	17,050	(39)	1,972	7,661	-
(ii)357,278	76,961	70,200	9,756	305	(6,198)	8,906	-
(ii)149,525	13,495	176	4,311	-	1,506	1,410	-
(iii)44,645	32,241	806	4,012	1,491	8,376	1,720	-
(iv)12,802	11,855	442	646	1,441	5,739	4,272	-

(*) Represents the amounts in the financial statements of December 31, 2004.

(i) Represents financial figures of foreign currency subsidiaries translated at period end foreign exchange rates for balance sheet and yearly average rates for profit and loss as of March 31, 2006.

(ii) Represents statutory financial figures based on tax procedural law as of March 31, 2006.

(iii) Represents consolidated financial figures of TEB Yatirim and TEB Portföy based on Capital Markets Board regulations as of December 31, 2005.

(iv) Represents financial figures based on Capital Markets Board regulations as of December 31, 2005.

b.6) Information on the subsidiaries that were disposed in current period: None.

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I- Footnotes and Explanations Related to the Assets (cont'd)

7. Information on subsidiaries (Net): (cont'd)

b.7) Information on the subsidiaries purchased in current period: None.

8. Information on other investments: There are no unconsolidated jointly controlled subsidiaries.

9. Information on financial lease receivables (Net): None.

10. Explanations related to interest and income accruals:

a) Information about accrued interest and income receivables:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Accrued interest and income receivables				
Interest accruals - due	208	4	172	22
Interest accruals - not due	18,497	16,658	13,324	16,179
Loan commissions and other income accruals – due	-	-	-	-
Loan commissions and other income accruals - not due	139	28	754	30
Total	18,844	16,690	14,250	16,231

b) Information on other interest and income accruals:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Other interest and income accruals				
Trading securities	67	2	389	2
Securities available for sale	11,775	4,921	25,320	6,057
Securities held to maturity	-	-	1	-
Interest accruals of reverse repo transactions	-	-	-	-
Interest accruals of reserve deposits	2,228	1,048	1,998	923
Income accruals of financial derivative instruments	1,080	1,662	377	2,276
Interest and income accruals	13	840	-	318
Income accrual of foreign exchange gains	1,067	822	377	1,958
Income accruals on factoring receivables	-	-	-	-
Others	5,670	932	4,785	451
Total	20,820	8,565	32,870	9,709

11. Information on deferred tax assets:

a) As of March 31, 2006, deferred tax asset computed on the temporary differences is amounting to TRY 3,590 (December 31, 2005 – TRY 5,957). 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 are 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.

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I- Footnotes And Explanations Related to the Assets (cont'd)

12. Information on other assets:

a) Information on prepaid expenses, taxes and similar items:

	Current Period	Prior Period
Prepaid Taxes	42,962	32,119
Transaction Cost Related to Financial Liabilities	2,408	1,097
Advances Given	2,117	-
Prepaid Rent Expenses	1,638	1,479
Receivables From Fund Participation Certificates	-	4,097
Others	7,394	5,856
Total	56,519	44,648

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.

II- Footnotes And Explanations Related To The Liabilities

1. a) Information on maturity structure of deposits:

a.1) Current period :

	Demand	7 day Call Accounts	Up to 1 month	1-3 Month	3-6 Month	6 Month-1 Year	1 Year And over
Saving deposits	55,112	-	288,977	407,308	8,153	3,572	227
Foreign currency deposits	395,361	-	841,202	436,729	439,998	42,455	4,078
Residents in Turkey	368,756	-	828,112	424,031	431,534	41,033	4,078
Residents abroad	26,605	-	13,090	12,698	8,464	1,422	-
Public sector deposits	12,434	-	345	50	-	-	-
Commercial deposits	155,723	-	306,912	78,788	761	590	-
Other institutions deposits	40,558	-	4,680	55,637	17	13	-
Precious metals deposits	2,059	-	-	-	4,093	50	-
Interbank deposits	13,427	26,834	15,965	15,368	1,356	-	-
Central Bank of Turkey	-	-	-	-	-	-	-
Domestic Banks	51	26,834	27	-	-	-	-
Foreign Banks	5,171	-	15,938	15,368	1,356	-	-
Special finance houses	8,205	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total	674,674	26,834	1,458,081	993,880	454,378	46,680	4,305

