

(Convenience Translation of Unconsolidated Financial Report Originally Issued in Turkish)
(See Note 3.I.2)

Denizbank Anonim Şirketi

Financial Statements
As of and for the Year Ended
31 December 2007
With Independent Auditor's Report Thereon

Akis Serbest Muhasebeci
Mali Müşavirlik
Anonim Şirketi
28 February 2008
This report contains 83 pages.

- I. Independent Auditor's Report
- II. Financial Report to be Disclosed to the Public

**Convenience Translation of the Independent Auditor's Report
Originally Prepared and Issued in Turkish**

To the Board of Directors of Denizbank Anonim Şirketi:

We have audited the unconsolidated balance sheet of Denizbank Anonim Şirketi as of 31 December 2007 and the related unconsolidated statements of income, cash flows, changes in shareholders' equity, and a summary of the significant accounting policies and other disclosures for the period then ended.

Disclosure Related to the Responsibility of the Board of Directors of the Bank:

The Board of Directors of the Bank is responsible for the establishment of an internal control system, selection and application of appropriate accounting policies for the preparation and presentation of the reported financial statements in accordance with the Regulation on Principles Related to Banks' Accounting Applications and Preserving the Documents, dated 1 November 2006 which is published in the Official Gazette No.26333, Turkish Accounting Standards, Turkish Financial Reporting Standards, and other regulations, explanations and circulars on accounting and financial reporting principles announced by Banking Regulation and Supervision Agency (BRSA), free of material errors and misuse that could lead to false information within.

Disclosure Related to the Responsibility of the Authorized Audit Company:

Our responsibility, as independent auditors, is to issue a report on the financial statements based on our audit. We conducted our audit in accordance with the Regulation on Authorization of Entities that Conduct Independent Audit in the Banks and Their Operations, dated 1 November 2006 which is published in the Official Gazette No.26333, and international auditing standards. Our independent audit was planned and conducted to provide reasonable assurance that the financial statements are free of material misstatement. Our independent audit involved the necessary techniques to collect audit evidence related to the figures included in the financial statements and accompanying footnotes; which have been determined based on our professional conviction. Those techniques have been selected by considering the effectiveness of the internal controls used in preparation and presentation of the financial statements and the appropriateness of the accounting policies applied. We believe that our audit provides a reasonable basis for our opinion expressed below.

Independent Auditor's Opinion:

In our opinion, based on our audit, the accompanying financial statements present fairly the financial position of Denizbank Anonim Şirketi as of 31 December 2007, and of the results of its operations and its cash flows for the year then ended, in all material respects in accordance with regulations described in Article 37 of the (Turkish) Banking Law No 5411; and other regulations, explanations and circulars on accounting and financial reporting principles announced by BRSA.

İstanbul,
28 February 2008

Akis Bağımsız Denetim ve
Serbest Muhasebeci Mali Müşavirlik
Anonim Şirketi

Murat Alsan
Partner

Additional paragraph for convenience translation to English:

As explained in Note 3.I.2, 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 Turkey.

DENİZBANK A.Ş.
UNCONSOLIDATED YEAR END FINANCIAL REPORT AS OF 31 DECEMBER 2007

Address of the Bank's Headquarters

Büyükdere Caddesi No:106
34394 –ESENTEPE/İSTANBUL

Telephone and Fax Numbers

Tel : 0.212.355 08 00
Fax: 0.212.267 27 24

Website of the Bank

www.denizbank.com

E-mail address of the Bank

investorrelations@denizbank.com

The unconsolidated financial report package prepared in accordance with the statement "Financial Statements and Related Disclosures and Footnotes to be Announced to Public" as required by the Banking Regulation and Supervision Agency (BRSA), is comprised of the following sections:

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS
- DISCLOSURES ON APPLIED ACCOUNTING POLICIES IN RELATED PERIOD
- INFORMATION RELATED TO FINANCIAL POSITION OF THE BANK
- DISCLOSURES AND FOOTNOTES TO UNCONSOLIDATED FINANCIAL STATEMENTS
- OTHER DISCLOSURES AND FOOTNOTES
- INDEPENDENT AUDITOR'S AUDIT REPORT

The unconsolidated financial statements and related disclosures and footnotes that were subject to independent audit, are prepared in accordance with the "Regulation on Accounting Principles and Documentations", Turkish Accounting Standards, Turkish Financial Reporting Standards and the related statements, and in compliance with the financial records of our Bank. Unless stated otherwise, the accompanying unconsolidated financial statements are presented in **thousands of New Turkish Lira**.

HAKAN ELVERDİ

Senior Vice President
International and Regulatory
Financial Reporting

SUAVİ DEMİRCİOĞLU

Executive Vice President
Financial Affairs

HAKAN ATEŞ

Member of Board of Directors
and President and Chief Executive Officer

ERIC P.B.A. HERMANN

Member of Board of Directors
and Audit Committee

MUSTAFA TINAS TİTİZ

Deputy Chairman of Board of Directors
and Member of Audit Committee

DIRK G.M. BRUNEEL

Chairman of Board of Directors
and Member of Audit Committee

Contact information for questions on this financial report:

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Denizbank Anonim Şirketi

Unconsolidated Financial Report as of 31 December 2007

(Currency: Thousands of YTL - New Turkish Lira)

SECTION ONE

GENERAL INFORMATION

I. Parent Bank's date of establishment, beginning statute, its history including changes on its statute

Denizbank A.Ş. ("the Bank") was established as a public bank to provide financing services to the marine sector in 1938. In 1992, as a result of the resolution of the Government to merge some public banks, the Bank was merged to Emlakbank. Following the resolution of the High Council of Privatization numbered 97/5 and dated 20 March 1997 to privatize 100% of shares of Denizbank A.Ş., share sale agreement between Zorlu Holding A.Ş. and the Privatization Administration was signed on 29 May 1997 and the Bank started its activities on 25 August 1997. Bank's shares have been listed on Istanbul Stock Exchange since 1 October 2004. 0.221% of the Bank's shares are publicly held as of 30 September 2007.

Dexia Participation Belgique SA, owned 100% directly and indirectly by Dexia SA/NV, acquired 75% of the outstanding shares of the Bank from Zorlu Holding A.Ş. on 17 October 2006. Subsequent to the transfer of shares, a tender offer was made for the public shares. Dexia Participation Belgique's ownership rate resides at 99.81% as of the balance sheet date.

II. Capital structure, shareholders controlling the management and supervision of the Bank directly or indirectly, if exists, changes on these issues and the Group that the Bank belongs to

Name of the Shareholder	Amount (YTL)	Share %
Dexia Participation Belgique SA	315,491,205	99.81
M. Cem Bodur	5	0.00
Hakan Ateş	5	0.00
Ayfer Yılmaz	5	0.00
Mustafa Tinas Titiz	5	0.00
Publicly traded	608,775	0.19
	316,100,000	100.00

III. President and members of the Board of Directors, audit committee members, general manager and executive vice presidents, if exists, changes in these positions and Bank's shares they hold

<u>Name</u>	<u>Job Description</u>	<u>Shares owned (%)</u>
<u>President of the Board of Directors</u>		
Dirk G.M. Bruneel	Chairman	--
<u>Board of Directors</u>		
Mustafa Tinas Titiz	Deputy Chairman	0.000002
Hakan Ateş	Member, President and CEO	0.000002
Ayfer Yılmaz	Member	0.000002
M. Cem Bodur	Member	0.000002
Fikret Arabacı	Member	--
Bruno R.D.J. Accou	Member	--
Alain P.B. Delouis	Member	--
Hugo R.R. Lasat	Member	--
Bruno Y.M.R. Deletre	Member	--
Eric P.B.A. Hermann	Member	--
<u>Audit Committee</u>		
Dirk G.M. Bruneel	Member	--
Eric P.B.A. Hermann	Member	--
Mustafa Tinas Titiz	Member	0.000002
<u>Audit Board</u>		
Cem Kadırgan	Member	--
Mehmet Uğur Ok	Member	--
<u>Executive Vice Presidents</u>		
Mustafa Aydın	Retail, SME and Agricultural Loan Allocation and Foreign Subsidiaries and Branches	--
Bora Böcügöz	Treasury	--
Suavi Demircioğlu	Financial Affairs	--
Gökhan Ertürk	SME and Agricultural Banking	--
Arif İsfendiyaroğlu	Retail Banking	--
Tanju Kaya	Administrative Services	--
Oğuz Vecdi Öncü	Central Operations	--
Hüseyin Uyar	Corporate and Commercial Loans	--
Wouter G.M. Van Roste	Public and Project Finance and Corporate Banking	--
Mehmet Ali Yetim	Commercial Banking	--

Wouter G.M. Van Roste has been assigned as executive vice president responsible from public and project finance and corporate banking by the resolution dated 10 January 2007 and numbered 2007/1 of the Board of Directors.

Mustafa Tinas Titiz has been assigned as deputy chairman of the Board of Directors by the resolution dated 17 January 2007 and numbered 2007/2 of the Board of Directors.

The number of members of the Board of Directors has been determined as 11 at the Extraordinary General Assembly held on 17 January 2007; and Ayfer Yılmaz, Hugo R.R. Lasat, Bruno Yves Marie

Rene Deletre, Alain Philippe Bernard Delouis and Eric P.B.A. Hermann have been assigned as new members of the Board of Directors.

Dirk G.M. Bruneel, Mustafa Tinas Titiz and Eric P.B.A. Hermann have been assigned as the members of the Audit Committee, by the resolution dated 17 January 2007 and numbered 2007/2 of the Board of Directors.

Mehmet Ali Yetim has been assigned as executive vice president responsible from corporate banking by the resolution dated 24 January 2007 and numbered 2007/4 of the Board of Directors.

By the resolution of the Board of Directors dated 2 May 2007 and numbered 2007/19, Mehmet Ali Yetim's title has been changed from executive vice president of corporate banking to executive vice president of commercial banking.

By the resolution of the Board of Directors dated 2 May 2007 and numbered 2007/19, Wouter Vn Roste's title has been changed from executive vice president of public and project finance to executive vice president of public project finance and corporate banking.

By the resolution of the Board of Directors dated 2 May 2007 and numbered 2007/19, Hasan Hüseyin Uyar's title has been changed from executive vice president of commercial banking to executive vice president of corporate and commercial loans.

Mustafa Aydın has been assigned as executive vice president responsible from retail, SME and agricultural loan allocation and foreign subsidiaries and branches; and Oğuz Vecdi Öncü has been assigned as executive vice president responsible from central operations, by the resolution dated 2 May 2007 and numbered 2007/19 of the Board of Directors.

IV. Type of services provided and the areas of operations of the Bank

The Bank is a private sector deposit bank which provides banking services to its customers through 319 domestic and 1 foreign branch as of 31 December 2007.

Activities of the Bank as stated in the fourth clause of the Articles of Association are as follows:

- Accepting all kinds of deposits and performing banking activities.
- Dealing with transactions on all kinds of capital market tools within the limits set forth by the related deposit and Capital Market Law regulations.
- Entering into loan and intelligence agreements with domestic and international financial institutions and participating in consortiums and syndications.
- Lending all kinds of Turkish Lira and foreign currency short, medium and long term loans, and providing guarantee facilities.
- Incorporating insurance companies, operating insurance agencies, participating in insurance companies which are existing or planned to be founded.
- Using the funds to be allocated or provided by laws, regulations or agreements for its own objectives.
- Making all kinds of agreements and legal transactions related with its operations; signing written contracts, notes and miscellaneous documents and establishing correspondences.
- Purchasing, producing, constructing, leasing or acquiring by other means all kinds of movables, immovables and rights, selling, transferring or renting all or a part of such items. Establishing or releasing all kinds of rights in such items.
- Giving all kinds of loans and obtaining borrowings as necessary for performing its activities.
- Receiving, transferring or releasing all kinds of cash or non-cash guarantees, including sureties, collaterals, mortgages, pledges, etc., relating to its operations.
- Establishing domestic and/or foreign partnerships and participating in existing partnerships.
- Performing all kinds of operations in compliance with the Banking Law.

V. Other Information

Bank's Official Title:	Denizbank Anonim Şirketi
Address of Bank's Headquarters:	Büyükdere Caddesi No: 106 Esentepe 34394 İstanbul
Telephone and Fax Numbers:	Telephone: (0212) 355 08 00 Fax : (0212) 267 27 24
Bank's Internet Address:	www.denizbank.com
Bank's E-mail Address:	investorrelations@denizbank.com
Reporting Period:	1 January 2007 - 31 December 2007

Unless stated otherwise, the accompanying financial statements and disclosures are presented in New Turkish Lira (YTL) thousands.

SECTION TWO

UNCONSOLIDATED FINANCIAL STATEMENTS

- I. Unconsolidated Balance Sheets
- II. Unconsolidated Off-Balance Sheet Items Statements
- III. Unconsolidated Income Statements
- IV. Unconsolidated Statements of Recognized Income and Expense
- V. Unconsolidated Statements of Changes in Shareholders' Equity
- VI. Unconsolidated Statements of Cash Flows
- VII. Unconsolidated Profit Distribution Statements

ASSETS	Footnotes	CURRENT PERIOD			PRIOR PERIOD		
		(31/12/2007)			(31/12/2006)		
		YTL	FC	Total	YTL	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	(5.1.1)	117,343	570,222	687,565	147,292	715,389	862,681
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS	(5.1.2)	340,201	29,283	369,484	181,706	41,079	222,785
2.1 Trading Securities		257,630	15,910	273,540	148,080	27,837	175,917
2.1.1 Public Sector Debt Securities		254,450	15,847	270,297	137,051	27,497	164,548
2.1.2 Share Certificates		3,180	-	3,180	11,029	-	11,029
2.1.3 Other Securities		-	63	63	-	340	340
2.2 Financial Assets Designated at Fair Value		-	-	-	-	-	-
2.2.1 Public Sector Debt Securities		-	-	-	-	-	-
2.2.2 Share Certificates		-	-	-	-	-	-
2.2.3 Other Securities		-	-	-	-	-	-
2.3 Positive Value of Trading Purpose Derivatives		82,571	13,373	95,944	33,626	13,242	46,868
III. BANKS	(5.1.3)	2,037	587,514	589,551	63,067	2,117,210	2,180,277
IV. DUE FROM MONEY MARKETS		-	-	-	-	-	-
4.1 Interbank Money Market		-	-	-	-	-	-
4.2 Istanbul Stock Exchange		-	-	-	-	-	-
4.3 Reverse Repurchase Agreements		-	-	-	-	-	-
V. INVESTMENT SECURITIES AVAILABLE FOR SALE (Net)	(5.1.4)	1,826,164	182,796	2,008,960	578,255	296,474	874,729
5.1 Share Certificates		3,869	-	3,869	3,867	-	3,867
5.2 Public Sector Debt Securities		1,822,295	180,622	2,002,917	574,388	293,798	868,186
5.3 Other Securities		-	2,174	2,174	-	2,676	2,676
VI. LOANS	(5.1.5)	7,194,701	3,210,310	10,405,011	4,960,390	1,864,582	6,824,972
6.1 Loans		7,148,214	3,210,310	10,358,524	4,954,378	1,864,582	6,818,960
6.1.1 Loans Utilized to the Bank's Risk Group		49	11,015	11,064	141,902	4,001	145,903
6.1.2 Others		7,148,165	3,199,295	10,347,460	4,812,476	1,860,581	6,673,057
6.2 Loans under Follow-Up		247,626	87	247,713	164,202	106	164,308
6.3 Specific Provisions (-)		201,139	87	201,226	158,190	106	158,296
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. INVESTMENT SECURITIES HELD TO MATURITY (Net)	(5.1.6)	-	39,404	39,404	-	44,200	44,200
8.1 Public Sector Debt Securities		-	-	-	-	-	-
8.2 Other Securities		-	39,404	39,404	-	44,200	44,200
IX. INVESTMENTS IN ASSOCIATES (Net)	(5.1.7)	3,323	-	3,323	3,323	-	3,323
9.1 Equity Method Associates		-	-	-	-	-	-
9.2 Unconsolidated Associates		3,323	-	3,323	3,323	-	3,323
9.2.1 Financial Associates		-	-	-	-	-	-
9.2.2 Non-Financial Associates		3,323	-	3,323	3,323	-	3,323
X. INVESTMENTS IN SUBSIDIARIES (Net)	(5.1.8)	270,054	82,348	352,402	113,676	82,348	196,024
10.1 Unconsolidated Financial Subsidiaries		264,354	82,348	346,702	108,531	82,348	190,879
10.2 Unconsolidated Non-Financial Subsidiaries		5,700	-	5,700	5,145	-	5,145
XI. JOINT VENTURES (Net)	(5.1.9)	-	-	-	-	-	-
11.1 Equity Method Joint Ventures		-	-	-	-	-	-
11.2 Unconsolidated Joint Ventures		-	-	-	-	-	-
11.2.1 Financial Joint Ventures		-	-	-	-	-	-
11.2.2 Non-Financial Joint Ventures		-	-	-	-	-	-
XII. LEASE RECEIVABLES (Net)	(5.1.10)	-	-	-	-	-	-
12.1 Financial Lease Receivables		-	-	-	-	-	-
12.2 Operational Lease Receivables		-	-	-	-	-	-
12.3 Others		-	-	-	-	-	-
12.4 Unearned Income (-)		-	-	-	-	-	-
XIII. HEDGING PURPOSE DERIVATIVES	(5.1.11)	-	-	-	-	-	-
13.1 Fair Value Hedge		-	-	-	-	-	-
13.2 Cash Flow Hedge		-	-	-	-	-	-
13.3 Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-
XIV. TANGIBLE ASSETS (Net)		154,221	7	154,228	124,692	12	124,704
XV. INTANGIBLE ASSETS (Net)		11,317	93	11,410	10,795	225	11,020
15.1 Goodwill		-	-	-	-	-	-
15.2 Others		11,317	93	11,410	10,795	225	11,020
XVI. INVESTMENT PROPERTY (Net)	(5.1.14)	-	-	-	-	-	-
XVII. TAX ASSETS		14,789	-	14,789	-	-	-
16.1 Current Tax Assets		-	-	-	-	-	-
16.2 Deferred Tax Assets	(5.1.12)	14,789	-	14,789	-	-	-
XVIII. ASSETS HELD FOR SALE AND ASSETS RELATED TO DISCONTINUED OPERATIONS (Net)		15,325	-	15,325	15,363	-	15,363
18.1 Held For Sale		15,325	-	15,325	15,363	-	15,363
18.2 Discontinued Operations		-	-	-	-	-	-
XVIII. OTHER ASSETS	(5.1.13)	103,443	157,390	260,833	111,148	8,963	120,111
TOTAL ASSETS		10,052,918	4,859,367	14,912,285	6,309,707	5,170,482	11,480,189

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

LIABILITIES AND EQUITY	Footnotes	CURRENT PERIOD			PRIOR PERIOD		
		(31/12/2007)			(31/12/2006)		
		YTL	FC	Total	YTL	FC	Total
I. DEPOSITS	(5.II.1)	5,441,273	3,776,118	9,217,391	3,218,851	4,001,039	7,219,890
1.1 Deposits of the Bank's Risk Group		456,641	159,784	616,425	140,884	50,544	191,428
1.2 Others		4,984,632	3,616,334	8,600,966	3,077,967	3,950,495	7,028,462
II. NEGATIVE VALUE OF TRADING PURPOSE DERIVATIVES	(5.II.2)	162,696	31,369	194,065	21,966	18,654	40,620
III. FUNDS BORROWED	(5.II.3)	115,582	2,116,490	2,232,072	302,052	1,843,348	2,145,400
IV. DUE TO MONEY MARKETS		767,679	-	767,679	196,337	-	196,337
4.1 Interbank Money Market		-	-	-	-	-	-
4.2 Istanbul Stock Exchange		-	-	-	-	-	-
4.3 Reverse Repurchase Agreements		767,679	-	767,679	196,337	-	196,337
V. SECURITIES ISSUED (Net)		-	-	-	-	-	-
5.1 Bills		-	-	-	-	-	-
5.2 Asset Backed Securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	-	-	-
VI. FUNDS		-	-	-	-	-	-
6.1 Bank Borrowers' Funds		-	-	-	-	-	-
6.2 Others		-	-	-	-	-	-
VII. MISCELLANEOUS PAYABLES		229,583	8,504	238,087	217,084	13,283	230,367
VIII. OTHER EXTERNAL RESOURCES	(5.II.4)	214,329	23,712	238,041	59,870	20,370	80,240
IX. FACTORING PAYABLES		-	-	-	-	-	-
X. LEASE PAYABLES (Net)	(5.II.5)	2,691	30,647	33,338	-	28,378	28,378
10.1 Financial Lease Payables		3,818	34,211	38,029	-	31,967	31,967
10.2 Operational Lease Payables		-	-	-	-	-	-
10.3 Others		-	-	-	-	-	-
10.4 Deferred Financial Leasing Expenses (-)		1,127	3,564	4,691	-	3,589	3,589
XI. HEDGING PURPOSE DERIVATIVES	(5.II.6)	-	-	-	-	-	-
11.1 Fair Value Hedge		-	-	-	-	-	-
11.2 Cash Flow Hedge		-	-	-	-	-	-
11.3 Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-
XII. PROVISIONS	(5.II.7)	111,172	7,497	118,669	66,041	8,787	74,828
12.1 General Provisions		78,987	-	78,987	52,559	-	52,559
12.2 Restructuring Provisions		-	-	-	-	-	-
12.3 Reserve for Employee Benefits		7,840	-	7,840	5,381	-	5,381
12.4 Insurance Technical Provisions (Net)		-	-	-	-	-	-
12.5 Other Provisions		24,345	7,497	31,842	8,101	8,787	16,888
XIV. TAX LIABILITIES	(5.II.8)	55,274	-	55,274	51,452	-	51,452
14.1 Current Tax Liability		55,274	-	55,274	49,080	-	49,080
14.2 Deferred Tax Liability		-	-	-	2,372	-	2,372
XV. PAYABLES RELATED TO HELD FOR SALE AND DISCONTINUED OPERATIONS	(5.II.9)	-	-	-	-	-	-
15.1 Held For Sale		-	-	-	-	-	-
15.2 Discontinued Operations		-	-	-	-	-	-
XIII. SUBORDINATED LOANS	(5.II.10)	-	362,506	362,506	-	166,746	166,746
XVI. SHAREHOLDERS' EQUITY	(5.II.11)	1,448,390	6,773	1,455,163	1,237,735	8,196	1,245,931
16.1 Paid-In Capital		316,100	-	316,100	316,100	-	316,100
16.2 Supplementary Capital		299,843	6,773	306,616	296,224	8,196	304,420
16.2.1 Share Premium		98,351	-	98,351	98,351	-	98,351
16.2.2 Share Cancellation Profits		-	-	-	-	-	-
16.2.3 Valuation Differences of Securities		12,247	6,773	19,020	4,008	8,196	12,204
16.2.4 Revaluation Fund on Tangible Assets		-	-	-	-	-	-
16.2.5 Revaluation Fund on Intangible Assets		-	-	-	-	-	-
16.2.6 Revaluation Fund on Investment Property		-	-	-	-	-	-
16.2.7 Capital Bonus of Associates, Subsidiaries and Joint Ventures		81	-	81	4,701	-	4,701
16.2.8 Hedging Funds (Effective Portion)		-	-	-	-	-	-
16.2.9 Revaluation Fund on Assets Held for Sale and Discontinued Operations		-	-	-	-	-	-
16.2.10 Other Supplementary Capital		189,164	-	189,164	189,164	-	189,164
16.3 Profit Reserves		607,064	-	607,064	316,227	-	316,227
16.3.1 Legal Reserves		29,484	-	29,484	15,666	-	15,666
16.3.2 Status Reserves		-	-	-	-	-	-
16.3.3 Extraordinary Reserves		581,975	-	581,975	300,742	-	300,742
16.3.4 Other Profit Reserves		(4,395)	-	(4,395)	(181)	-	(181)
16.4 Profit or Loss		225,383	-	225,383	309,184	-	309,184
16.4.1 Prior Periods' Profit or Loss		14,133	-	14,133	32,840	-	32,840
16.4.2 Current Period Profit or Loss		211,250	-	211,250	276,344	-	276,344
16.5 Minority Shares		-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY		8,548,669	6,363,616	14,912,285	5,371,388	6,108,801	11,480,189

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

	Footnotes	CURRENT PERIOD (31/12/2007)			PRIOR PERIOD (31/12/2006)		
		YTL	FC	Total	YTL	FC	Total
A. OFF BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)		8,378,411	9,213,898	17,592,309	5,187,411	7,491,292	12,678,703
I. GUARANTEES	(5.III.1-3)	1,520,057	3,152,360	4,672,417	1,281,368	2,794,263	4,075,631
1.1. Letters of Guarantee		1,520,057	1,429,658	2,949,715	1,281,250	1,513,972	2,795,222
1.1.1. Guarantees Subject to State Tender Law		-	-	-	-	-	-
1.1.2. Guarantees Given for Foreign Trade Operations		105,494	14,433	119,927	131,769	14,160	145,929
1.1.3. Other Letters of Guarantee		1,414,563	1,415,225	2,829,788	1,149,481	1,499,812	2,649,293
1.2. Bank Acceptances		-	80,541	80,541	-	142,408	142,408
1.2.1. Import Letter of Acceptance		-	80,541	80,541	-	142,408	142,408
1.2.2. Other Bank Acceptances		-	-	-	-	-	-
1.3. Letters of Credit		-	1,463,819	1,463,819	118	1,059,389	1,059,507
1.3.1. Documentary Letters of Credit		-	1,194,326	1,194,326	118	679,862	679,980
1.3.2. Other Letters of Credit		-	269,493	269,493	-	379,527	379,527
1.4. Prefinancing Given As Guarantee		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2. Other Endorsements		-	-	-	-	-	-
1.6. Purchase Guarantees for Securities Issued		-	-	-	-	-	-
1.7. Factoring Related Guarantees		-	-	-	-	-	-
1.8. Other Collaterals		-	178,342	178,342	-	78,494	78,494
1.9. Other Sureties		-	-	-	-	-	-
II. COMMITMENTS	(5.III.1-3)	3,051,496	-	3,051,496	2,728,283	98,392	2,826,675
2.1. Irrevocable Commitments		3,050,815	-	3,050,815	2,727,602	98,392	2,825,994
2.1.1. Asset Purchase and Sale Commitments		-	-	-	-	-	-
2.1.2. Deposit Purchase and Sales Commitments		-	-	-	-	-	-
2.1.3. Share Capital Commitments to Associates and Subsidiaries		300	-	300	455	-	455
2.1.4. Loan Granting Commitments		293,768	-	293,768	53,383	-	53,383
2.1.5. Securities Issuance Brokerage Commitments		-	-	-	-	-	-
2.1.6. Commitments for Reserve Deposit Requirements		-	-	-	-	-	-
2.1.7. Commitments for Cheque Payments		485,468	-	485,468	431,925	-	431,925
2.1.8. Tax and Fund Obligations from Export Commitments		-	-	-	-	-	-
2.1.9. Commitments for Credit Card Limits		2,113,934	-	2,113,934	2,145,780	-	2,145,780
2.1.10. Commitments for Promotional Operations Re-Credit Cards and Banking Services		33	-	33	512	-	512
2.1.11. Receivables from "Short" Sale Commitments Of Securities		-	-	-	-	-	-
2.1.12. Payables for "Short" Sale Commitments Of Securities		-	-	-	-	-	-
2.1.13. Other Irrevocable Commitments		157,312	-	157,312	95,547	98,392	193,939
2.2. Revocable Commitments		681	-	681	681	-	681
2.2.1. Revocable Loan Granting Commitments		-	-	-	-	-	-
2.2.2. Other Revocable Commitments		681	-	681	681	-	681
III. DERIVATIVE FINANCIAL INSTRUMENTS	(5.III.5)	3,806,858	6,061,538	9,868,396	1,177,760	4,598,637	5,776,397
3.1. Hedging Purpose Derivatives		-	-	-	-	-	-
3.1.1. Fair Value Hedge		-	-	-	-	-	-
3.1.2. Cash Flow Hedge		-	-	-	-	-	-
3.1.3. Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-
3.2. Trading Purpose Derivatives		3,806,858	6,061,538	9,868,396	1,177,760	4,598,637	5,776,397
3.2.1. Forward Foreign Currency Purchases/Sales		91,403	3,108,952	3,200,355	350,166	3,560,339	3,910,505
3.2.1.1. Forward Foreign Currency Purchases		51,468	1,549,170	1,600,638	64,099	1,885,420	1,949,519
3.2.1.2. Forward Foreign Currency Sales		39,935	1,559,782	1,599,717	286,067	1,674,919	1,960,986
3.2.2. Currency and Interest Rate Swaps		1,577,324	1,436,011	3,013,335	392,354	307,980	700,334
3.2.2.1. Currency Swaps-Purchases		-	422,215	422,215	-	175,257	175,257
3.2.2.2. Currency Swaps-Sales		450,159	-	450,159	163,420	114,427	174,847
3.2.2.3. Interest Rate Swaps-Purchases		417,199	640,797	1,057,996	114,467	60,648	175,115
3.2.2.4. Interest Rate Swaps-Sales		709,966	372,999	1,082,965	114,467	60,648	175,115
3.2.3. Currency, Interest Rate and Security Options		1,475,832	1,343,017	2,818,849	435,239	693,204	1,128,443
3.2.3.1. Currency Options-Purchases		835,877	601,520	1,437,397	215,069	349,787	564,856
3.2.3.2. Currency Options-Sales		639,955	741,497	1,381,452	220,170	343,417	563,587
3.2.3.3. Interest Rate Options-Purchases		-	-	-	-	-	-
3.2.3.4. Interest Rate Options-Sales		-	-	-	-	-	-
3.2.3.5. Securities Options-Purchases		-	-	-	-	-	-
3.2.3.6. Securities Options-Sales		-	-	-	-	-	-
3.2.4. Currency Futures		-	17,196	17,196	-	13,906	13,906
3.2.4.1. Currency Futures-Purchases		-	7,207	7,207	-	7,768	7,768
3.2.4.2. Currency Futures-Sales		-	9,989	9,989	-	6,138	6,138
3.2.5. Interest Rate Futures		-	16,082	16,082	-	5,622	5,622
3.2.5.1. Interest Rate Futures-Purchases		-	9,989	9,989	-	-	-
3.2.5.2. Interest Rate Futures-Sales		-	6,093	6,093	-	5,622	5,622
3.2.6. Others		662,299	140,280	802,579	1	17,586	17,587
B. CUSTODY AND PLEDGED SECURITIES (IV+V+VI)		13,768,730	5,428,184	19,196,914	8,062,752	4,258,005	12,320,757
IV. ITEMS HELD IN CUSTODY		2,930,556	653,682	3,584,238	2,361,942	712,930	3,074,872
4.1. Customers' Securities and Portfolios Held		-	-	-	-	-	-
4.2. Securities Held in Custody		1,710,320	140,449	1,850,769	1,805,642	156,462	1,962,104
4.3. Checks Received for Collection		146,725	168,814	315,539	3	174,170	174,173
4.4. Commercial Notes Received for Collection		274,333	330,769	605,102	155,955	345,624	501,579
4.5. Other Assets Received for Collection		-	-	-	-	-	-
4.6. Assets Received for Public Offering		-	-	-	175,324	-	175,324
4.7. Other Items under Custody		799,178	13,650	812,828	-	36,674	36,674
4.8. Custodians		-	-	-	225,018	-	225,018
V. PLEDGED ITEMS		10,595,936	4,666,056	15,261,992	5,700,633	3,477,279	9,177,912
5.1. Securities		562,262	25,228	587,490	522,582	18,415	540,997
5.2. Guarantee Notes		3,391,020	878,069	4,269,089	1,164,783	577,858	1,742,641
5.3. Commodities		1,336,560	599,808	1,936,368	1,043,363	763,509	1,806,872
5.4. Warrants		-	-	-	-	-	-
5.5. Immovables		5,045,885	2,906,585	7,952,470	2,759,254	1,876,488	4,635,742
5.6. Other Pledged Items		260,209	256,366	516,575	210,651	241,009	451,660
5.7. Pledged Items-Depository		-	-	-	-	-	-
VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES		242,238	108,446	350,684	177	67,796	67,973
TOTAL OFF BALANCE SHEET ITEMS (A+B)		22,147,141	14,642,082	36,789,223	13,250,163	11,749,297	24,999,460

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

INCOME AND EXPENSE ITEMS	Footnotes	CURRENT PERIOD (31/12/2007)	PRIOR PERIOD (31/12/2006)
I. INTEREST INCOME	(5.IV.1)	1,725,389	1,279,685
1.1 Interest from Loans		1,349,718	968,070
1.2 Interest from Reserve Deposits		38,619	30,108
1.3 Interest from Banks		63,737	66,621
1.4 Interest from Money Market Transactions		330	30,857
1.5 Interest from Securities Portfolio		252,931	161,633
1.5.1 Trading Securities		46,792	15,775
1.5.2 Financial Assets at Fair Value Through Profit or Loss		-	-
1.5.3 Available for Sale Securities		203,231	138,495
1.5.4 Held to Maturity Securities		2,908	7,363
1.6 Interest from Financial Leases		-	-
1.7 Other Interest Income		20,054	22,396
II. INTEREST EXPENSE	(5.IV.2)	979,934	653,908
2.1 Interest on Deposits		727,591	456,186
2.3 Interest on Funds Borrowed		137,046	172,839
2.4 Interest on Money Market Transactions		112,107	935
2.5 Interest of Securities Issued		-	-
2.6 Other Interest Expense		3,190	23,948
III. NET INTEREST INCOME (I - II)		745,455	625,777
IV. NET FEE AND COMMISSION INCOME	(5.IV.9)	101,941	92,963
4.1 Fees and Commissions Received		187,436	154,259
4.1.1 Non-Cash Loans		45,174	40,077
4.1.2 Other		142,262	114,182
4.2 Fees and Commissions Paid		85,495	61,296
4.2.1 Non-Cash Loans		23	47
4.2.2 Other		85,472	61,249
V. DIVIDEND INCOME	(5.IV.3)	7,874	50,003
VI. TRADING INCOME/LOSS (Net)	(5.IV.4)	(4,989)	(79,621)
6.1 Profit / Loss on Trading Account Securities		(137,884)	13,317
6.2 Foreign Exchange Gain / Loss		132,895	(92,938)
VII. OTHER OPERATING INCOME	(5.IV.5)	108,983	172,808
VIII. TOTAL OPERATING INCOME (III+IV+V+VI+VII)		959,264	861,930
IX. IMPAIRMENT ON LOANS AND OTHER RECEIVABLES (-)	(5.IV.6)	115,943	91,045
X. OTHER OPERATING EXPENSES (-)	(5.IV.7)	573,024	456,848
XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)		270,297	314,037
XII. NEGATIVE GOODWILL		-	-
XIII. PROFIT / LOSS FROM EQUITY METHOD INVESTMENTS		-	-
XIV. GAIN/LOSS ON NET MONETARY POSITION		-	-
XV. P/L BEFORE TAXES FROM CONTINUING OPERATIONS (XI+...+XIV)	(5.IV.8)	270,297	314,037
XVI. TAXES ON INCOME FROM CONTINUING OPERATIONS (±)	(5.IV.9)	(59,047)	(37,693)
16.1 Current Tax Provision		(76,208)	(36,881)
16.2 Deferred Tax Provision		17,161	(812)
XVII. NET PROFIT / LOSS FROM CONTINUING OPERATIONS (XV±XVI)	(5.IV.10)	211,250	276,344
XVIII. PROFIT FROM DISCONTINUED OPERATIONS		-	-
18.1 Assets Held for Sale		-	-
18.2 Profit on Sale of Associates, Subsidiaries and Joint Ventures		-	-
18.3 Others		-	-
XIX. LOSS FROM DISCONTINUED OPERATIONS (-)		-	-
19.1 Assets Held for Sale		-	-
19.2 Loss on Sale of Associates, Subsidiaries and Joint Ventures		-	-
19.3 Others		-	-
XX. P/L BEFORE TAXES FROM DISCONTINUED OPERATIONS (XVIII-XIX)	(5.IV.8)	-	-
XXI. TAXES ON INCOME FROM DISCONTINUED OPERATIONS (±)	(5.IV.9)	-	-
21.1 Current Tax Provision		-	-
21.2 Deferred Tax Provision		-	-
XXII. NET PROFIT / LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)	(5.IV.10)	-	-
XXIII. NET PROFIT/LOSS (XVII+XXII)	(5.IV.11)	211,250	276,344
23.1 Group's Profit / Loss		211,250	276,344
23.2 Minority Shares		-	-
Earnings / Losses per Share (Full YTL)		0.67	0.87