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II- Footnotes And Explanations Related To The Liabilities (cont'd)

1. a) Information on maturity structure of deposits: (cont'd)

a.2) Prior period :

	Demand	7 day Call Accounts	Up to 1 month	1-3 Month	3-6 Month	6 Month-1 Year	1 Year And over
Saving deposits	53,315	-	173,713	190,386	14,726	1,209	1,606
Foreign currency deposits	504,668	-	836,138	603,411	116,498	33,770	7,763
Residents in Turkey	473,316	-	818,873	587,690	110,054	33,159	6,153
Residents abroad	31,352	-	17,265	15,721	6,444	611	1,610
Public sector deposits	332	-	200	152	-	-	-
Commercial deposits	153,933	-	376,488	39,277	1,105	589	-
Other institutions deposits	10,637	-	6,790	12,732	17	10	-
Precious metals deposits	1,329	-	-	-	-	-	-
Interbank deposits	14,828	-	37,182	47,052	1,341	1,000	-
Central Bank of Turkey	-	-	-	-	-	-	-
Domestic Banks	70	-	32	-	-	-	-
Foreign Banks	9,077	-	37,150	47,052	1,341	1,000	-
Special finance houses	5,681	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total	739,042	-	1,430,511	893,010	133,687	36,578	9,369

b.1) 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 saving deposit insurance		Exceeding the limit of saving deposit	
	Current Period(*)	Prior Period	Current Period(*)	Prior Period
Saving deposits	297,645	207,662	471,183	224,120
Foreign currency saving deposits	243,676	243,997	878,535	982,966
Other deposits in the form of saving deposits	590	263	5,722	1,033
Foreign branches' deposits under foreign authorities' insurance	-	-	-	-
Off-shore banking regions' deposits under foreign authorities' insurance	-	-	-	-
Total	541,911	451,922	1,355,440	1,208,119

(*) According to the BRSA's circular no 1584 dated on February 23, 2005, accruals are included in the saving deposit amounts.

b.2) Saving deposits which are not under the guarantee of deposit insurance fund :

	Current Period	Prior Period
Foreign branches' saving deposits	-	-
Off-shore banking regions' saving deposits	1,551	8,730
Total	1,551	8,730

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II- Footnotes And Explanations Related To The Liabilities (cont'd)

2. Information on funds provided from repurchase agreement transactions:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
From domestic transactions	368,958	-	754,452	-
Financial institutions and organizations	360,000	-	745,000	-
Other institutions and organizations	1,936	-	1,681	-
Real persons	7,022	-	7,771	-
From foreign transactions	12	-	10	-
Financial institutions and organizations	-	-	-	-
Other institutions and organizations	-	-	-	-
Real persons	12	-	10	-
Total	368,970	-	754,462	-

3. a) Information on funds borrowed:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Short-term	238,532	427,586	190,611	377,708
Medium and long-term	-	111,221	-	84,532
Total	238,532	538,807	190,611	462,240

b) Additional explanation related to the concentrations of the bank's major liabilities:

Bank diversifies its funding resources by the customer deposits and by the foreign borrowings. As of March 31, 2006, the Bank has EUR 210,000,000 amount of syndication loan under foreign borrowings with maturity of one year contracted on November 18, 2005.

Bank makes analysis of its customers that provide the maximum amount of funds within the branches and throughout the bank, in consideration of profitability. Bank take short and long term preventive measures to spread on a wider spectrum with respect to branches with customer concentration.

86.15 % of the bank deposits and 60.40 % of other deposits of the Bank consist of foreign currency deposits.

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II- Footnotes And Explanations Related To The Liabilities (cont'd)

4. a) Information on debt securities issued: None.
b) The explanation on the maturity structure, interest rate, type of currency of the issued marketable securities : None.

5. **Explanation on funds:** None.

6. **Explanation on sundry creditors:**

	Current Period	Prior Period
Total amount of cash collateral obtained	578	406

The cash collaterals obtained comprise amount blocked for import and export transactions.

7. a) Other liabilities 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

8. **Information on financial lease payables:**

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than a year	396	-	-	-
1-4 years	4,745	2,579	4,746	2,218
More than 4 years	1,187	1,135	1,582	1,496
Total	6,328	3,714	6,328	3,714

9. **Information on interest and expense accruals:**

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Accrued interest on deposits	7,687	5,899	6,352	3,531
Accrued interest on funds borrowed	5,459	7,549	4,949	5,735
Accrued interest on funds	-	-	-	-
Accrued interest on repurchase agreement transactions	137	-	630	-
Accrued interest on derivative financial instruments	7,822	1,225	16,402	2,661
Accrued interest and expense	1,543	220	357	164
Foreign exchange losses accrued	6,279	1,005	16,045	2,497
Accrued interest on factoring payables	-	-	-	-
Other interest and expense accruals	3,051	1,270	835	1,176
Total	24,156	15,943	29,168	13,103

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II- Footnotes And Explanations Related To The Liabilities (cont'd)

10. Provisions and subordinated loans :

a) Information on general loan loss provisions:

	Current Period	Prior Period
General loan loss provisions	18,884	18,300
Provisions for First Group Loans and Receivables	14,961	14,043
Provisions for Second Group Loans and Receivables	-	-
Provisions for Non Cash Loans	2,418	2,210
Other	1,505	2,047
Total	18,884	18,300

b) Information on free reserves for possible losses : None.

c) 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	-	87,211	-	87,217
Total	-	87,211	-	87,217

d) The foreign exchange losses on the foreign currency indexed loans amounting to TRY 5,350 (December 31, 2005 – TRY 7,416) is netted off from loans in the balance sheet.

11. Information on Shareholders' Equity:

a) Presentation of paid-in capital:

	Current Period	Prior Period
Provision for Common stock	57,800	57,800
Provision for Preferred stock	-	-

b) Paid-in capital amount, explanation as to whether the registered share capital system is applicable to the Bank and if so, amount of registered share capital ceiling :

Capital System	Paid-in capital	Ceiling
Registered capital system	57,800	100,000

c) Information on share capital increases and their sources; other information on increased capital shares in current period: None.

d) Information on share capital increases from revaluation funds: None.

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II- Footnotes And Explanations Related To The Liabilities (cont'd)

11. Information on Shareholders' Equity: (cont'd)

- 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) Possible effects of past indicators of the Bank's income, profit and liquidity in the previous periods and uncertainties within these indicators on the equity: None.
- g) Information on privileged shares :

7% of the remaining profit allocated to 60,000 shares with TRY 30 (full TRY), after the appropriation of first legal reserves after tax profit and after the first dividend distribution, are distributed among the founder shareholders. According to the February 10, 2005 dated, 3702/11 numbered Board of Directors resolution, 6 of the founder shares are transferred to the Bank's Parent, TEB Mali Yatirimlar.

12. a) Common stock issue premiums, shares and equity instruments:

	Current Period	Prior Period
Number of shares (Thousand)	115,600,000	115,600,000
Preferred stock	-	-
Common stock issue premium	-	-
Common stock canceling profit	-	-
Other equity instruments	-	-
Total common stock issue	115,600,000	115,600,000

13. Information on shareholders having more than 10 % share:

Name/Commercial title	Amounts	Share Percentage	Paid-in capital	Unpaid portion
Teb Mali Yatirimlar A.S.	48,699	84.25%	48,699	-

III- Footnotes And Explanations Related To the Income Statement

There is no fundamental error for any groups or items related to the prior period. There is no change in accounting estimates for the fiscal year.