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

	CURRENT PERIOD (31/12/2007)	PRIOR PERIOD (31/12/2006)
I. ADDITIONS TO VALUATION DIFF. OF SECURITIES FROM AVAILABLE FOR SALE INVESTMENTS	11,086	(38,089)
II. REVALUATION ON TANGIBLE ASSETS	-	-
III. REVALUATION ON INTANGIBLE ASSETS	-	-
IV. FOREIGN EXCHANGE DIFFERENCES	(4,214)	(1,173)
V. PROFIT/LOSS RELATED TO DERIVATIVES USED IN CASH FLOW HEDGES (Effective portion)	-	-
VI. PROFIT/LOSS RELATED TO DERIVATIVES USED IN HEDGE OF A NET INVESTMENT IN FOREIGN SUBSIDIARIES (Effective portion)	-	-
VII. EFFECT OF CHANGES IN ACCOUNTING POLICIES OR CORRECTION OF ERRORS	-	-
VIII. OTHER PROFIT/LOSS ITEMS RECOGNIZED IN EQUITY PER IAS	-	-
IX. DEFERRED TAXES ON VALUATION DIFFERENCES	(1,736)	(1,342)
X. NET PROFIT/LOSS RECOGNIZED IN EQUITY (I+II+...+IX)	5,136	(40,604)
XI. CURRENT PERIOD PROFIT/LOSS	211,250	276,344
1.1 Net Change in Fair Value of Securities (Transfer to Profit & Loss)	2,534	64,711
1.2 Ineffective Portion of Profit/Loss Related to Derivatives Used in Cash Flow Hedges	-	-
1.3 Ineffective Portion of Profit/Loss Related to Derivatives Used in Hedge of a Net Investment in Foreign Subsidiaries	-	-
1.4 Others	208,716	211,633
XII. TOTAL RECOGNIZED INCOME AND EXPENSE FOR THE PERIOD (X±XI)	216,386	235,740

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

Denizbank Anonim Şirketi

Unconsolidated Statements of Changes in Shareholders' Equity

For the Years Ended 31 December 2007 and 2006

(Currency: Thousands of YTL - New Turkish Lira)

*Convenience Translation of
Unconsolidated Financial Report
Originally Issued in Turkish, See Note 3.1.2*

CHANGES IN SHAREHOLDERS' EQUITY	Footnotes	CHANGES IN SHAREHOLDERS' EQUITY																	
		Paid-In Capital	Inflation Adjustments to Paid-In Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Profit / (Loss)	Prior Period Net Profit / (Loss)	Valuation Diff. of Securities	Revaluation Fund on Tang./Intang.A.	Revaluation Surplus	Hedging Reserves	Val.Diff.Related to Assets Held for Sale/Disc.Opr.	Total Equity Attrib. to Equity Holders of the Parent	Minority Interest	Total Shareholders' Equity
PRIOR PERIOD (31/12/2006)																			
I. Balances at the Beginning of Period	(12.1)	316,100	189,164	98,351	-	5,631	-	106,983	(3,611)	200,714	10,098	108,022	-	16,180	-	-	1,047,632	-	1,047,632
II. Corrections According to Turkish Accounting Standard No.8		-	-	-	-	-	-	-	4,603	4,572	21,250	8,323	-	-	-	-	38,748	-	38,748
2.1 Corrections of Errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 Changes in Accounting Policies		-	-	-	-	-	-	-	4,603	4,572	21,250	8,323	-	-	-	-	38,748	-	38,748
III. Adjusted Beginning Balance (I + II)		316,100	189,164	98,351	-	5,631	-	106,983	992	205,286	31,348	116,345	-	16,180	-	-	1,086,380	-	1,086,380
Changes in the Period																			
IV. Increase / Decrease Related to Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Valuation Differences of Securities		-	-	-	-	-	-	-	-	-	-	(104,141)	-	-	-	-	(104,141)	-	(104,141)
VI. Hedging Transactions (Effective Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1 Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2 Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Revaluation Fund on Tangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Revaluation Fund on Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Capital Bonus of Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Foreign Exchange Differences		-	-	-	-	-	-	-	(1,173)	-	-	-	-	-	-	-	(1,173)	-	(1,173)
XI. Changes Related to Sale of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(11,479)	-	(11,479)
XII. Changes Related to Reclassification of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Effects of Changes in Equities of Subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Capital Increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2 Internal Resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Issuance of Capital Stock		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Share Cancellation Profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Capital Reserves from Inflation Adjustments to Paid-In Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX. Current Period Net Profit / Loss		-	-	-	-	-	-	-	-	(205,286)	205,286	-	-	-	-	-	-	-	-
XX. Profit Distribution		-	-	-	-	-	-	-	-	276,344	-	-	-	-	-	-	276,344	-	276,344
20.1 Dividends		-	-	-	-	10,035	-	193,759	-	-	-	-	-	-	-	-	-	-	-
20.2 Transfer to Reserves		-	-	-	-	10,035	-	193,759	-	-	-	-	-	-	-	-	-	-	-
20.3 Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at the End of Period (III+IV+V+.....+XVIII+XIX+XX)		316,100	189,164	98,351	-	15,666	-	300,742	(181)	276,344	32,840	12,204	-	4,701	-	-	1,245,931	-	1,245,931
CURRENT PERIOD (31/12/2007)																			
I. Balances at the Beginning of Period	(5.V.1)	316,100	189,164	98,351	-	15,666	-	300,742	(181)	276,344	32,840	12,204	-	4,701	-	-	1,245,931	-	1,245,931
Changes in the Period																			
II. Increase / Decrease Related to Mergers		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. Valuation Differences of Securities		-	-	-	-	-	-	-	-	-	-	6,816	-	-	-	-	6,816	-	6,816
IV. Hedging Transactions (Effective Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Cash Flow Hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 Hedging of a Net Investment in Foreign Subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Revaluation Fund on Tangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Revaluation Fund on Intangible Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Capital Bonus of Associates, Subsidiaries and Joint Ventures		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Foreign Exchange Differences		-	-	-	-	-	-	-	(4,214)	-	-	-	-	-	-	-	(4,620)	-	(4,620)
IX. Changes Related to Sale of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,214)	-	(4,214)
X. Changes Related to Reclassification of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI. Effects of Changes in Equities of Associates		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII. Capital Increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1 Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 Internal Resources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII. Issuance of Capital Stock		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV. Share Cancellation Profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV. Capital Reserves from Inflation Adjustments to Paid-In Capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI. Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII. Current Period Net Profit / Loss	(5.V.4)	-	-	-	-	-	-	-	-	211,250	-	-	-	-	-	-	211,250	-	211,250
XVIII. Profit Distribution		-	-	-	-	-	-	-	-	(276,344)	-	-	-	-	-	-	-	-	-
18.1 Dividends		-	-	-	-	13,818	-	281,233	-	-	-	-	-	-	-	-	-	-	-
18.2 Transfer to Reserves		-	-	-	-	13,818	-	281,233	-	-	-	-	-	-	-	-	-	-	-
18.3 Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at the End of Period (I+II+III+....+XVI+XVII+XVIII)		316,100	189,164	98,351	-	29,484	-	581,975	(4,395)	211,250	14,133	19,020	-	81	-	-	1,455,163	-	1,455,163

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

	Footnotes	CURRENT PERIOD (31/12/2007)	PRIOR PERIOD (31/12/2006)
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating Profit before Changes in Operating Assets and Liabilities		97,982	299,426
1.1.1 Interest Received		1,608,688	1,142,367
1.1.2 Interest Paid		942,627	649,894
1.1.3 Dividend Received		7,874	50,003
1.1.4 Fees And Commissions Received		187,436	190,529
1.1.5 Other Income		23,729	114,532
1.1.6 Collections from Previously Written-Off Loans and Other Receivables		85,254	61,351
1.1.7 Payments to Personnel and Service Suppliers		296,227	219,886
1.1.8 Taxes Paid		73,135	21,932
1.1.9 Other	(5.VI.1)	(503,010)	(367,644)
1.2 Changes in Operating Assets and Liabilities		(1,570,888)	(950,464)
1.2.1 Net (Increase) Decrease in Trading Securities		2,892	(160,792)
1.2.2 Net (Increase) Decrease in Financial Assets Designated at FV		-	-
1.2.3 Net (Increase) Decrease in Banks		(15,166)	(1,841)
1.2.4 Net (Increase) Decrease in Loans		(3,553,674)	(2,165,927)
1.2.5 Net (Increase) Decrease in Other Assets		(13,701)	(66,213)
1.2.6 Net Increase (Decrease) in Bank Deposits		727,049	(16,250)
1.2.7 Net Increase (Decrease) in Other Deposits		1,258,567	1,975,016
1.2.8 Net Increase (Decrease) in Funds Borrowed		95,631	(164,883)
1.2.9 Net Increase (Decrease) in Due Payables		-	-
1.2.10 Net Increase (Decrease) in Other Liabilities	(5.VI.1)	(72,486)	(349,574)
I. Net Cash (Used in)/Provided by Banking Operations		(1,472,906)	(651,038)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net Cash Provided by / (Used in) Investing Activities	(5.VI.1)	(1,341,466)	287,099
2.1 Cash Paid for Purchase of Investments, Associates and Subsidiaries		193,814	40,445
2.2 Cash Obtained From Sale of Investments, Associates And Subsidiaries		-	90,176
2.3 Fixed Assets Purchases		71,003	43,828
2.4 Fixed Assets Sales		925	2,415
2.5 Cash Paid for Purchase of Investments Available for Sale		1,343,025	606,581
2.6 Cash Obtained From Sale of Investments Available for Sale		265,451	897,310
2.7 Cash Paid for Purchase of Investment Securities		-	11,948
2.8 Cash Obtained from Sale of Investment Securities		-	-
2.9 Other		-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net Cash from Financing Activities		967,197	431,885
3.1 Cash Obtained from Funds Borrowed and Securities Issued		1,909,579	869,435
3.2 Cash Used for Repayment of Funds Borrowed and Securities Issued		927,440	421,680
3.3 Capital Increase		-	-
3.4 Dividends Paid		-	-
3.5 Payments for Finance Leases		14,942	15,870
3.6 Other		-	-
IV. Effect of Change in Foreign Exchange Rate on Cash and Cash Equivalents		136,942	(113,007)
V. Net Increase (Decrease) in Cash and Cash Equivalents		(1,710,233)	(45,061)
VI. Cash and Cash Equivalents at the Beginning of Period	(5.VI.2)	2,637,123	2,682,184
VII. Cash and Cash Equivalents at the End of Period	(5.VI.3)	926,890	2,637,123

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

		CURRENT PERIOD	PRIOR PERIOD
		(31/12/2007)	(31/12/2006)
I.	DISTRIBUTION OF CURRENT YEAR INCOME		
1.1	CURRENT YEAR INCOME	270,297	314,037
1.2	TAXES AND DUTIES PAYABLE (-)	59,047	37,693
1.2.1	Corporate Tax (Income tax)	59,047	37,693
1.2.2	Income withholding tax	-	-
1.2.3	Other taxes and duties	-	-
A.	NET INCOME FOR THE YEAR (1.1-1.2)	211,250	276,344
1.3	PRIOR YEARS LOSSES (-)	-	-
1.4	FIRST LEGAL RESERVES (-)	-	13,818
1.5	OTHER STATUTORY RESERVES (-)	-	-
B.	NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]	211,250	262,526
1.6	FIRST DIVIDEND TO SHAREHOLDERS (-)	-	-
1.6.1	To owners of ordinary shares	-	-
1.6.2	To owners of preferred shares	-	-
1.6.3	To owners of preferred shares (preemptive rights)	-	-
1.6.4	To profit sharing bonds	-	-
1.6.5	To holders of profit and loss sharing certificates	-	-
1.7	DIVIDENDS TO PERSONNEL (-)	-	-
1.8	DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
1.9	SECOND DIVIDEND TO SHAREHOLDERS (-)	-	-
1.9.1	To owners of ordinary shares	-	-
1.9.2	To owners of preferred shares	-	-
1.9.3	To owners of preferred shares (preemptive rights)	-	-
1.9.4	To profit sharing bonds	-	-
1.9.5	To holders of profit and loss sharing certificates	-	-
1.10	SECOND LEGAL RESERVES (-)	-	-
1.11	STATUTORY RESERVES (-)	-	-
1.12	GENERAL RESERVES	-	281,233
1.13	OTHER RESERVES	-	-
1.14	SPECIAL FUNDS	-	-
II.	DISTRIBUTION OF RESERVES		
2.1	APPROPRIATED RESERVES	-	-
2.2	SECOND LEGAL RESERVES (-)	-	-
2.3	DIVIDENDS TO SHAREHOLDERS (-)	-	-
2.3.1	To owners of ordinary shares	-	-
2.3.2	To owners of preferred shares	-	-
2.3.3	To owners of preferred shares (preemptive rights)	-	-
2.3.4	To profit sharing bonds	-	-
2.3.5	To holders of profit and loss sharing certificates	-	-
2.4	DIVIDENDS TO PERSONNEL (-)	-	-
2.5	DIVIDENDS TO BOARD OF DIRECTORS (-)	-	-
III.	EARNINGS PER SHARE		
3.1	TO OWNERS OF ORDINARY SHARES	668	874
3.2	TO OWNERS OF ORDINARY SHARES (%)	67	87
3.3	TO OWNERS OF PRIVILEGED SHARES	-	-
3.4	TO OWNERS OF PRIVILEGED SHARES (%)	-	-
IV.	DIVIDEND PER SHARE		
4.1	TO OWNERS OF ORDINARY SHARES	-	-
4.2	TO OWNERS OF ORDINARY SHARES (%)	-	-
4.3	TO OWNERS OF PRIVILEGED SHARES	-	-
4.4	TO OWNERS OF PRIVILEGED SHARES (%)	-	-

(*) General Assembly is the unique authority for the current period profit distribution of the Bank. The yearly General Assembly has not been held as of the date of this report.

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

SECTION THREE

ACCOUNTING POLICIES

I. Basis of presentation

1. Preparation of the financial statements and the accompanying footnotes in accordance with Turkish Accounting Standards and Regulation on Principles Related to Banks' Accounting Applications and Preserving the Documents

The new Turkish Banking Law No. 5411 is published in the Official Gazette No. 25983 dated 1 November 2005. The Bank prepared the accompanying financial statements and the related disclosures and footnotes in accordance with accounting and valuation standards as described in the "Regulation on Principles Related to Banks' Accounting Applications and Preserving the Documents", dated 1 November 2006 which is published in the Official Gazette No.26333, "Communique on Financial Statements and the Accompanying Explanations and Footnotes to be Announced to the Public", dated 10 February 2007 which is published in the Official Gazette No. 26430, Turkish Accounting Standards ("TAS") and Turkish Financial Reporting Standards ("TFRS").

2. Additional paragraph for convenience translation to English

The differences between accounting principles, as described in the preceding paragraphs, and the accounting principles generally accepted in countries, in which the accompanying financial statements are to be distributed, and International Financial Reporting Standards ("IFRS"), may have significant influence on the accompanying financial statements. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations and cash flows in accordance with the accounting principles generally accepted in such countries and IFRS.

3. Disclosures related to the accounting policies and financial statement presentation

3.1 Disclosures related to the first time application of Turkish Accounting Standards

The Bank has restated its prior period financial statements in accordance with TAS and TFRS as required by TAS 1 "Presentation of the Financial Statements". Deferred tax effect has been set off in prior period net profit as required by TAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors". The effects of these restatements on prior period income of the accompanying financial statements, net of deferred taxes, are as follows:

	Val.Diff. of Sec.	Other Reserves	Current Period Net Profit/Loss	Prior Periods Net Profit/Loss	Total Equity
Balances Reported as of 31 December 2005	108,022	(3,611)	200,714	10,098	1,047,632
Correction of Employee Termination Benefits (TAS 19)	-	-	3,575	7,233	10,808
Fair Value Corrections Made to Valuation of Trading Purpose Derivatives (TAS 39)	-	-	892	(185)	707
Fair Value Corrections Made to Trading and Available-for-Sale Securities (TAS 39)	8,323	-	105	69	8,497
Correction of foreign exchange difference from subsidiaries *	-	4,603	-	14,133	18,736
Balances Restated as of 31 December 2005	116,345	992	205,286	31,348	1,086,380

* According to BRSA's announcement dated 2 July 2007 and numbered BDDK.DZM.2/13/1-a-8615, it has been decided to carry investments in foreign subsidiaries at historical costs and foreign exchange difference amounting to YTL 4,603 which had been previously recorded in "other reserves" has been cancelled. On the other hand, since the financial statements of the Bank had been subject to inflation restatement until 31 December 2004, the historical costs of the investments in foreign subsidiaries are restated until that date, and the resulting inflation increase of YTL 14,133 is recorded in "prior period net profit/loss".

3.2 Disclosures related to reclassifications

Leasehold improvements, amounting to YTL 31,984, net, at 31 December 2006, which had been classified among “intangible assets” at that date, are reclassified to “tangible assets”.

Commission and fees received from cash loans, amounting to YTL 60,164 at 31 December 2006 are reclassified to “interest income from loans”.

Commission and fees paid to cash loans, amounting to YTL 165 at 31 December 2006 are reclassified to “interest expense from loans”.

Foreign exchange gains on foreign currency indexed loans, amounting to YTL 27,710 and foreign exchange losses on foreign currency indexed loans, amounting to YTL 12,892, at 31 December 2006 are reclassified to “foreign exchange gain/loss” instead of other operating income and expenses.

4. Accounting policies and valuation principles used in the preparation of the financial statements

Accounting policies and valuation principles used in the preparation of the financial statements are determined and applied in accordance with the requirements of TAS, TFRS, “Regulation on Principles Related to Banks’ Accounting Applications and Preserving the Documents”, dated 1 November 2006 which is published in the Official Gazette No.26333 and “Communique on Financial Statements and the Accompanying Explanations and Footnotes to be Announced to the Public”, dated 10 February 2007 which is published in the Official Gazette No. 26430. Those policies and principles are explained by footnotes II through XXII below.

II. Strategy for the use of financial instruments and the foreign currency operations

1. Strategy for the use of financial instruments

The Bank’s external sources of funds are comprised of deposits with various maturity periods, and short-term borrowings. These funds are fixed rate in general and are utilized in high yield financial assets. The bulk of the funds are allocated to high yield, floating rate instruments, such as Turkish Lira and foreign currency government securities and Eurobonds, and to loans provided to customers on a selective basis in order to increase revenue and support liquidity.

The liquidity structure, insures meeting all liabilities becoming due, is formed by keeping sufficient levels of cash and cash equivalents by diversifying the sources of funds. The Bank assesses the maturity structure of the sources, and the maturity structure and yield of placements at market conditions and adopts a high yield policy in long-term placements.

There is not any segment of the Bank generating more return than the calculated average return for the Bank.

The Bank assumes risks within the pre-determined risk limits short-term currency, interest and price movements in money and capital markets and market conditions.

These positions are closely monitored by the Risk Management System of the Bank and the necessary precautions are taken if the limits are exceeded or should there be a change in the market environment.

In order to avoid interest rate risk, assets and liabilities with fixed and floating interests are kept in balance, taking the maturity structure into consideration.

The asset-liability balance is monitored on a daily basis in accordance with their maturity structure and foreign currency type. The risks associated with short-term positions are hedged through derivatives such as forwards, swaps and options.

No risks are taken on foreign currencies other than USD and Euro. If the position taken because of customer based activities exceeds 0.004% of the balance sheet size, derivative products are used to cover the position.

2. Transactions denominated in foreign currencies

2.1 *Foreign currency exchange rates used in converting transactions denominated in foreign currencies and presentation of them in the financial statements*

Bank accounts for the transactions denominated in foreign currencies in accordance with TAS 21 “The Effects of Changes in Foreign Exchange Rates”. Foreign exchange gains and losses arising from transactions that are completed as of 31 December 2007 are translated to YTL by using historical foreign currency exchange rates. Balances of the foreign currency denominated assets and liabilities are translated into YTL by using foreign currency exchange rates of the Bank and the resulting exchange differences are recorded as foreign exchange gains and losses. The Bank’s foreign currency exchange rates are as follows:

	31 December 2007	31 December 2006
US Dollars	1.1593 YTL	1.4056 YTL
Euro	1.7060 YTL	1.8515 YTL

2.2 *Foreign exchange gains and losses included in the income statement*

Net foreign exchange gain included in the income statement amounts to YTL 132,895 (31 December 2006: net foreign exchange loss of YTL 92,938).

2.3 *Foreign exchange gains and losses included in the shareholders’ equity*

Foreign exchange differences arising on translation of the operations of Bahrain branch amount to YTL (4,395) and are recorded in “other reserves”.

III. Forward transactions, options and derivative instruments

In accordance with TAS 39 “Financial Instruments: Recognition and Measurement”, forward foreign currency purchase/sale contracts, swaps, options and futures that are not categorized as hedging-purpose tools are classified as “trading purpose” transactions and reflected at their fair values. The fair values of forward foreign currency transactions are estimated using pricing models and unrealized gains or losses are recognized in the income statement.

The Bank does not have any embedded derivatives or hedging instruments.

The Bank’s derivative transactions mainly consist of forward foreign currency purchase/sale contracts which have been transacted to reduce the foreign currency position risk and to protect the composition of the foreign currency position.

Derivatives are initially recognized at cost including the transaction costs. Also, the liabilities and receivables arising from the derivative transactions are recorded as off-balance sheet items at their contract values.

The derivative transactions are valued at fair value using the pricing models subsequent to initial recognition and are presented in the “Positive Value of Trading Purpose Derivatives” and “Negative Value of Trading Purpose Derivatives” items of the balance sheet depending on the resulting positive or negative amounts of the computed value. Gains and losses arising from a change in the fair value of trading purpose derivatives are recognized in the “Trading Income/Loss” items of the income statement.

IV. Interest income and expense

Interest income and expense are recognized as they are accrued taking into account the internal rate of return method. As of 31 December 2007 and 2006, the Bank ceases to accrue interest income on loans that become non-performing. Interest accrual does not start until such loans become performing and are classified as performing loans or until collection in accordance with the “Regulation on the Principles and Procedures Related to the Determination of the Loans and Other Receivables for which Provisions Shall be Set Aside by Banks and to the Provisions to be Set Aside”, published in the Official Gazette No. 26333 dated 1 November 2006, which was prepared on the basis of the provisions of Articles 53 and 93 of the Banking Law no. 5411.

V. Fees and commissions

Commissions and income from banking services are spread over the life of the related services, except for some kind of transactions that the income is recognized immediately. Commission and income expenses are considered as transaction cost and recorded by “Internal rate of return” method. Income related to sale and purchase of assets on behalf of third parties are recorded when collected.

VI. Financial assets

Financial assets are classified in four categories; as financial assets at fair value through profit or loss, investment securities available-for-sale, investment securities held-to-maturity, and loans and advances.

1. Financial assets at fair value through profit or loss

1.1 Trading securities

Trading securities are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, trading securities are measured at fair value and gains and losses arising from a change in the fair value are recognized in the income statement. Positive differences between the fair value and cost of trading securities are recorded in accrued interest and income account and negative differences between the fair value and cost of trading securities are recorded in impairment in value of marketable securities account in the financial statements. Derivative financial instruments are classified in the trading portfolio unless they are determined to be involved in hedging relations. Trading purpose derivative instruments are measured at fair value in subsequent periods and recorded in “positive or negative value of trading purpose derivatives” accounts based on the outcome of the fair value calculations.

The Bank recognized the gains and losses arising from the valuation of share certificates, and trading purpose derivative instruments, which are classified as trading securities, in the income statement.

Interest earned whilst holding trading securities is reported as interest income.

As of the balance sheet dates, the fair values of the Turkish Lira government securities are calculated using the Istanbul Stock Exchange (ISE) last day’s weighted average prices for those securities traded in ISE; and for those securities not traded in ISE, the prices announced by the Central Bank of Turkey are used. Eurobonds and foreign currency government bonds are initially recognized at cost including transaction costs and subsequent to initial recognition, Eurobonds are measured at discounted prices while foreign currency government bonds are measured at fair value. However, those securities not traded in an active market and whose fair values cannot be reliably measured are valued using a discounting method based on internal rate of return. For equity securities, closing prices that are quoted at the balance sheet date are used. Fair value of derivative instruments are determined using market prices, discounted cash flows model, or pricing models.

1.2 Financial assets at fair value through profit or loss

The Bank does not have any securities classified as “financial assets at fair value through profit or loss”.

2. Investment securities available-for-sale

Available-for-sale assets are financial assets that are not held for trading purposes, loans and advances to banks and customers, or held to maturity.

Premiums and discounts on investments securities available-for-sale are taken into account in computing the internal rate of return and are included in interest income in the income statement. Accrued interest income on investment securities available-for-sale are recognized in the income statement whereas gains and losses arising from the change in the fair values of such securities are reflected in equity net of their tax effect under "Securities value increase fund" (Unrealized Gains/Losses on Securities). When investment securities available-for-sale are sold, collected or otherwise disposed of, the cumulative fair value adjustments under equity is transferred to the income statement.

Government bonds indexed to Consumer Prices Index that are included in trading and available for sale securities have 5 years maturity, bearing fixed interest rate of 5% semi-annually. Additionally, to avoid inflationary effects, valuation is based on the difference between reference index of the original issue date and that of the balance sheet date, announced by Turkish Treasury.

The account classification of the financial assets is determined at the initial recognition stage of the related financial assets.

3. Investment securities held-to-maturity

Held-to-maturity securities are financial assets with fixed maturities and pre-determined payment schedules that the Bank has the intent and ability to hold until maturity, excluding loans and receivables. These securities are identified by the Bank management at their initial recognition and are classified as held-to-maturity securities in financial statements. Investment securities available-for-sale are financial assets that are other than securities held for trading purposes, investment securities held-to-maturity and loans and receivables.

Investment securities held-to-maturity and loans are initially recognized at cost. Investment securities held-to-maturity are accounted for by using a discounting method based on internal rate of return applied on the net investment amounts after the deduction of provision for impairments.

There are no financial assets that are banned from being classified as investment securities held-to-maturity for two years due to the violation of the tainting rule.

Interest earned on held-to-maturity securities are recognized as interest income and are reflected in "Interest Received from Securities Portfolio - Held-to-Maturity Securities" in the income statement.

Purchases/sales of held-to-maturity securities are recognized and accounted for at their dates of delivery.

4. Loans and specific provisions

Loans are initially recorded at cost and are subsequently valued using a discounting method based on internal rate of return.

Cash loans are accounted in accordance with the principles in TAS 39 "Financial Instruments: Recognition and Measurement".

Foreign currency loans are re-measured to reflect the changes in the currency exchange rates. Currency exchange differences arising from such re-measurements are reflected in "Foreign Exchange Gains/Losses" account in the income statement. Foreign currency-indexed loans are initially recognized in their Turkish Lira equivalents. The currency exchange differences arising from these loans are reflected as "Other Operating Income/Expense". Accrued interest income on loans is calculated using a discounting method based on internal rate of return.

Based on the regular reviews of the loan portfolio by the Bank management, loans that are identified as being impaired are transferred to “loans under follow-up” accounts. Thereby, specific allowances are made against the carrying amount of these loans in accordance with the “Regulation on the Principles and Procedures Related to the Determination of the Loans and Other Receivables for which Provisions Shall be Set Aside by Banks and to the Provisions to be Set Aside”, which was prepared on the basis of the provisions of Articles 53 and 93 of the Banking Law no. 5411. Specific provisions are recognized in the income statement.

When collections are made on loans that have been provided for, they are credited to the income statement accounts “Provision for Loan Losses or Other Receivables” if the provision was made in the current year, otherwise such collections are credited to “Other Operating Income” account with respect to allowances made in the prior years. The interest income recovered is booked in “Other Interest Income” account.

VII. Impairment of financial assets

If the carrying value of an asset is higher than its recoverable value, that asset is considered to be impaired and its carrying value should be adjusted to reflect its recoverable value. The impairment of financial assets are reflected to the accompanying financial statements in accordance with TAS 36 “Impairment of Assets”.

VIII. Offsetting financial instruments

When the fair values of the quoted equity instruments that are classified as “trading purpose” fall below their costs, impairment provision is booked for them which is netted-off from book value in the financial statements.

In accordance with the “Regulation on the Principles and Procedures Related to the Determination of the Loans and Other Receivables for which Provisions Shall be Set Aside by Banks and to the Provisions to be Set Aside”, the Bank provides specific provisions for its loans under follow-up. Those provisions are deducted from the balance of the loans under follow-up in the assets of the balance sheet.

Financial instruments other than those mentioned above were not offset in the accompanying financial statements.

IX. Sale and repurchase agreements and transactions related to the lending of securities

Government bonds and treasury bills sold to customers under repurchase agreements are reflected on the assets side of the accompanying balance sheet as “Trading Securities” or “Investment Securities Available for Sale”. The funds received on such transactions and the accrued interest expense are reflected as “Funds Provided under Repurchase Agreements” on the liability side of the accompanying balance sheet. Interest expense representing the difference between the sale and repurchase price of the related repurchase agreements is accounted on an accrual basis.

X. Assets held for sale and discontinued operations

Assets held for sale comprise tangible assets received against non-performing loans. Payable related to assets held for sale are also classified separately in the balance sheet. These items are not netted off in the financial statements.

Assets held for sale are accounted in accordance with the “Regulation on the Methods and Principles of Purchase and Sale of Precious Metals and Disposal of Commodities and Real Estate Obtained Against Receivables”, dated 1 November 2006 and published in the Official Gazette no. 26333. As of the balance sheet date, the Bank’s assets held for sale amount to YTL 15,325 (31 December 2006: YTL 15,363).

The bank does not have any discontinued operations.

XI. Goodwill and other intangible assets

There is no goodwill in the accompanying financial statements.

All intangible assets are initially recognized at cost in accordance with TAS 38 “Intangible Assets”. According to the resolution of the BRSA No. 1623 dated 21 April 2005, the banks and special financial institutions are no longer required to prepare their financial statements in accordance with RAP 14 “Accounting Standard for Financial Reporting in Hyperinflationary Periods” since the indicators of hyperinflation as disclosed in Article 5 of RAP 14 are no longer existing in Turkey. In line with this resolution, other intangible assets have been restated for the effects of inflation, up to 31 December 2004. Any currency exchange differences, financing expenses and revaluation surplus that might have been capitalized are eliminated and only the acquisition cost of the intangible assets are restated until 31 December 2004. The new additions to intangible assets after 31 December 2004 are shown with their historic costs excluding any currency exchange differences and financing expenses capitalized.

Intangible assets purchased before 1 January 2003 and those purchased in 2007 are amortized on a straight-line basis based on the amortization rate of 20% and those purchased between the dates mentioned above are amortized using the double-declining balance method based on the amortization rate of 40%.

Gains and losses resulting from the disposal of intangible assets are recognized in “Other Operating Income/Expense” account in the income statement representing the difference between the net restated value of the intangible assets after the inflation adjustment until 31 December 2004 and their net sales revenue.

Useful life of an asset is estimated by assessment of the expected life span of the asset, technical, technological wear outs, of the asset. The amortization rates used approximate the useful lives of the assets.

Costs associated with the computer software that are in use are expensed at the period of occurrence.

XII. Tangible assets

All tangible assets are initially recognized at their acquisition cost in accordance with TAS 16 “Tangible Assets”.

According to the resolution of the BRSA No. 1623 dated 21 April 2005, the banks and special financial institutions are no longer required to prepare their financial statements in accordance with RAP 14 “Accounting Standard for Financial Reporting in Hyperinflationary Periods” since the indicators of hyperinflation as disclosed in Article 5 of RAP 14 are no longer existing in Turkey. In line with this resolution, tangible assets have been restated for the effects of inflation, up to 31 December 2004. Any currency exchange differences, financing expenses and revaluation surplus that might have been capitalized are eliminated and only the acquisition cost of the tangible assets are restated until 31 December 2004. The new additions to tangible assets after 31 December 2004 are shown with their historic costs excluding any currency exchange differences and financing expenses capitalized.

Tangible assets purchased before 2003 and in 2007 are depreciated on a straight-line basis and those purchased in 2003, 2004, 2005 and 2006 are depreciated using the double-declining balance method. The depreciation rates used are as follows:

	Purchased before 2003	Purchased between 2003-2007	Purchased in 2007
Movables			
- Office equipment	20%	40% - 50%	20% - 25%
- Furniture and fixtures	20%	20%- 50%	10%- 20%
- Vehicles	20%	40%- 50%	20% - 50%
- Other equipment	20%	4.44% -50%	2.50% - 50%
Immovable	2%	2%	2%

The Bank has an impairment provision of YTL 4,402, which had been recorded in the prior year, for its buildings as of the reporting date.

Gains and losses resulting from the disposal of tangible assets are recognized in “Other Operating Income/Expense” account in the income statement representing the difference between the net restated value of the tangible assets after the inflation adjustment until 31 December 2004 and their net sales revenue.

Expenditures for maintenance and repairs that are routinely made on tangible assets are charged as expense. Expenditures that extend the capacity of the tangible assets or those that extend the useful life and service capacity of the asset, or enhance the quality of the service, or decrease the cost of services are capitalized.

There are no restrictions such as pledges and mortgages on tangible assets or any purchase commitments.

XIII. Leasing activities

The maximum period of the lease contracts is 4 years. Fixed assets acquired by way of financial leasing are recognized in tangible assets and depreciated in line with fixed assets group they relate to. The obligations under financial leases arising from the lease contracts are presented under “Financial Lease Payables” account in the balance sheet. Interest expense and currency exchange rate differences related to leasing activities are recognized in the income statement.

In the event that the lease contracts are terminated before the lease period expires, penalty required to be paid to the lessor is expensed in the period in which the lease is terminated. There are no lease contracts that were terminated before the lease period expired.

The Bank is not involved in financial leasing activities as a lessor.

XIV. Provisions and contingencies

Provisions, other than specific and general provisions for loans and other receivables, and contingent liabilities are provided for in accordance with TAS 37 “Provisions, Contingent Liabilities and Contingent Assets”. Provisions are accounted for immediately when obligations arise as a result of past events and a reliable estimate of the obligation is made by the Bank management. Whenever the amount of such obligations cannot be measured, they are regarded as “Contingent”. If the possibility of an outflow of resources embodying economic benefits becomes probable and the amount of the obligation can be measured with sufficient reliability, a provision is recognized. If the amount of the obligation cannot be measured with sufficient reliability or the possibility of an outflow of resources embodying economic benefits is remote, such liabilities are disclosed in the footnotes.

Based on the representations of the Bank’s attorneys, there are 301 lawsuits against the Bank with total risks amounting to YTL 23,787, USD 1,641,018 and EUR 110,799 as of 31 December 2007. There are also 8,012 follow-up cases amounting to YTL 22,668, USD 622,604 and EUR 196,251 in total that are filed by the Bank and are at courts.

XV. Contingent assets

Contingent assets are only recorded in the financial statements if the conditions and events giving way to the assets are highly probable. Otherwise, they are only disclosed in footnotes.

XVI. Commitments for personnel rights

In accordance with existing legislation in Turkey, the banks have to make certain lump-sum payments to employees whose employment is terminated due to retirement or reasons other than resignation or misconduct. Such payments are calculated on the basis of 30 days' pay per year of employment at the rate of pay applicable at the date of retirement or termination. Provision for employee severance benefits has been accounted for in accordance with TAS 19 "Employee Benefits", by using actuarial method and discounting total provision by using the current market yield at the balance sheet date on government bonds.

The principal actuarial assumptions used are as follows:

	31.12.2007	31.12.2006
	%	%
Discount rate	5.71	5.71
Expected rate of salary/limit increase	5.00	5.00
Turnover rate to estimate the probability of retirement	7.31	7.31

The computation of the liability is predicated upon retirement pay ceiling announced by the Government. The ceiling amount at 31 December 2007 is YTL 2.030; at 31 December 2006 it was YTL 1.857.

There are no employees who have been on an employment contract that will terminate within more than twelve months from the balance sheet date.

There are no employees who are members of foundations, pensions and similar associations.

XVII. Taxation

1. Current taxes

In accordance with the amendments made to the tax legislation by Law No. 5520, effective 21 June 2006, the corporate tax rate is levied at the rate 20% (30% for 2005), beginning from 2006. In accordance with the tax legislation, corporate taxes are paid in advance based on the tax base calculated on the quarterly earnings of the companies at the rate of 30%. These payments can be deducted from the annual corporate tax calculated for the whole year earnings. Such taxes paid in advance that are deducted from the final corporate tax liability are reflected as "Current Tax Assets" on the assets side of the balance sheet.

Companies file their tax returns between the 1st and 25th days of the following four months period after to which they relate and the payments are made until the end of that month.

The provision for corporate tax for the period is reflected as the "Current Tax Liability" and "Current Tax Provision" in the financial statements.

In accordance with the Corporate Tax Law, tax losses can be carried forward for five years. The tax authorities can inspect tax returns and the related accounting records back to a maximum period of five years.

Effective from 24 April 2003, statutory income, including retained earnings from 2002 and before, is not subject to withholding tax if retained, or transferred to share capital or distributed as dividend to the full fledged taxpayer corporations. However, it is subject to withholding tax at 10% if distributed as dividend to full fledged individual taxpayers, taxpayers who are exempt from corporate and income taxes, non-resident taxpayer companies (except for those companies having local offices or representatives) and non-resident individual taxpayers. That withholding tax has decreased to 15% by the Resolution of the Council of Ministers no. 2006/10731, dated 22 July 2006.

2. Deferred taxes

In accordance with TAS 12 “Income Taxes”, the Bank accounts for deferred taxes based on the tax effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets and liabilities have been offset in the financial statements, resulting in a net deferred tax asset of YTL 14,789.

Deferred taxes directly related to equity items are recognized and offset in related equity accounts.

XVIII. Additional explanations on borrowings

Instruments representing the borrowings are initially recognized at cost and measured by a discounting method based on the internal rate of return. Foreign currency borrowings have been translated using the foreign currency buying rate of the Bank at the balance sheet date. Interest expense incurred for the period has been recognized in the accompanying financial statements.

The Bank uses general hedging techniques for borrowings against liquidity, interest rate and currency risks. However, these are not regarded as hedging instruments according to TAS 39.

As of the balance sheet date, there are no convertible bonds issued and there exist no financial instruments representing borrowings issued by the Bank.