The breakdown up to 20 % sub accounts of other income and expense accounts that exceed 10% of the related totals are shown below.

	Current Period	Prior Period
<u>Other fees and commissions received</u>		
Commissions received from credit cards	2,115	1,480
Commissions received from letter of credits	1,360	1,509
Other	7,105	4,247
Total	10,580	7,236

	Current Period	Prior Period
<u>Other fees and commissions given</u>		
Commissions given to credit cards	1,955	1,399
Other	1,470	867
Total	3,425	2,266

1. a) Information on interest income received from associates and subsidiaries:

	Current Period	Prior Period
Interest received from associates and subsidiaries	-	13

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III- Footnotes And Explanations Related To the Income Statement (cont'd)

- b) Information on financial lease income: None.
- c) Interest received from reverse repurchase agreement transactions: None.

2. a) Information on interest expense to associates and subsidiaries:

	Current Period	Prior Period
Interest expense to associates and subsidiaries	-	42

b) Information on financial lease expenses :

	Current Period	Prior Period
Financial lease expense	111	5

c) Distribution of interest expense on deposits based on maturity of deposits :

Account name	Time Deposits						Total
	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year	
TRY							
Bank deposits	-	788	-	-	-	-	788
Saving deposits	1	8,944	12,890	485	106	17	22,443
Public sector deposits	-	28	2	-	-	-	30
Commercial deposits	3	14,058	2,299	40	22	-	16,422
Other deposits	-	464	1,268	1	-	-	1,733
7 days call accounts	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-
Total	4	24,282	16,459	526	128	17	41,416
Foreign Currency							
Foreign currency deposits	9	7,618	4,111	3,863	432	65	16,098
Bank deposits	-	685	-	-	-	-	685
7 days call accounts	-	-	-	-	-	-	-
Precious metal deposits	1	-	-	11	-	-	12
Total	10	8,303	4,111	3,874	432	65	16,795
Total	14	32,585	20,570	4,400	560	82	58,211

d) Interest expense on repurchase agreements :

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Interest expense on repurchase agreements	16,568	-	9,987	-

3. Information on other operating income :

The information on the factors affecting the Bank's income including extraordinary items and new developments, and the explanation on nature and amount of income earned from extraordinary items : None.

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III- Footnotes And Explanations Related To the Income Statement (cont'd)

4. Provision expenses of banks for loans and other receivables:

	Current Period	Prior Period
Specific provisions for loans and other receivables	4,177	1,600
III. Group Loans and Receivables	628	597
IV. Group Loans and Receivables	2,671	373
V. Group Loans and Receivables	878	630
General loan loss provision expenses	1,825	1,996
Provision expenses for possible losses	-	-
Foreign exchange differences on foreign currency losses	-	3,504
Marketable securities impairment losses	1,721	1,575
Trading securities	-	-
Investment securities available for sale	1,721	1,575
Impairment provision expense	-	-
Associates	-	-
Subsidiaries	-	-
Joint ventures	-	-
Investment securities held to maturity	-	-
Other	36	63
Total	7,759	8,738

5.a) Income and expenses relating to participations and subsidiaries :

	Current Period	Prior Period
Income and loss from subsidiaries (+/-)	18,528	7,942
Income and loss from associates (+/-)	-	-
Total	18,528	7,942

b) Income / loss from associates, which are accounted under the equity method : None.

c) The information on income and expense from related party transactions:

The Bank has certain banking transactions with its own group companies. These are commercial transactions, which are realized in line with market rates. These are reflected in income statement. The related amounts are presented in Part V, section VI.

6.a) As of March 31, 2006, current tax expense is TRY 7,805 (March 31, 2005 – TRY 9,759) and deferred tax charge is TRY 4,733 (March 31, 2005 – TRY 613 deferred tax charge).

b) Deferred tax charge on temporary differences is TRY 4,733 (March 31, 2005 – TRY 613 deferred tax charge).

c) Deferred tax benefit or charge on temporary differences, no carried forward tax losses or tax exemptions or deductions: None.