XIX. Paid-in capital

Transactions related to issuance of share certificates are explained in footnote 5.II.12. There are no dividends declared subsequent to the balance sheet date.

XX. Acceptances

Acceptances are realized simultaneously with the customer payments and recorded in off-balance sheet accounts, if any.

As of the balance sheet date, there are no acceptances recorded as liability in return for assets.

XXI. Government grants

As of the balance sheet date, the Bank does not have any government grants.

XXII. Segment reporting

Segment reporting is made according to the 28th article of BRSA’s “Communique on Financial Statements and the Accompanying Explanations and Footnotes to be Announced to the Public”, dated 10 February 2007 which is published in the Official Gazette No. 26430, and is presented in Section Four, footnote IX.

XXIII. Other explanations

Turkish Financial Reporting Standard no.7 - Financial Instruments: Disclosures (“TFRS 7”) is applied for the periods starting from 1 January 2007.

SECTION FOUR

FINANCIAL POSITION

I. Capital adequacy ratio

The Bank's capital adequacy ratio is 13.20% as of 31 December 2007. Minimum requirement for this ratio is stipulated as 8% in related legislation.

1. Risk measurement methods in the calculation of capital adequacy ratio

Capital adequacy ratio is calculated in accordance with the "Regulation on Measurement and Assessment of Capital Adequacy Ratio of Banks" published in the Official Gazette No.26333, dated 1 November 2006. For the calculation of the capital adequacy ratio, the accounting records prepared in compliance with the current legislation are used. According to the requirements of the Regulation, starting from 30 June 2007, operational risk is included in the computation of capital adequacy ratio. Moreover, market risk value is calculated in accordance with the "Regulation on Banks' Internal Control and Risk Management Systems" and factored into capital adequacy ratio.

The items deducted from the capital base are not included in the calculation of risk weighted assets, non-cash loans and liabilities. For the calculation of risk weighted assets, impairments, depreciation and amortization, and provisions are considered as deduction items.

For the calculation of their risk-based values, non-cash loans are weighted after netting with specific provisions that are classified under liabilities and calculated based on the "Regulation on the Principles and Procedures Related to the Determination of the Loans and Other Receivables for which Provisions Shall be Set Aside by Banks and to the Provisions to be Set Aside". The net amounts are then multiplied by the rates stated in the Article 21, paragraph (1) of "Regulation on the Establishment and Operations of Banks". For the calculation of their risk based values, derivative financial instruments are re-weighted and classified according to the related risk groups after being multiplied by the rates stated in the Article 21, paragraph (2) of "Regulation on the Establishment and Operations of Banks".

2. Unconsolidated capital adequacy ratio

	31.12.2007				
	0%	10%	20%	50%	100%
Credit Risk Base					
Balance Sheet Items (Net)	3,541,151	--	599,509	1,686,854	8,657,677
Cash in Vault	210,923	--	21	--	--
Due Dated Financial Assets	--	--	--	--	--
Central Bank of Turkey	145,647	--	--	--	--
Domestic and Foreign Banks, Foreign Branches	--	--	563,285	--	24,405
Interbank Money Market	--	--	--	--	--
Receivables from Reverse Repos	--	--	--	--	--
Reserve Deposits	320,231	--	--	--	--
Loans	758,455	--	25,173	1,652,952	7,710,694
Non-performing Loans (Net)	--	--	--	--	46,487
Receivables from Leasing Operations	--	--	--	--	--
Investments Available-for-Sale	1,900,579	--	--	--	5,980
Investments Held-to-Maturity	--	--	9,194	--	--
Receivables from Sale of Assets	--	--	--	--	--
Miscellaneous Receivables	--	--	--	--	186,522
Accrued Interest and Other Income	128,635	--	1,836	33,902	159,528
Investments in Associates, Subsidiaries and Joint Ventures (Net)	--	--	--	--	355,725
Tangible Assets	--	--	--	--	117,749
Other Assets	76,681	--	--	--	50,587
Off-Balance Sheet Items	58,534	--	1,332,394	421,291	1,785,255
Non-Cash Loans and Commitments	58,534	--	1,194,202	421,291	1,772,546
Derivatives	--	--	138,192	--	12,709
Accounts Not Risk Weighted	--	--	--	--	--
Total Risk Weighted Assets	3,599,685	--	1,931,903	2,108,145	10,442,932

3. Summary information related to unconsolidated capital adequacy ratio

	Current period	Prior period
Risk Weighted Assets	11,883,385	8,641,774
Value at Risk	343,363	309,350
Operation Risk (*)	1,101,051	--
Shareholders' Equity	1,759,472	1,388,419
Shareholders' Equity / (RWA+VAT+OR)*100	%13.20	%15.51

(*) Operational risk is computed in accordance with the "Regulation on Measurement and Evaluation of the Capital Adequacy of the Banks", as published in the Official Gazette dated 1 November 2006 and numbered 26333. In line with the Regulation, operational risk is computed for the first time as of 30 June 2007.

RWA: Risk Weighted Assets

VAT: Value at Risk

OR: Operational Risk

4. Components of shareholders' equity

	Current Period	Prior Period
CORE CAPITAL		
Paid-in Capital	316,100	316,100
Nominal Capital	316,100	316,100
Capital Commitments (-)	--	--
Capital Reserves Arising From Inflation Adjustments to Paid-in Capital	189,164	189,164
Share Premium	98,351	98,351
Share Cancellation Profit	--	--
Legal Reserves	29,484	15,666
I. Legal Reserve (Turkish Commercial Code 466/1)	29,484	15,666
II. Legal Reserve (Turkish Commercial Code 466/2)	--	--
Other Legal Reserve per Special Legislation	--	--
Status Reserves	--	--
Extraordinary Reserves	577,580	305,238
Reserve Allocated at the General Assembly	581,975	300,742
Retained Earnings	--	--
Accumulated Losses	--	--
Foreign Currency Translation Differences	(4,395)	4,496
Inflation Component of Legal Reserves, Status Reserves and Extraordinary Reserves	--	--
Profit	225,383	295,050
Current Period Profit	211,250	276,344
Prior Periods' Profit	14,133	18,706
Free Provisions Booked for Possible Losses (Up to 25% of the Core Capital)	--	542
Gain on Sale of Real Estate and Investments in Associates and Subsidiaries to be Added to the Share Capital	--	--
Primary Subordinated Loans (Up to 15% of the Core Capital)	--	--
Accumulated Losses (-)	--	--
Current Period Loss	--	--
Prior Periods' Loss	--	--
Leasehold Improvements (-)	51,804	31,984
Prepaid Expenses (-)	16,368	14,262
Intangible Assets (-)	11,410	11,020
Deferred Tax Assets (Amount Exceeding 10% of the Core Capital) (-)	--	--
Amount Excess of Article 56/3 of the Law (-)	--	--
Total Core Capital	1,356,480	1,162,845
SUPPLEMENTARY CAPITAL		
General Loan Loss Reserves	78,987	52,559
45% of Revaluation Fund of Securities	--	--
45% of Revaluation Fund of Real Estate	--	--
Revaluation Surplus	81	4,701
Amount not Included in Core Capital for Primary Subordinated Loans	--	--
Secondary Subordinated Loans	348,187	166,617
45% of Securities Value Increase Fund	8,559	5,492
Associates and Subsidiaries	--	--
Investments Available-for-Sale	8,559	5,492
Inflation Component of Capital Reserves, Profit Reserves and Prior Period Profits	--	--
Total Supplementary Capital	435,814	229,369
TIER III CAPITAL		
CAPITAL	1,792,294	1,392,214
DEDUCTIONS FROM CAPITAL	32,822	3,795
Shares in Unconsolidated Banks and Financial Institutions	--	--
Secondary Subordinated Loans Granted to Banks, Financial Institutions (Foreign and Domestic), or Preferred Shareholders, and Primary/Secondary Subordinated Loans Obtained from Them	--	--
Shares in Banks and Financial Institutions Accounted under the Equity Method	32,822	3,795
Loans Granted in Violation of the Articles 50 and 51 of the Law	--	--
Amount in Excess of 50% of the Equities of the Net Book Value of the Real Estate of the Banks, and Net Book Value of the Assets Held for Sale that Should Be Disposed of According to the Article 57 of the Law which is not Disposed of in Five Years	--	--
Others	--	--
TOTAL SHAREHOLDERS' EQUITY	1,759,472	1,388,419

As explained in Section Three "Accounting Policies", 2nd article "Disclosures related to the first time application of Turkish Accounting Standards", "prior years profit/loss" has been increased by YTL 14,133. In case this amount had been reflected to the prior period's calculation, the shareholders' equity and the capital adequacy ratio would have been 1,397,876 and 15.60%, respectively.

II. Credit risk

1. Information on risk concentrations by debtors or group of debtors or geographical regions and sectors, basis for risk limits and the frequency of risk appraisals

Credit risk is the risk that the counterparties may be unable to meet in full or part their commitments arising from contracts.

Credit risk limits of the customers are determined based on the customers' financial strength and the credit requirement, within the credit authorization limits of the branches, the credit evaluation group, the regional directorates, the executive vice president responsible from loans, the general manager, the credit committee and the board of directors.

Credit risk limits that are determined on customer and customer group basis are closely followed up. Previously determined credit limits are reassessed on a weekly basis according to changing conditions.

Information on determination and distribution of risk limits for daily transactions, monitoring of risk concentrations related to off-balance sheet items per customer and dealer basis:

Risk limits relating to daily transactions are monitored on a daily basis. Off-balance sheet risk concentrations are followed-up strictly.

Information on periodical analysis of creditworthiness of loans and other receivables per legislation, inspection of account vouchers taken against new loans, if not inspected, the reasons for it, credit limit renewals, collaterals against loans and other receivables:

The Bank has process instructions for loans, follow-up and control procedures for loans and risk classifications in accordance with the banking legislation.

The Bank aims to get early warning signals on all customers in its loan portfolio in the event of any emerging structural problems and cyclical changes. This way, problematic customers are determined properly and necessary precautions are taken.

Care is given to obtain collaterals against loans. It is preferred to obtain highly liquid collaterals such as bank guarantees, real estate and ship mortgages, pledges on securities and sureties of the persons and companies.

2. Information on the control limits of the Bank for forward transactions, options and similar contracts, management of credit risk for these instruments together with the potential risks arising from market conditions

The Bank has control limits defined for the positions arising from forward transactions, options and similar contracts. Credit risk for these instruments is managed together with those arising from market conditions.

3. Information on whether the Bank decreases the risk by liquidating its forward transactions, options and similar contracts in case of facing a significant credit risk or not

Forward transactions can be realized at maturity. However, if it is required, reverse positions of the current positions are purchased to decrease the risk.

4. Information on whether the indemnified non-cash loans are evaluated as having the same risk weight as non-performing loans or not

Indemnified non-cash loans are treated as having the same risk weight as non-performing loans.

Information on whether the loans that are renewed and rescheduled are included in a new rating group as determined by the Bank's risk management system, other than the follow-up plan defined in the banking regulations or not; whether new precautions are considered in these methods or not; whether the Bank's risk management accepts long term commitments as having more risk than short term commitments which results in a diversification of risk or not

Loans that are renewed and rescheduled are included in a new rating group as determined by the Bank's risk management system, other than the follow-up plan defined in the banking regulations.

The Bank's risk management accepts long term commitments as having more risk than short term commitments which results in a diversification of risk and are followed up periodically.

5. Evaluation of the significance of country specific risk if the banks have foreign operations and credit transactions in a few countries or these operations are coordinated with a few financial entities

There is no significant credit risk since the Bank's foreign operations and credit transactions are conducted in OECD or European Union member countries.

Evaluation of the Bank's competitive credit risk as being an active participant in the international banking transactions market

Being an active participant in the international banking transactions market, the Bank does not have significant credit risk as compared to other financial institutions.

6. The Bank's top 100 cash and top 100 non cash loans customers-

a) The share of the top 100 cash loan customers in the total cash loans portfolio:

The share of the top 100 cash loan customers comprise 28% of the total cash loans portfolio (31 December 2006: 30%).

b) The share of the top 100 non-cash loan customers in the total loan non-cash loans portfolio:

The share of the top 100 non-cash loan customers comprise 55% of the total non-cash loans portfolio (31 December 2006: 56%).

c) The share of the total cash and non-cash loan balance of the top 100 loan customers in the total assets and off-balance sheet items:

The Bank's total cash and non-cash loans from its top 100 loan customers comprise 17% of the total assets and off-balance sheet items (31 December 2006: 17%).

7. The Bank's general loan provision for its loans

As at 31 December 2007, the Bank's general loan provision amounts to YTL 78,987 (31 December 2006: YTL 52,559).

8. Information according to credit users and geographical concentration

	Loans Utilized to Retail and Corporate Customers		Loans Utilized to Banks and Other Fin.Inst.		Securities*		Other Loans **	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Distribution of loans according to customers								
Private Sector	7,271,291	4,720,331	--	--	11,861	15,306	6,669,040	5,416,557
Public Sector	15,308	--	--	--	2,273,214	1,033,074	4	--
Banks	23,241	30,409	735,841	2,404,325	29,780	31,570	4,278,245	2,133,104
Retail Customers	3,095,171	2,074,232	--	--	--	--	2,333,769	2,554,337
Share Certificates	--	--	--	--	7,049	14,896	--	--
Total	10,405,011	6,824,972	735,841	2,404,325	2,321,904	1,094,846	13,281,058	10,103,998
Information on geographic distribution								
Domestic	10,299,188	6,659,088	367,342	405,552	2,282,436	1,047,271	8,768,733	7,526,672
European Union Countr.	54,576	63,047	168,517	1,547,458	29,716	31,571	3,223,878	1,189,048
OECD Members ***	567	35,016	8,608	140,957	--	--	605,700	566,341
Off-Shore Banking	3,100	2,720	--	--	--	--	3,397	3,255
USA, Canada	4,396	10,940	169,952	309,882	9,688	12,630	427,896	505,994
Other Countries	43,184	54,161	21,422	476	64	3,374	251,454	312,688
Total	10,405,011	6,824,972	735,841	2,404,325	2,321,904	1,094,846	13,281,058	10,103,998

* Includes securities in trading, available for sale and held to maturity portfolios.

** Transactions as defined in Banking Law no.5411, Article 48 and those excluded in the first three columns of chart of accounts.

*** OECD member countries other than European Union Members, USA and Canada

9. Information according to geographical concentration

Current Period	Assets	Liabilities	Non-Cash Loans	Capital Investments	Net Profit
Domestic	13,957,049	10,876,211	4,223,854	273,377	167,458
European Union Countries	336,164	2,525,438	310,192	70,060	--
OECD Countries	9,399	34,094	18,070	--	--
Off-Shore Banking Regions	3,099	867,912	2,329	1,068	--
USA, Canada	185,102	230,416	20,534	--	--
Other Countries	65,747	166,964	97,438	11,220	43,792
Subsidiaries, associates and jointly controlled companies	--	--	--	--	--
Unallocated Assets/Liabilities	--	--	--	--	--
Total	14,556,560	14,701,035	4,672,417	355,725	211,250
Prior Period	Assets	Liabilities	Non-Cash Loans	Capital Investments	Net Profit
Domestic	8,621,861	8,626,564	3,754,421	116,999	240,545
European Union Countries	1,679,728	1,331,822	69,065	70,060	--
OECD Countries	175,973	20,434	10,005	--	--
Off-Shore Banking Regions	2,720	260,128	2,556	1,068	--
USA, Canada	333,979	706,872	81,586	--	--
Other Countries	466,581	258,025	157,998	11,220	35,799
Subsidiaries, associates and jointly controlled companies	--	--	--	--	--
Unallocated Assets/Liabilities	--	--	--	--	--
Total	11,280,842	11,203,845	4,075,631	199,347	276,344

10. Sector concentrations for cash loans

	Current Period				Prior Period			
	YTL	(%)	FC	(%)	YTL	(%)	FC	(%)
Agricultural	803,647	11.24	81,287	2.53	537,616	10.85	46,854	2.51
Farming and Raising								
Livestock	788,007	11.02	77,332	2.41	533,235	10.76	46,854	2.51
Forestry	13,060	0.18	3,955	0.12	2,849	0.06	--	0.00
Fishing	2,580	0.04	--	0.00	1,532	0.03	--	0.00
Manufacturing	744,316	10.41	1,529,415	47.64	626,983	12.65	936,056	50.21
Mining	130,723	1.83	373,718	11.64	163,984	3.31	163,822	8.79
Production	559,870	7.83	1,061,633	33.07	461,814	9.32	765,903	41.08
Electric, gas and water	53,723	0.75	94,064	2.93	1,185	0.02	6,331	0.34
Construction	512,485	7.17	217,178	6.77	228,772	4.62	117,889	6.32
Services	1,415,169	19.80	1,124,558	35.03	881,689	17.80	695,856	37.32
Wholesale and retail trade	764,801	10.70	236,388	7.36	355,032	7.17	295,081	15.83
Hotel, food and beverage services	105,792	1.48	206,663	6.44	76,350	1.54	56,946	3.05
Transportation and telecommunication	292,078	4.09	370,172	11.53	116,974	2.36	94,536	5.07
Financial institutions	132,961	1.86	110,496	3.44	302,083	6.10	102,862	5.52
Real estate and renting services	5,299	0.07	38,577	1.20	1,535	0.03	32,277	1.73
Self-employment services	--	0.00	--	0.00	--	0.00	--	0.00
Education services	21,998	0.31	16,473	0.52	14,921	0.30	10,213	0.55
Health and social services	92,240	1.29	145,789	4.54	14,794	0.30	103,941	5.57
Other	3,672,597	51.38	257,872	8.03	2,679,318	54.08	67,927	3.64
Total	7,148,214	100.00	3,210,310	100.00	4,954,378	100.00	1,864,582	100.00

11. Maximum credit risk sensitivity of financial statement items

The table below demonstrates maximum credit sensitivity of financial statement items required by TFRS 7.

	Current Period	Prior Period
Financial Assets at Fair Value through Profit/Loss	369,484	222,785
Banks	589,551	2,180,277
Available for Sale Financial Investments	2,008,960	874,729
Held to Maturity Investments	39,404	44,200
Loans	10,405,011	6,824,972
Total	13,412,410	10,146,963
Guarantees and Sureties	4,672,417	4,075,631
Commitments	3,051,496	2,826,675
Total Credit Risk Sensitivity	21,136,323	17,049,269

12. Distribution of credit risk according to the operational segments

Current Period	Corporate/ Commercial Loans	Consumer Loans	Credit Cards	Total
Standard Loans	7,269,680	2,611,965	461,071	10,342,716
Closely Monitored Loans	15,808	--	--	15,808
Non-performing Loans	102,921	73,358	71,434	247,713
Specific Provisions (-)	87,564	50,666	62,996	201,226
Total	7,300,845	2,634,657	469,509	10,405,011

III. Market risk

Whether the bank within the financial risk management objectives hedges itself against market risk, the precautions taken by the Board of Directors for market risk, the methods used for measuring market risk and time intervals for measurement of market risk

The Bank has defined its risk management procedures and has taken necessary precautions in order to avoid market risks, in compliance with “Regulation on Bank’s Internal Control and Risk Management Systems” and “Regulation on Measurement and Assessment of Capital Adequacy Ratio of Banks”.