7. 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 a complete understanding of the Bank's performance for the period : None.

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III- Footnotes And Explanations Related To the Income Statement (cont'd)

7. The explanations on net income / loss for the period: (cont'd)

- b) Effect of changes in accounting estimates on income statement for the current and, if any for subsequent periods : None.

8. 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.

IV. Footnotes And Explanations Related To the Off-Balance Sheet Contingencies and Commitments

1.a) Disclosure to be made separately from other contingent liabilities :

a.1) The Bank's share in contingent liabilities of joint ventures together with other ventures : None.

a.2) Share of joint ventures in their own contingent liabilities: None.

a.3) The Bank's contingent liabilities resulting obligations of other venturers in joint ventures : None.

b) Accounting and presentation of contingent assets and liabilities in the financial statements :

b.1) For contingent assets, if realization probability is close to certain, then it is accounted. If realization probability is high, then it is explained in the footnotes. As of March 31, 2006 there are no contingent assets that need to be explained.

b.2) For contingent liabilities, if realization is probable and the amount can reliably be determined then provision is set. If realization is remote or the amount cannot be determined reliably, then it is explained in the footnotes : As of March 31, 2006 there are no contingent liabilities that need to be explained.

2. Information on off-balance sheet liabilities :

- a) Nature and amount of irrevocable loan commitments : Credit card expenditure limit commitments are TRY 158,872 and TRY 161,195; payment commitments for checks are TRY 196,307 and TRY 175,952 as of March 31, 2006 and December 31, 2005 respectively.

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IV- Footnotes And Explanations Related To the Off-Balance Sheet Contingencies and Commitments (cont'd)

2. Information on off-balance sheet liabilities : (cont'd)

- b) Nature and amount of contingent loss and commitments from off-balance sheet items including below statements:

The Bank, 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 collaterals and other letters of credits:

As of March 31, 2006 total guarantees and commitments consist of letter of guarantees amounting to TRY 1,267,871, (December 31, 2005 - TRY 1,158,086) acceptances amounting to TRY 49,318 (December 31, 2005 - TRY 52,685) and letters of credit amounting to TRY 457,699 (December 31, 2005 -TRY 393,739).

- b.2) Guarantees, surety ships and similar transactions : None other than the ones explained in item b.1).

- 3.a) Total amount of non-cash loans:

	Current Period	Prior Period
Non-cash loans given against achieving cash loans	146,265	72,139
With maturity of 1 year or less than 1 year	15,256	35,341
With maturity of more than 1 year	131,009	36,798
Other non-cash loans	1,741,340	1,634,847
Total	1,887,605	1,706,986

- b) Collateral, mortgage and other restrictions on tangible fixed assets, the amount of capital expenditures related to construction of fixed assets, purchase commitments: None.

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IV. Footnotes And Explanations Related To the Off-Balance Sheet Contingencies and Commitments (cont'd)

4. The information on the Bank's rating by in the international rating introductions :

The results of the trading performed by Moody's Investor Services and Fitch Ratings are shown below:

Moody's Investor Services: December 2005

Bank Financial Strength	D+
Long Term Deposits	B1

Fitch Ratings: December 2005

Foreign Currency Commitments	
Long Term	BB-
Short Term	B
View	Positive
Turkish Lira Commitments	
Long Term	BB+
Short Term	B
View	Positive
National	AA (tur)
View	Stable
Individual Rating	C/D
Support Points	3

V- Footnotes And Explanations Related To The Statement Of Cash Flows

1. 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:

	Current Period	Prior Period
Beginning of the period		
Cash	85,882	80,049
Cash equivalents	657,208	1,018,829
End of the period		
Cash	91,203	71,196
Cash equivalents	900,352	817,521

Cash includes of cash in TRY and cash in foreign currency, cash equivalents include the balances of the Central Bank of Turkey, banks and Interbank funds sold which mature in less than three months.