As the main precaution against being exposed to market risk, the Bank’s Board of Directors identifies risk limits determined in the context of economic capital.

Standard method and the internal risk measurement model are used in calculating the market risk. The criteria for the standard method have been set by the BRSA and are reported on a monthly basis. Internal risk measurement model is applied on a daily basis.

1. Market risk

	Amount
(I) Capital Obligation against General Market Risk - Standard Method	8,896
(II) Capital Obligation against Specific Risk - Standard Method	1,252
(III) Capital Obligation against Currency Risk - Standard Method	17,305
(IV) Capital Obligation against Commodity Risk - Standard Method	--
(V) Capital Obligation against Clearing Risk - Standard Method	--
(VI) Capital Obligation against Options Subject to Market Risk – Standard Method	16
(VII) Capital Obligation against Market Risk at the Banks calculating Risk Measuring Models	--
(VIII) Total Capital Obligation against Market Risk (I+II+III+IV+V+VI)	27,469
(IX) Value-At-Risk Amount (12,5 x VIII) or (12,5 x VII)	343,363

2. Average market risk calculated on a monthly basis

	Current Period			Prior Period		
	Average	Maximum	Minimum	Average	Maximum	Minimum
Interest Rate Risk	8,488	11,196	3,489	8,920	9,368	10,257
Share Certificate Risk	7,106	9,059	2,380	7,345	1,319	1,283
Currency Risk	12,380	28,095	10,329	12,449	27,270	10,271
Commodity Risk	--	--	--	--	--	--
Clearing Risk	--	--	--	--	--	--
Option Risk	67	311	5	31	5	5
Total Value-At-Risk	350,513	608,263	202,538	359,313	474,525	272,700

IV. Operational risk

The Bank used the “Basic Indicators Approach” in computation of its operational risk. In accordance with the 4th section (Computation of the Operational Risk) which is valid after 1 June 2007, of the “Regulation on Measurement and Evaluation of the Capital Adequacy of the Banks”, published in the Official Gazette dated 1 November 2006 and numbered 26333, operational risk is computed using the gross income of the Bank for the years ended 2006, 2005 and 2004.

Basic Indicators Method	31 December 2006	31 December 2005	31 December 2004
1 Net Interest Income	565,778	454,576	341,838
2 Net Fees and Commissions Income	152,962	105,133	61,423
3 Dividend Income	50,003	32,449	90,762
4 Trading Gain/Loss(Net)	(94,439)	6,807	(9,489)
5 Other Operating Income	200,518	105,154	87,634
6 AFS and HTM Disposal Gain / Loss	64,711	53,769	15,497
7 Extra Ordinary Income (Subsidiaries and Associates Securities including Immovable Selling Income)	120,563	74,286	60,601
8 Indemnities from Insurance	--	--	--
9 Basic Indicator-Gross Income (1+2+3+4+5-6-7-8)	689,548	576,064	496,070
10 Basic Indicator-Capital Liability (9 x %15)	103,432	86,410	74,411
11 Basic Indicator-Op. Risk Capital Lia. Average		88,084	
12 Basic Indicator-Operational Risk (11 x 12,5)		1,101,051	

V. Foreign currency exchange rate risk

1. Whether the bank is exposed to foreign exchange risk, whether the effects of this situation are estimated, and whether the board of directors of the bank sets limits for positions that are monitored daily

Foreign currency exchange and parity risks are not taken by the Bank and transactions are simultaneously hedged in conformity with foreign currency basket of the Central Bank of Turkey. Measurable and manageable risks are taken within legal limits.

Foreign currency exchange rate risk is monitored along with potential evaluation differences in foreign currency transactions in accordance with “Regulation on Bank’s Internal Control and Risk Management Systems”. Standard method is used in measuring currency exchange rate risk on a weekly basis.

The Bank’s Board of Directors reviews the risk limits and makes the necessary changes, daily, based on general economic environment and market conditions.

2. The magnitude of hedging foreign currency debt instruments and net foreign currency investments by using derivatives

The Bank does not hedge foreign currency borrowings and net foreign currency investments by way of derivative instruments.

3. Foreign exchange risk management strategy

Foreign currency exchange and parity risks are not taken by the Bank and transactions are simultaneously hedged in conformity with foreign currency basket of the Central Bank of Turkey. Measurable and manageable risks are taken within legal limits.

4. Bank's spot foreign exchange bid rates as of the balance sheet date and for each of the five days prior to that date

US Dollar purchase rate at the date of the balance sheet	YTL 1.1593
Euro purchase rate at the date of the balance sheet	YTL 1.7060

Date	US Dollar	Euro
25 December 2007	1.1746	1.6917
26 December 2007	1.1715	1.6912
27 December 2007	1.1708	1.6976
28 December 2007	1.1647	1.7102
31 December 2007	1.1593	1.7060

5. The basic arithmetical average of the bank's foreign exchange bid rate for the last thirty days

The arithmetical average of the Bank's US Dollar and Euro purchase rates for December 2007 are YTL 1.1723 and YTL 1.7081, respectively.

6. Information on currency risk

Current Period	EUR	USD	JPY	Others	Total
Assets					
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey.	88,279	471,963	516	9,464	570,222
Due from Banks and Other Financial Institutions	147,582	399,873	2,561	37,498	587,514
Financial Assets at Fair Value Through Profit or Loss	7,298	21,985	--	--	29,283
Interbank Money Market Placements	--	--	--	--	--
Investment Securities Available-for-Sale	36,878	145,918	--	--	182,796
Loans (*)	1,341,378	2,721,855	13,137	48,096	4,124,466
Investments in Subsidiaries and Associates(***)	70,061	12,287	--	--	82,348
Investment Securities Held-to-Maturity	29,716	9,688	--	--	39,404
Hedging Purpose Financial Derivatives	--	--	--	--	--
Tangible Assets	--	7	--	--	7
Intangible Assets	--	93	--	--	93
Other Assets	63,924	74,346	--	19,120	157,390
Total Assets	1,785,116	3,858,015	16,214	114,178	5,773,523
Liabilities					
Bank Deposits	73,688	120,031	15	1,022	194,756
Foreign Currency Deposits	1,237,893	2,262,326	6,920	74,223	3,581,362
Interbank Money Markets	--	--	--	--	--
Funds Borrowed from Other Financial Institutions	301,299	1,799,309	30	15,852	2,116,490
Marketable Securities Issued	--	--	--	--	--
Miscellaneous Payables	1,906	6,514	--	84	8,504
Hedging Purpose Financial Derivatives	--	--	--	--	--
Other Liabilities (**)	192,805	262,473	378	75	455,731
Total Liabilities	1,807,591	4,450,653	7,343	91,256	6,356,843

Net On Balance Sheet Position	(22,475)	(592,638)	8,871	22,922	(583,320)
Net Off Balance Sheet Position	(143,299)	691,108	(6,589)	(1,844)	539,376
Financial Derivatives (Assets)	624,892	2,343,821	71,239	260,505	3,300,457
Financial Derivatives (Liabilities)	768,191	1,652,713	77,828	262,349	2,761,081
Non-Cash Loans	805,572	2,285,649	5,697	55,442	3,152,360
Prior Period					
Total Assets	1,317,893	4,493,467	1,352	73,106	5,885,818
Total Liabilities	1,230,804	4,792,315	4,280	54,649	6,082,048
Net On Balance Sheet Position	87,089	(298,848)	(2,928)	18,457	(196,230)
Net Off Balance Sheet Position	(163,642)	556,022	3,741	(14,884)	381,237
Financial Derivatives (Assets)	473,343	1,595,219	61,728	359,647	2,489,937
Financial Derivatives (Liabilities)	636,985	1,039,197	57,987	374,531	2,108,700
Non-Cash Loans	695,170	2,042,824	6,316	49,953	2,794,263

(*) : Assets indexed to foreign currency are included.

(**) : FC equity items are excluded.

(***) : Inflation difference on FC investments are included.

6.1 Currency risk exposure

The table below demonstrates prospective increase and decrease in equity and profit/loss as of 31 December 2007 and 2006 (excluding tax effect) on condition that YTL devaluates 10 per cent against the currencies below. This analysis has been prepared under the assumption that other variables, especially interest rates, are stable.

	Current Period		Prior Period	
	Profit or Loss	Equity (*)	Profit or Loss	Equity (*)
USD	18,863	18,863	24,751	24,751
EUR	(15,778)	(15,778)	(7,291)	(7,291)
Other FC	2,027	2,027	411	411
Total (Net)	(5,112)	(5,112)	17,871	17,871

(*) Equity effect consists of income statement effect of 10 per cent devaluation of YTL against other currencies in the table.

VI. Interest rate risk

1. Interest rate sensitivity of the assets, liabilities and off-balance sheet

Standard method is used in measuring the interest rate risk of assets, liabilities and off-balance sheet items.

2. The expected effects of the fluctuations of market interest rates on the Bank's financial position and cash flows, the expectations for interest income, and the limits the board of directors has established on daily interest rates

The Bank relies on historical stress-testing in determining limits against negative market conditions and monitors the risk within this context.

Market interest rates are monitored daily and interest rates are revised when necessary.

3. The precautions taken for the interest rate risk the Bank was exposed to during the current year and their expected effects on net income and shareholders' equity in the future periods

The Bank uses value at risk, historical stress-testing, gapping and duration gap methods to analyze and take precautions against interest rate risk faced during current period. Interest rate risk is minimized, by way of historical stress-testing.

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

Current Period	Up to 1 Month	1 – 3 Months	3 – 12 Months	1 – 5 Years	5 Years and Over	Non-Interest Bearing	Total
Assets							
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	--	330,330	--	--	--	357,235	687,565
Due from Banks and Other Fin.Inst.	352,336	18,371	--	3,332	--	215,512	589,551
Financial Assets at Fair Value Through Profit or Loss	50,023	10,748	98,202	186,785	20,546	3,180	369,484
Interbank Money Market Placements	--	--	--	--	--	--	--
Investment Securities Av.-for-Sale	459,191	30,330	91,203	1,347,110	77,257	3,869	2,008,960
Loans	2,554,157	1,418,071	1,612,866	3,613,878	1,159,552	46,487	10,405,011
Investment Securities Held-to-Mat.	9,688	1,420	28,296	--	--	--	39,404
Other Assets(*)	260,833	--	--	--	--	551,477	812,310
Total Assets	3,686,228	1,809,270	1,830,567	5,151,105	1,257,355	1,177,760	14,912,285
Liabilities							
Bank Deposits	365,620	1,057	--	--	--	489,343	856,020
Other Deposits	5,509,635	662,307	104,942	15,927	--	2,068,560	8,361,371
Interbank Money Market Placements	767,679	--	--	--	--	--	767,679
Miscellaneous Payables	--	--	--	--	--	238,087	238,087
Marketable Securities Issued	--	--	--	--	--	--	--
Funds Borrowed from Other Fin.Inst.	316,419	1,444,858	269,351	201,444	--	--	2,232,072
Other Liabilities(**)	15,625	274,728	183,718	128,968	17,440	1,836,577	2,457,056
Total Liabilities	6,974,978	2,382,950	558,011	346,339	17,440	4,632,567	14,912,285
On Balance Sheet Long Position	--	--	1,272,556	4,804,766	1,239,915	--	7,108,387
On Balance Sheet Short Position	(3,288,750)	(573,680)	--	--	--	(3,454,807)	(7,108,387)
Off Balance Sheet Long Position	--	--	--	--	--	--	--
Off Balance Sheet Short Position	--	--	--	--	--	--	--
Total Interest Sensitivity Gap	(3,288,750)	(573,680)	1,272,556	4,804,766	1,239,915	(3,454,807)	--

(*) Other assets/non-interest bearings; tangible assets, intangible assets, investments in associates, investments in subsidiaries, deferred tax assets, assets held for sale, and other assets with balances of YTL 154,228, YTL 11,410, YTL 3,323, YTL 352,402, YTL 14,789, YTL 15,325, and YTL 260,833, respectively, are included.

(**) Other liabilities/non-interest bearings; shareholders' equity, subordinated loans, other external resources, provisions, trading purpose derivatives, tax liabilities, and leasing payables with balances of YTL 1,455,163, YTL 362,506, YTL 238,041, YTL 118,669, YTL 194,065, YTL 55,274, and YTL 33,338, respectively, are included.

Prior Period	Up to 1 Month	1 – 3 Months	3 – 12 Months	1 – 5 Years	5 Years and Over	Non- Interest Bearing	Total
Assets							
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	--	411,018	--	--	--	451,663	862,681
Due from Banks and Other Fin.Inst.	1,831,081	1,879	956	--	--	346,361	2,180,277
Financial Assets at Fair Value Through Profit or Loss	35,866	25,637	79,618	31,486	38,897	11,281	222,785
Interbank Money Market Placements	--	--	--	--	--	--	--
Investment Securities Av.-for-Sale	428,344	90,848	141,094	92,864	117,712	3,867	874,729
Loans	1,793,532	1,193,983	1,465,056	1,954,998	411,391	6,012	6,824,972
Investment Securities Held-to-Mat.	--	--	--	12,511	31,689	--	44,200
Other Assets(*)	354	--	--	--	--	470,191	470,545
Total Assets	4,089,177	1,723,365	1,686,724	2,091,859	599,689	1,289,375	11,480,189
Liabilities							
Bank Deposits	89,660	1,339	7,253	--	--	30,589	128,841
Other Deposits	4,686,881	437,810	139,725	4,351	--	1,822,282	7,091,049
Interbank Money Market Placements	196,337	--	--	--	--	--	196,337
Miscellaneous Payables	--	--	--	--	--	230,367	230,367
Marketable Securities Issued	--	--	--	--	--	--	--
Funds Borrowed from Other Fin.Inst.	327,117	1,335,811	464,511	17,961	--	--	2,145,400
Other Liabilities(**)	23,676	16,484	178,343	21,348	6,210	1,442,134	1,688,195
Total Liabilities	5,323,671	1,791,444	789,832	43,660	6,210	3,525,372	11,480,189
On Balance Sheet Long Position	--	--	896,892	2,048,199	593,479	--	3,538,570
On Balance Sheet Short Position	(1,234,494)	(68,079)	--	--	--	(2,235,997)	(3,538,570)
Off Balance Sheet Long Position	--	--	--	--	--	--	--
Off Balance Sheet Short Position	--	--	--	--	--	--	--
Total Interest Sensitivity Gap	(1,234,494)	(68,079)	896,892	2,048,199	593,479	(2,235,997)	--

(*) Other assets/non-interest bearings; tangible assets, intangible assets, investments in associates and investments in subsidiaries, assets held for sale, and other assets with balances of YTL 124,704, YTL 11,020, YTL 3,323, YTL 196,024, YTL 15,363, and YTL 120,111, respectively, are included.

(**) Other liabilities/non-interest bearings; shareholders' equity, subordinated loans, other external resources, provisions, trading purpose derivatives, tax liabilities, and leasing payables with balances of YTL 1,245,931, YTL 166,746, YTL 80,240, YTL 74,828, YTL 40,620, YTL 51,452, and YTL 28,378, respectively, are included.

4. Average interest rates applied to monetary financial instruments

Current Period	EUR	USD	JPY	YTL
	%	%	%	%
Assets				
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	1.80	1.95	--	11.81
Due from Banks and Other Financial Institutions	3.41	5.04	--	16.83
Financial Assets at Fair Value Through Profit or Loss	5.00	6.11	--	17.12
Interbank Money Market Placements	--	--	--	--
Investment Securities Available-for-Sale	5.57	5.81	--	16.95
Loans	6.48	7.02	2.70	21.25
Investment Securities Held-to-Maturity	5.13	7.83	--	--
Liabilities				
Bank Deposits	4.46	4.27	--	17.08
Other Deposits	3.89	4.96	0.28	17.52
Interbank Money Market Placements	--	--	--	--
Miscellaneous Payables	--	--	--	--
Marketable Securities Issued	--	--	--	--
Funds Borrowed from Other Financial Institutions	5.18	6.08	--	12.25
Prior Period				
	%	%	%	%
Assets				
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	1.73	2.52	--	13.12
Due from Banks and Other Financial Institutions	3.59	5.32	--	18.87
Financial Assets at Fair Value Through Profit or Loss	5.18	6.45	--	20.51
Interbank Money Market Placements	--	--	--	--
Investment Securities Available-for-Sale	4.83	5.64	--	20.94
Loans	6.22	7.00	--	21.75
Investment Securities Held-to-Maturity	4.97	8.89	--	--
Liabilities				
Bank Deposits	--	5.25	--	18.64
Other Deposits	3.43	5.36	0.20	18.81
Interbank Money Market Placements	--	--	--	--
Miscellaneous Payables	--	--	--	--
Marketable Securities Issued	--	--	--	--
Funds Borrowed from Other Financial Institutions	5.87	5.96	--	16.62

5. Possible effects of interest rate sensitivity of financial assets and liabilities on net income and equity in the future

The interest rate sensitivity of the income statement at 31 December 2007 is calculated by the effect of possible changes in interest rates on the floating rate, non-trading financial assets and liabilities. The sensitivity of the equity is calculated by the revaluation of the available for sale securities portfolio based on possible interest rate changes. Tax effects are ignored during calculations. Other variables, especially foreign exchange rates are held constant in the analysis.

	Current Period		Prior Period	
	1% increase	1% decrease	1% increase	1% decrease
Period Profit/Loss	(4,859)	5,051	(2,061)	2,141
Equity (*)	(28,477)	29,621	(7,853)	8,164

(*) Equity effect also includes the income statement effect.

VII. Liquidity risk

1. The sources of the current liquidity risk of the Bank; whether the necessary precautions have been taken, whether the Board of directors sets limits on the funds available to meet the urgent liquidity requirements and to be able pay borrowings when they become due

Liquidity risk arises from maturity mismatch between assets and liabilities. Maturity mismatch between assets and liabilities is kept under control based on certain criteria set by the Bank. The Bank maintains liquid assets to guarantee sufficient liquidity during market fluctuations. In order to meet any urgent liquidity needs, approximately 6% of the balance sheet is allocated to cash balances, 8% to investment securities which are cash equivalent, and the present borrowing limits (such as Central Bank of Turkey and ISE repurchase market) are not used. The Bank's short-term liquidity needs are mainly met with deposits and short-term funds borrowed from foreign banks.

2. Whether the payments, assets and liabilities match with the interest rates, and whether the effect of mismatch on profitability is measured

The Bank's payments, assets and liabilities match with the interest rates.

3. Internal and external sources to meet the short and long-term liquidity needs, significant sources of liquidity that are not utilized

Approximately 6% of balance sheet size is allocated to cash balances, 8% to investment securities which are cash equivalent in order to meet any urgent liquidity needs. The present borrowing limits (such as Central Bank of Turkey and ISE repurchase market) are not used. The Bank's short-term liquidity needs are mainly met with deposits and short-term funds borrowed from foreign banks.

4. Evaluation of the Bank's cash flows and their resources

Cash flows of the Bank mainly consist of New Turkish Lira, US Dollars and Euro. In the short and long run, liquidity needs or surplus funds are utilized in interbank money market placements, deposits and loans.

5. Liquidity ratios of the Bank

According to the requirements of BRSA's "Regulation on Calculation of Liquidity Adequacy of the Banks", dated 1 November 2006 which is published in the Official Gazette No.26333, the Banks are obliged to maintain a liquidity ratio of 80% on foreign currency denominated assets/liabilities, and 100% on total assets/liabilities, calculated on a weekly and monthly basis, effective from 1 June 2007. The ratios of 2007 were as follows:

	First Maturity Segment (Weekly)		Second Maturity Segment (Monthly)	
	FC	FC + YTL	FC	FC + YTL
Average (%)	142.78	125.83	116.82	107.64
Max. (%)	181.50	146.15	144.82	130.19
Min. (%)	111.25	108.60	98.01	102.06

6. Presentation of assets and liabilities according to their outstanding maturities

Current Period	Demand	Up to 1 Month	1 – 3 Months	3 – 12 Months	1 – 5 Years	5 Years and Over	Undist. (*)	Total
Assets								
Cash (Cash in Vault, Foreign Currencies, Cash in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	357,235	--	330,330	--	--	--	--	687,565
Due from Banks and Other Financial Institutions	215,512	352,336	18,371	--	3,332	--	--	589,551
Financial Assets at Fair Value Through Profit or Loss	--	8,391	9,207	137,851	189,212	21,643	3,180	369,484
Interbank Money Market Placements	--	--	--	--	--	--	--	--
Investment Securities Available-for-Sale	--	11,546	8,536	508,130	1,399,622	77,257	3,869	2,008,960
Loans	46,487	2,216,975	845,767	2,387,664	3,738,118	1,170,000	--	10,405,011
Investment Securities Held-to-Maturity	--	--	1,420	--	11,362	26,622	--	39,404
Other Assets	242,245	--	--	--	--	--	570,065	812,310
Total Assets	861,479	2,589,248	1,213,631	3,033,645	5,341,646	1,295,522	577,114	14,912,285
Liabilities								
Bank Deposits	489,343	365,620	1,057	--	--	--	--	856,020
Other Deposits	2,068,560	5,509,635	662,307	104,942	15,927	--	--	8,361,371
Funds Borrowed from Other Financial Institutions	--	303,925	1,029,214	262,944	230,234	405,755	--	2,232,072
Interbank Money Markets	--	767,679	--	--	--	--	--	767,679
Marketable Securities Issued	--	--	--	--	--	--	--	--
Miscellaneous Payables	238,087	--	--	--	--	--	--	238,087
Other Liabilities	207,471	15,625	65,878	30,062	128,969	379,946	1,629,105	2,457,056
Total Liabilities	3,003,461	6,962,484	1,758,456	397,948	375,130	785,701	1,629,105	14,912,285
Net Liquidity Gap	(2,141,982)	(4,373,236)	(544,825)	2,635,697	4,966,516	509,821	(1,051,991)	--
Prior Period								
Total Assets	915,377	3,577,793	1,185,375	1,974,962	2,810,076	642,609	373,997	11,480,189
Total Liabilities	2,083,238	5,323,672	660,821	1,332,028	465,340	172,956	1,442,134	11,480,189
Net Liquidity Gap	(1,167,861)	(1,745,879)	524,554	642,934	2,344,736	469,653	(1,068,137)	--

(*) Certain assets on the balance sheet that are necessary for the banking operations but not convertible into cash in short period such as tangible assets, investments in associates and subsidiaries, stationary supplies, prepaid expenses are included in this column.

VIII. Presentation of financial assets and liabilities at their fair value

Estimated fair value of investment securities available for sale and held to maturity are determined by their quoted market prices or prices of instruments with similar interest rates, maturities and other variables, in case an active market is not available.

Estimated fair value of loans and deposits are calculated by discounting their cash flows with current market rates. Fair value of floating rate items are accepted to approximate their carrying values.

	Carrying value		Fair value	
	Current period	Prior period	Current period	Prior period
Financial Assets	13,042,926	9,924,178	13,043,638	9,819,821
Interbank money market placements	--	--	--	--
Due from banks and other financial institutions	589,551	2,180,277	589,696	2,180,284
Investment securities available-for-sale	2,008,960	874,729	2,008,960	874,729
Investment securities held-to-maturity (*)	39,404	44,200	39,404	44,200
Loans	10,405,011	6,824,972	10,405,578	6,720,608
Financial Liabilities	12,050,056	9,762,403	12,055,964	9,753,079
Bank deposits	856,019	129,224	856,035	129,191
Other deposits	8,361,372	7,090,666	8,363,003	7,092,109
Funds borrowed from other financial institutions	2,594,578	2,312,146	2,598,839	2,301,412
Marketable securities issued	--	--	--	--
Miscellaneous payables	238,087	230,367	238,087	230,367

(*) Fair value of held to maturity investments are accepted to approximate their carrying values since no active market exists.

IX. Activities carried out on behalf and account of other persons

1. Information on whether the Group performs sales, purchase, management, consultancy and custody services on behalf and account of others, or not

The Bank performs sales, purchase, management, consultancy and custody services on behalf and account of others persons.

2. Are there transactions directly realized with other financial institutions depending on religious beliefs contracts? And is there a possibility of material effect on the financial situation of the Bank or Group induced from these kinds of transactions?

None.

X. Segment reporting

The Bank is mainly active in three areas; retail banking, corporate banking and treasury and investment banking.

In retail banking, it offers loan products (general purpose, mortgage, and auto), credit cards, investment products (mutual funds, shares, government bonds, and repos), deposit products (time, demand, protected), insurance products, SME loans as well as agricultural loans. Alternative distribution channels allow customers to meet their banking needs without the need to physically visit the branches. Among products that meet everyday needs of customers are overdraft loans, automated bill payment, checkbooks and rental safes.

Corporate banking offers financial and banking solutions to large-scale local and international corporate and commercial customers. In order to meet customer needs related to projects, investment and working capital, corporate banking offers short- and long-term working capital loans, investment loans, non-cash loans, foreign exchange transactions, export finance, project finance, structured finance, corporate finance services, clearing, deposit products and cash management services.

Within treasury and investment banking, sales, prop-trading and private banking departments offer spot and forward YTL and foreign exchange transactions, sales transactions of local and international bonds and derivative products. Servicing the upper segment of retail customers who require sophisticated banking and investment services falls within the scope of private banking.

Segment information of the Bank is presented in the following table:

	Retail Banking	Corporate Banking	Treasury and Investment Banking	Total
Operating income	651,162	271,842	36,260	959,264
Net operating income	144,352	111,400	14,545	270,297
Income from associates				--
Provision for taxes on income				(59,047)
Net profit for the period				211,250
Segment assets	4,868,431	5,536,580	3,694,964	14,099,975
Subsidiaries and associates				355,725
Undistributed assets				456,585
Total assets				14,912,285
Segment liabilities	5,490,103	3,714,924	3,568,686	12,773,713
Undistributed liabilities				683,409
Shareholders' equity				1,455,163
Total liabilities				14,912,285

SECTION FIVE

DISCLOSURES AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS

I. Information and disclosures related to assets

1. Cash and balances with the Central Bank of Turkey

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Cash	83,644	127,279	68,991	150,980
Central bank of Turkey	33,699	121,000	78,301	151,691
Other	--	321,943	--	412,718
Total	117,343	570,222	147,292	715,389

1.1 Balances with the Central Bank of Turkey

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Unrestricted Demand Deposits	33,699	121,000	78,301	151,691
Unrestricted Time Deposits	--	--	--	--
Restricted Time Deposits	--	--	--	--
Total	33,699	121,000	78,301	151,691

1.2 Explanation related to "Other" item

According to the no. 2005/1 announcement of the Central Bank of Turkey, "Announcement on Reserve Deposits", all banks operating in Turkey should provide a reserve amounting to 6% of the liabilities in Turkish Lira and 11% of the liabilities in foreign currencies. The Central bank of Turkey makes interest payments on a quarterly basis. The interest rates given by the Central Bank of Turkey are 11.81% for YTL, 1.95% for USD and 1.80% for Euro as of 31 December 2007.

2. Financial assets at fair value through profit or loss

2.1 Trading securities given as collateral or blocked

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Share Certificates	--	--	--	--
Bonds, Treasury Bills and Similar				
Marketable Securities	--	151	851	178
Other	--	--	--	--
Total	--	151	851	178

Trading securities given as collateral represent those collaterals given to Central Bank of Turkey, and ISE Clearing and Custody Bank (Takasbank) for liquidity, interbank money market, foreign exchange market and other transactions.

2.2 *Trading securities subject to repurchase agreements*

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Government Bonds	92,397	--	73,151	--
Treasury Bills	--	--	--	--
Other Debt Securities	--	--	--	--
Bonds Issued or Guaranteed by Banks	--	--	--	--
Asset Backed Securities	--	--	--	--
Other	--	--	--	--
Total	92,397	--	73,151	--

2.3 *Positive value of trading purpose derivatives*

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Forward Transactions	592	3,193	1,187	9,317
Swap Transactions	68,581	4,454	32,328	1,042
Futures	--	135	--	117
Options	13,398	5,591	111	2,753
Other	--	--	--	13
Total	82,571	13,373	33,626	13,242

3. **Banks**

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Domestic	2,037	219,015	53,131	128,372
Foreign	--	368,499	9,936	1,988,838
Foreign Head Offices and Branches	--	--	--	--
Total	2,037	587,514	63,067	2,117,210

Information on foreign bank accounts

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
EU Countries	163,836	1,544,964	4,683	2,495
USA, Canada	169,856	307,493	96	2,389
OECD Countries (*)	8,608	140,957	--	--
Off Shore Banking Zones	--	--	--	--
Other	21,282	476	138	--
Total	363,582	1,993,890	4,917	4,884

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

4. Information on investment securities available-for-sale

4.1 Major types of investment securities available-for-sale

Investment securities available-for-sale consist of Çukurova Holding A.Ş. share certificates (YTL 3,869) that are not quoted at Istanbul Stock Exchange; and debt securities representing government bonds; Eurobonds and foreign currency government bonds issued by the Turkish Treasury and foreign government bonds.

4.2 Investment securities available-for-sale given as collateral

Investment securities available-for-sale given as collateral amount to YTL 216,673 (31 December 2006: YTL 191,646) and comprise eurobonds and government bonds.

4.3 Investment securities available-for-sale given as collateral or blocked

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Share certificates	--	--	--	--
Bonds, T-bills and Similar Securities	154,118	62,555	47,806	143,840
Other	--	--	--	--
Total	154,118	62,555	47,806	143,840

4.4 Investment securities available-for-sale subject to repurchase agreements

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Government Bonds	738,302	--	128,881	--
Treasury Bills	--	--	4,074	--
Other Debt Securities	--	--	--	--
Bonds issued or guaranteed by Banks	--	--	--	--
Asset backed securities	--	--	--	--
Other	--	--	--	--
Total	738,302	--	132,955	--

4.5 Available-for-sale securities

	Current Period	Prior Period
Debt instruments	2,008,190	873,614
Quoted	2,008,190	873,614
Unquoted	--	--
Equity instruments	3,869	3,867
Quoted	--	--
Unquoted	3,869	3,867
Impairment provision (-)	3,099	2,752
Total	2,008,960	874,729

5. Information related to loans

5.1 Information on all types of loans and advances given to shareholders and employees of the Bank

	Current Period		Prior Period	
	Cash	Non-Cash	Cash	Non-Cash
Direct Loans Granted to Shareholders	--	--	--	--
Corporate Shareholders	--	--	--	--
Individual Shareholders	--	--	--	--
Indirect Loans Granted to Shareholders	6,135	2,711	19	2,651
Loans Granted to Employees	16,866	4	12,231	--
Total	23,001	2,715	12,250	2,651

5.2 Information about loans classified in groups I and II and other receivables and loans that have been restructured or rescheduled

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	9,671,352	--	14,589	1,219
Discount Notes	13,965	--	--	--
Export Loans	882,326	--	2,948	--
Import Loans	20,899	--	--	--
Loans Given to Financial Sector	5,868	--	--	--
Foreign Loans	105,794	--	--	--
Consumer Loans	2,607,000	--	--	--
Credit Cards	461,071	--	--	--
Precious Metal Loans	16,461	--	--	--
Other	5,557,968	--	11,641	1,219
Specialization Loans	671,364	--	--	--
Other Receivables	--	--	--	--
Total	10,342,716	--	14,589	1,219

5.3 Collaterals of the closely monitored loans

The closely monitored loans, amounting to YTL 15,808 in total, are completely collateralized by cash, mortgage, cheques and notes obtained from customers.

5.4 *Loans according to their maturity structure*

	Standard Loans and Other Receivables		Loans Under Close Monitoring and Other Receivables	
	<i>Loans and Other Receivables</i>	<i>Restructured or Rescheduled</i>	<i>Loans and Other Receivables</i>	<i>Restructured or Rescheduled</i>
Short-term loans	4,212,241	--	6,704	--
Non-specialized loans	3,860,913	--	6,704	--
Specialized loans	351,328	--	--	--
Other receivables	--	--	--	--
Medium and long-term loans	6,130,475	--	7,885	1,219
Non-specialized loans	5,810,439	--	7,885	1,219
Specialized loans	320,036	--	--	--
Other receivables	--	--	--	--
Total	10,342,716	--	14,589	1,219

5.5 Information on consumer loans

	Short Term	Medium or Long Term	Total
Consumer Loans-YTL	43,430	2,338,830	2,382,260
Real estate Loans	5,701	832,032	837,733
Automotive Loans	1,158	76,847	78,005
Consumer Loans	36,571	1,429,951	1,466,522
Other	--	--	--
Consumer Loans-Indexed to FC	1,311	165,367	166,678
Real estate Loans	748	144,884	145,632
Automotive Loans	244	10,051	10,295
Consumer Loans	319	10,432	10,751
Other	--	--	--
Consumer Loans-FC	--	--	--
Real estate Loans	--	--	--
Automotive Loans	--	--	--
Consumer Loans	--	--	--
Other	--	--	--
Credit Cards-YTL	440,376	5,264	445,640
Installment	222,841	5,264	228,105
Non installment	217,535	--	217,535
Credit Cards-FC	587	--	587
Installment	558	--	558
Non installment	29	--	29
Loans Given to Employees-YTL	1,677	8,838	10,515
Real estate Loans	111	1,785	1,896
Automotive Loans	9	33	42
Consumer Loans	1,557	7,020	8,577
Other	--	--	--
Loans Given to Employees - Indexed to FC	--	342	342
Real estate Loans	--	318	318
Automotive Loans	--	24	24
Consumer Loans	--	--	--
Other	--	--	--
Loans Given to Employees - FC	--	--	--
Real estate Loans	--	--	--
Automotive Loans	--	--	--
Consumer Loans	--	--	--
Other	--	--	--
Employee Credit Cards-YTL	5,933	61	5,994
Installment	2,788	61	2,849
Non installment	3,145	--	3,145
Employee Credit Cards-FC	15	--	15
Installment	4	--	4
Non installment	11	--	11
Overdraft Account-YTL (Individual)	52,170	--	52,170
Overdraft Account-FC (Individual)	--	--	--
Total	545,499	2,518,702	3,064,201

5.6 *Information on installment corporate loans and corporate credit cards*

	Short Term	Medium or Long Term	Total
Installment Corporate Loans - YTL	82,817	592,083	674,900
Real estate Loans	2,106	100,737	102,843
Automotive Loans	5,030	61,605	66,635
Consumer Loans	75,680	428,999	504,679
Other	1	742	743
Installment Corporate Loans – Indexed to FC	11,387	141,853	153,240
Real estate Loans	889	20,534	21,423
Automotive Loans	1,285	31,293	32,578
Consumer Loans	8,906	89,005	97,911
Other	307	1,021	1,328
Installment Corporate Loans - FC	--	--	--
Real estate Loans	--	--	--
Automotive Loans	--	--	--
Consumer Loans	--	--	--
Other	--	--	--
Corporate Credit Cards - YTL	8,671	29	8,700
Installment	3,996	29	4,025
Non installment	4,675	--	4,675
Corporate Credit Cards - FC	135	--	135
Installment	103	--	103
Non installment	32	--	32
Overdraft Account-YTL (Individual)	78,649	--	78,649
Overdraft Account-FC (Individual)	--	--	--
Total	181,659	733,965	915,624

5.7 *Analysis of loans based on customer classification*

	Current Period	Prior Period
Public	15,308	--
Private	10,343,216	6,818,960
Total	10,358,524	6,818,960

5.8 *Domestic and international loans*

	Current Period	Prior Period
Domestic Loans	10,252,730	6,649,075
Foreign Loans	105,794	169,885
Total	10,358,524	6,818,960

5.9 *Loans granted to subsidiaries and investments*

	Current Period	Prior Period
Direct Loans Granted to Subsidiaries and Investments	14,764	148,641
Indirect Loans Granted to Subsidiaries and Investments	--	--
Total	14,764	148,641

5.10 Specific provisions for loans

Specific Provisions	Current Period	Prior Period
Loans and Receivables with Limited Collectibility	14,321	17,537
Loans and Receivables with Doubtful Collectibility	42,228	29,825
Uncollectible Loans and Receivables	144,677	110,934
Total	201,226	158,296

5.11 Information on non-performing loans (Net)

5.11.1 Information on loans under follow-up, loans and other receivables those are restructured/rescheduled

	Group III	Group IV	Group V
	Loans and receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Current Period	201	78	23,857
(Gross Amounts Before Specific Reserves)			
Loans and Other Receivables which are Restructured	--	--	--
Rescheduled Loans and Other Receivables	201	78	23,857
Prior Period	--	82	13,729
(Gross Amounts Before Specific Reserves)			
Loans and Other Receivables which are Restructured	--	--	--
Rescheduled Loans and Other Receivables	--	82	13,729

5.11.2 Information on total non-performing loans

	Group III	Group IV	Group V
	Loans and receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Balances at Beginning of Period	17,541	29,825	116,942
Additions (+)	153,380	13,594	1,684
Transfers from Other Categories of Non- Performing Loans (+)	--	85,016	52,626
Transfers to Other Categories of Non-Performing Loans (-)	85,016	52,626	--
Collections (-)	37,503	27,445	20,305
Write-offs (-)	--	--	--
Corporate and Commercial Loans	--	--	--
Retail Loans	--	--	--
Credit Cards	--	--	--
Other	--	--	--
Balances at End of the Period	48,402	48,364	150,947
Specific Provisions (-)	14,321	42,228	144,677
Net Balance on Balance Sheet	34,081	6,136	6,270

5.11.3 *Information on specific provision movements*

	Corporate/ Commercial Loans	Consumer/ Retail Loans	Credit Cards	Total
Beginning of the Period	68,328	24,286	65,682	158,296
Additions (+)	23,079	35,720	16,081	74,880
Collections (-)	(3,843)	(9,340)	(18,767)	(31,950)
Write off (-)	--	--	--	--
End of the Period	87,564	50,666	62,996	201,226

5.11.4 *Information on non-performing loans and other receivables in foreign currencies*

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Current Period			
Period End Balance	--	--	87
Specific Provision (-)	--	--	87
Net Balance	--	--	--
Prior Period			
Period End Balance	--	--	106
Specific Provision (-)	--	--	106
Net Balance	--	--	--

5.11.5 *Information on non-performing loans according to beneficiary group*

	Group III	Group IV	Group V
	Loans and receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Current Period (Net)	34,081	6,136	6,270
Loans Granted to Real Persons and Corporate Bodies (Gross)	48,402	48,364	150,947
Specific Provision (-)	14,321	42,228	144,677
Loans Granted to Real Persons and Corporate Bodies (Net)	34,081	6,136	6,270
Banks (Gross)	--	--	--
Specific Provision (-)	--	--	--
Banks (Net)	--	--	--
Other Loan and Receivables (Gross)	--	--	--
Specific Provision (-)	--	--	--
Other Loan and Receivables (Net)	--	--	--
Prior Period (Net)	4	--	6,008
Loans Granted to Real Persons and Corporate Bodies (Gross)	17,541	29,825	116,942
Specific Provision (-)	17,537	29,825	110,934
Loans Granted to Real Persons and Corporate Bodies (Net)	4	--	6,008
Banks (Gross)	--	--	--
Specific Provision (-)	--	--	--
Banks (Net)	--	--	--
Other Loan and Receivables (Gross)	--	--	--
Specific Provision (-)	--	--	--
Other Loan and Receivables (Net)	--	--	--

5.12 Liquidation policy for uncollectible loans and receivables

For uncollectible loans and receivables, the Bank tries to solve the issue with the customer. If no result is obtained, all legal actions are taken.