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VI- Footnotes And 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 and associates		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	-	4,349	-	16,179	10,091	3,075
Balance at end of period	-	12,250	1,090	20,418	3,911	3,420
Interest and commission income	3	8	34	1	459	10

In addition to balances mentioned above, Bank has TRY 1,498 foreign bank account in direct and indirect shareholders.

b) Prior Period :

Related Parties (*)	Subsidiaries and associates		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	17	2,549	31	13,024	547	3,352
Balance at end of period	-	4,349	-	16,179	10,091	3,075
Interest and commission income received	-	13	113	2	34	12

c.1) Information on related party deposits balances:

Related parties (*)	Subsidiaries and associates		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	26,104	10,190	580,396	237,410	49,618	40,452
Balance at end of period	8,302	26,104	432,259	580,396	69,463	49,618
Interest on deposits	17	42	2,769	3,302	482	254

c.2) Information on forward and option agreements and other similar agreements made with related parties:

Related Parties (*)	Subsidiaries and associates		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
Trading transactions						
Beginning of period	13,983	129,693	177,256	5,282	2,867	-
End of period	14,040	13,983	181,264	177,256	4,312	2,867
Total income/loss	86	(1,483)	1,549	(127)	-	73
Hedging transactions purposes						
Beginning of period	-	-	-	-	-	-
End of period	-	-	-	-	-	-

(*) The scope of the related parties are defined in the Article 2-2 of the "Regulation on the Establishment and Operations of Banks".

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VI- Footnotes And Explanations on the Risk Group of the Bank (cont'd)

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 course of conducting its banking business, the Bank conducted various business transactions with related parties on 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	% According to the Amounts at the Financial Statements
Cash loans	5,001	0.16
Non-cash loans	36,088	1.91
Deposits	510,024	13.94
Forward transactions and option agreements	199,616	9.82
Bank placements	1,498	0.92

These transactions are priced in accordance with the general pricing policies of the Bank and are in line with market rates.

- c) In case that disclosing items separately is not necessary, total of similar items to be disclosed in order to present the total impact on 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 Bank enters into lease agreements with TEB Finansal Kiralama A.S. As of March 31, 2006 the total leasing obligations related to these agreements amounted to TRY 3,714. Additionally, the Bank provides agency services for TEB Sigorta A.S. and TEB Yatirim Menkul Degerler A.S.

Within the limits of the Banking Law, the Bank renders cash and non-cash loans to its related parties and the ratio of these to the Bank's total cash and non-cash loan portfolio is 0.82%. Amounts of these loans are explained in the note VI- 1a.

As of March 31, 2006 the 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.

VII- Explanations Related To Subsequent Events

- a) Disclosure related to subsequent events and their impact on the financial statements as required by the related standard:

Bank has decided to increase the issued capital of TRY 57,800 in the registered capital ceiling of TRY 100,000 by TRY 18,700 to TRY 76,500 as per the Board of Directors resolution numbered 3840/28 in its meeting dated March 31, 2005. TRY 18,700 of capital will be increased full in cash by giving pre-emptive right to shareholders and selling unused pre-emptive rights will be sold on the Stock Exchange.

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SECTION SIX

OTHER EXPLANATIONS AND FOOTNOTES

I- Other Explanations Related to the Operations of the Bank

There are no other important subject matter, or material explanations and footnotes related to the operations of the company, that have not been stated in the above sections.

SECTION SEVEN

INDEPENDENT LIMITED REVIEW REPORT

I- Explanations on The Independent Limited Review Report

The unconsolidated interim financial statements of the Bank were reviewed by Denetim Serbest Mali Müsavirlik A.S. (Member of Deloitte Touche Tohmatsu) and the review report dated May 3, 2006 is presented preceding the financial statements.

II- Other Footnotes and Explanations Prepared by Independent Auditors: None.