5.13 Information on write-off from assets policy

If the receivable amount is immaterial when compared to the expenses the Bank should undergo in order to collect the receivable, write-offs are performed by the resolution of the Board of Directors.

6. Information on investment securities held-to-maturity

6.1 Information on subject to repurchase agreement and given as collateral or blocked

6.1.1 Information on subject to repurchase agreement

None.

6.1.2 Information on subject to given as collateral or blocked

None.

6.2 Information on accounts in which government securities held-to-maturity are reflected

None.

6.3 Information on investment securities held-to-maturity

	Current Period	Prior Period
Debt Securities	39,816	44,426
Listed	--	--
Unlisted	39,816	44,426
Impairment (-)	412	226
Total	39,404	44,200

6.4 Information on the movement of investment securities held-to-maturity during the period

	Current Period	Prior Period
Balance in the beginning of the period	44,200	39,386
Foreign exchange differences	(5,296)	(2,212)
Purchases	1,419	31,367
Redemptions	(733)	(24,115)
Impairment (-)	186	226
Balance at the end of the period	39,404	44,200

7. Investments in associates

7.1 Investments in associates

Description	Address (City/Country)	Bank's share percentage-If different voting percentage (%)	Bank's risk group share percentage (%)
1-Kredi Kayıt Bürosu A.Ş. (*)	İstanbul/Türkiye	9	--
2-Gelişen İşletmeler Piyasası A.Ş.	İstanbul/Türkiye	5	5

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Trading Income	Current Period Profit / Loss	Prior Period Profit / Loss	Fair Value
1	18,498	16,827	2,826	--	--	4,262	3,986	--
2	2,520	2,505	--	--	--	5	--	--

(*) Financial statement amounts given are as of the year ended 31 December 2006.

8. Investments in subsidiaries

8.1 Information on subsidiaries

Description	Address (City/Country)	Bank's share percentage- If different from voting percentage(%)	Other subsidiaries' share percentage(%)
1 İntertech Bilgi İşlem ve Pazarlama Ticaret A.Ş.	İstanbul/Türkiye	100	--
2 Denizbank AG, Viyana	Viyana/Avusturya	100	--
3 Eurodeniz Off Shore Bank Ltd.	Lefkoşa/Kıbrıs	100	--
4 Deniz Yatırım Menkul Kıymetler A.Ş.	İstanbul/Türkiye	100	--
5 Deniz Türev Menkul Değerler A.Ş.	İstanbul/Türkiye	100	--
6 Ekspres Yatırım Menkul Değerler A.Ş.	İstanbul/Türkiye	71	29
7 CJSC Denizbank, Moskova	Moscova/Rusya	49	51
8 Denizbank Kültür Sanat Yayıncılık Ticaret ve Sanayi A.Ş.	İstanbul/Türkiye	100	--
9 Deniz Finansal Kiralama A.Ş.	İstanbul/Türkiye	84	16
10 Deniz Faktoring A.Ş.	İstanbul/Türkiye	100	--
11 Deniz Hayat Sigorta A.Ş.	İstanbul/Türkiye	100	--
12 Adana Haddecilik Metal San. Ve Tic. A.Ş.	Adana / Türkiye	100	--

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Trading Income	Current Period Profit / Loss	Prior Period Profit / Loss	Fair value
1	1,818	1,119	7	241	(240)	(1,855)	(2,256)	--
2	1,952,525	101,611	5,724	122,045	24,714	11,983	15,498	--
3	1,172,611	64,522	19	88,987	(1,827)	59,191	10,686	--
4	29,048	23,991	1,103	3,874	1,363	(619)	(340)	--
5	7,688	7,180	161	1,518	100	2,636	(3,456)	--
6	35,063	32,364	590	4,304	1,358	8,303	496	--
7	405,623	36,483	9,099	21,800	12,211	2,446	481	--
8	1,143	1,105	190	--	15	146	8	--
9	1,236,364	273,796	192	87,742	(4,961)	35,374	25,400	--
10	519,776	60,417	258	77,113	(9,879)	16,182	14,087	--
11	33,264	4,930	550	1,929	1,693	1,058	(8,758)	--
12	6,923	--	3,278	--	--	(110)	--	--

8.2 Movement of subsidiaries

	Current Period	Prior Period
Balance at the Beginning of the Period	196,024	140,167
Correction According TAS 8	--	18,736
New Balance	196,024	158,903
Movements during the Period	156,378	37,121
Purchases (*)	154,061	40,195
Bonus Shares Received (**)	7,029	--
Dividends from Current Year Profit	--	--
Sales (***)	(4,712)	(3,074)
Revaluation Increase, Effect of Inflation and F/X Difference	--	--
Impairment Provision (+)	--	--
Balance at the End of the Period	352,402	196,024
Capital Commitments	--	--
Share Percentage at the end of Period (%)	--	--

(*) Purchases comprise YTL 2,515 related to acquisition of Deniz Hayat Sigorta A.Ş.; YTL 555, YTL 1,313 and YTL 149,678 paid to Denizbank Kültür Sanat Yayıncılık Ticaret ve Sanayi A.Ş., Deniz Hayat Sigorta A.Ş., and Deniz Finansal Kiralama A.Ş., for their share capital increases, respectively.

(**) Bonus shares comprise YTL 72 and YTL 6,957 from Deniz Yatırım Menkul Kıymetler A.Ş. and Deniz Finansal Kiralama A.Ş., respectively.

(***) Shares representing inflationary corrections of the past are netted-off from the balances of subsidiaries and capital bonus of associates, subsidiaries and joint ventures in the balance sheet.

8.2.1 Sectoral distribution of subsidiaries

	Current Period	Prior Period
Banks	82,348	82,348
Insurance Companies	3,829	--
Factoring Companies	26,106	30,384
Leasing Companies	201,199	44,999
Finance Companies	33,219	33,149
Other Subsidiaries	5,701	5,144
Total	352,402	196,024

8.2.2 *Quoted subsidiaries*

None.

8.2.3 *Subsidiaries disposed during the current period*

None.

8.2.4 *Subsidiaries purchased in the current period*

On 3 October 2006, the Bank has started negotiations with Global Yatırım Holding A.Ş. (“Global Yatırım”) regarding the purchase of shares held at Global Hayat Sigorta A.Ş. (“Global Hayat”); and on 26 January 2007, a Share Purchase Agreement has been signed between the parties. Pursuant to this Agreement, Global Yatırım has agreed to transfer 99.6% of Global Hayat’s issued share capital to the Bank. This transaction is approved by the General Directorate of Insurance of Undersecretariat of

Turkish Treasury and the transfer is realized on 30 March 2007, with a price of YTL 2,515. Global Hayat Sigorta A.Ş. changed its name to Deniz Hayat Sigorta A.Ş. on 10 August 2007.

9. Information on joint ventures

The Bank does not have any joint ventures.

10. Information on financial lease receivables

10.1 Maturity analysis of financial lease receivables

None.

10.2 Information on net financial lease receivables

	Current Period	Prior Period
Gross finance lease receivable	--	--
Unearned finance income (-)	--	--
Cancelled leasing agreements (-)	--	--
Net investment on leases	--	--

10.3 Information on financial lease agreements of the Bank

None.

11. Information on hedging purpose derivatives

None.

12. Information on tangible assets

	Land and buildings	Fixed assets under finance lease	Vehicles	Other tangible fixed assets	Total
Prior Period End:					
<i>Cost</i>	46,329	90,199	1,819	82,479	220,826
<i>Accumulated depreciation (-)</i>	6,308	47,586	1,325	40,903	96,122
Net book value	40,021	42,613	494	41,576	124,704
Current Period End:					
Net book value at the beginning of the period	46,329	90,199	1,819	82,479	220,826
<i>Additions</i>	1,563	20,385	33	40,796	62,777
<i>Disposals (-)</i>	--	--	377	2,800	3,177
<i>Impairment (-)</i>	--	--	--	--	--
Current Period Cost	47,892	110,584	1,475	120,475	280,426
<i>Disposals(-)</i>	--	--	275	2,006	2,281
<i>Depreciation (-)</i>	937	17,520	218	13,682	32,357
Current period accumulated depreciation (-)	7,245	65,106	1,268	52,579	126,198
Closing net book value	40,647	45,478	207	67,896	154,228

12.1 *If the amount of an allowance for the decrease in the value of a specific asset or the reversal from an allowance for the decrease in the value of a specific asset is significant in the financial statements*

12.1.1 *Events and conditions that resulted in an allowance or the reversal of an allowance for the decrease in the value of the asset*

In order to analyse the effects of the fluctuation in the real estate market, the Bank has conducted an expertise study of its buildings in 2006.

There has been no significant fluctuations in the real estate and the Bank did not conduct an expertise study in 2007 accordingly.

12.1.2 *Amount recorded or reversed in the financial statements*

The Bank has booked an impairment loss provision of YTL 4,402 for three of its buildings in 2006.

12.2 *Current year charge recorded in the financial statements as an allowance for the decrease in the value of a group of assets or income from the reversal of an allowance for the decrease in the value of a group of assets and events and conditions that resulted in them*

None.

13. Information on intangible assets

13.1 *Useful lives and amortization rates*

The useful life of an asset is determined by taking the asset's expected economic life, technical, technological or other kinds of weariness, and maintenance costs into account. The amortization rates used are in accordance with the useful lives of the underlying assets. The useful lives are determined as defined by TAS 38 "Intangible Assets".

13.2 *Amortization methods*

The Bank uses straight line amortization method for intangibles purchased before 1 January 2003 and after 31 December 2006, by the rate of 20%. Assets purchased in other periods are amortized by 40% using double-declining amortization method.

13.3 *Movement of intangible assets*

	Leasehold Impr.	Other	TOTAL
Prior Period End:			
<i>Cost</i>	40,308	2,650	42,958
<i>Accumulated depreciation (-)</i>	29,526	2,412	31,938
Net book value	10,782	238	11,020
Current Period End:			
Net book value at the beginning of the period	40,308	2,650	42,958
<i>Additions</i>	7,660	--	7,660
<i>Disposals (-)</i>	--	--	--
<i>Impairment</i>	--	--	--
<i>Currency translation differences resulting from foreign investment (-)</i>	(160)	--	(160)
Current Period Cost	47,808	2,650	50,458
<i>Disposals(-)</i>	--	--	--
<i>Currency translation differences resulting from foreign investment (-)</i>	(131)	--	(131)
<i>Depreciation (-)</i>	7,103	138	7,241
Current period accumulated depreciation (-)	36,498	2,550	39,048
Closing net book value	11,310	100	11,410

13.4 *The carrying value, description and remaining useful life of significant intangible assets, if any*

None.

13.5 *Information on intangible assets that have been purchased by government grants and originally have been accounted for by using the fair value principle*

None.

13.6 *Subsequent periods' valuation methodology for intangible assets that have been purchased by government grants in the past and originally have been accounted for by using the fair value principle*

None.

13.7 *Carrying value of intangible assets that are pledged or restricted in usage*

None.

13.8 *Amount of any commitments granted for the purchase of intangible assets*

None.

13.9 *In case of a revaluation, information to be supplied in the table below, on an asset by asset basis for intangible assets*

None.

13.10 Total amount charged to income statement as research and development expense, if any

Research and development expenses amount to YTL 217 in the current year (31 December 2006: YTL 377).

13.11 Goodwill or negative goodwill arising from consolidated investments

None.

14. Investment property

None.

15. Information on deferred tax asset

15.1 Amount of deferred tax asset recognized in the balance sheet in respect of each type of deductible temporary differences, unused tax losses, unused tax credits

Net deferred tax asset calculated on the basis of related regulation is YTL 14,789. The amount is the net of deductible temporary differences and taxable temporary differences calculated as of the balance sheet date.

According to TAS 12, deferred tax assets, amounting to YTL 23,060 and deferred tax liabilities, amounting to YTL 8,271 are offset against each other in the financial statements.

Deferred tax effects of items charged or credited to equity are also charged or credited directly to equity.

15.2 Amount and expiry date of deductible temporary differences, unused tax losses, unused tax credits for which no deferred tax asset is recognized in the balance sheet

None.

15.3 Deferred tax asset resulting from the cancellation of the provision for impairment losses related to the deferred taxes

None.

16. Information on assets held for sale and discontinued operations

	Current Period	Prior Period
Önceki Dönem Sonu		
Maliyet	16,093	16,157
Birikmiş Amortisman(-)	(730)	-
Net Defter Değeri	15,363	16,157
Cari Dönem Sonu		
İktisap Edilenler	1,123	585
Elden Çıkarılanlar (Maliyet)	(738)	(649)
Elden Çıkarılanlar (Amortisman)	-	--
Değer Düşüşü	-	-
Amortisman Bedeli (-)	(423)	(730)
Y.dışı İşt Kayn.Net Kur Farkları (-)	-	-
Maliyet	16,478	16,093
Birikmiş Amortisman(-)	(1,153)	(730)
Net Defter Değeri	15,325	15,363

The Bank does not have any discontinued operations.

17. Information on other assets

17.1 Information on prepaid expense, taxes and similar items

Prepaid expenses are YTL 16,368 (31 December 2006: YTL 14,262).

Prepaid taxes amounting to YTL 54,793 are netted-off with current tax liability.

17.2 Other assets do not exceed 10% of total assets excluding the off-balance sheet items.

II. Information and disclosures related to liabilities

1. Information on maturity profile of deposits

Current Period

	Demand	7 Days Notice	Up to 1 month	1-3 Months	3-6 Months	6 Month-1 Year	1 Year and Over	Acc. Account	Total
Saving Deposits	330,206	--	477,742	2,091,472	29,227	28,703	3,294	--	2,960,644
Foreign Currency Deposits	833,862	--	939,916	1,574,881	121,202	78,845	30,459	--	3,579,165
Residents in Turkey	770,670	--	815,846	1,531,370	116,562	69,132	28,816	--	3,332,396
Residents Abroad	63,192	--	124,070	43,511	4,640	9,713	1,643	--	246,769
Public Sector Deposits	116,964	--	1,228	2,545	15	--	--	--	120,752
Commercial Deposits	774,128	--	631,247	211,858	12,739	7,871	54	--	1,637,897
Other Ins. Deposits	11,211	--	22,475	26,486	515	39	--	--	60,726
Precious Metal Deposits	2,188	--	--	--	--	--	--	--	2,188
Bank Deposits	489,342	--	330,781	31,565	3,280	1,051	--	--	856,019
Central Bank	--	--	--	--	--	--	--	--	--
Domestic Banks	40,726	--	319,497	26,808	3,280	1,051	--	--	391,362
Foreign Banks	443,245	--	11,284	4,757	--	--	--	--	459,286
Special Financial Inst.	5,371	--	--	--	--	--	--	--	5,371
Other	--	--	--	--	--	--	--	--	--
Total	2,557,901	--	2,403,389	3,938,807	166,978	116,509	33,807	--	9,217,391

Prior Period

	Demand	7 Days Notice	Up to 1 month	1-3 Months	3-6 Months	6 Month-1 Year	1 Year and Over	Acc. Account	Total
Saving Deposits	257,267	--	474,640	1,254,437	19,292	9,016	5,224	--	2,019,876
Foreign Currency Deposits	868,180	--	1,295,864	1,501,193	138,148	125,021	18,917	--	3,947,323
Residents in Turkey	762,571	--	1,194,735	1,464,581	123,801	118,197	17,270	--	3,681,155
Residents Abroad	105,609	--	101,129	36,612	14,347	6,824	1,647	--	266,168
Public Sector Deposits	12,207	--	4,100	959	--	--	--	--	17,266
Commercial Deposits	641,819	--	255,452	118,240	10,363	1,472	125	--	1,027,471
Other Ins. Deposits	34,225	--	25,751	10,103	41	25	--	--	70,145
Precious Metal Deposits	8,585	--	--	--	--	--	--	--	8,585
Bank Deposits	30,567	--	80,968	8,313	1,011	8,365	--	--	129,224
Central Bank	--	--	--	--	--	--	--	--	--
Domestic Banks	1,502	--	79,127	2,105	1,011	1,011	--	--	84,756
Foreign Banks	29,065	--	1,841	6,208	--	7,354	--	--	44,468
Special Financial Inst.	--	--	--	--	--	--	--	--	--
Other	--	--	--	--	--	--	--	--	--
Total	1,852,850	--	2,136,775	2,893,245	168,855	143,899	24,266	--	7,219,890

1.1 Information on savings deposits insured by Saving Deposit Insurance Fund and the total amount of the deposits exceeding the insurance coverage limit

	Covered by Deposit Insurance Fund		Exceeding the Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	1,498,799	1,138,519	1,385,275	833,524
Foreign Currency Savings Deposits	690,167	656,789	1,505,279	1,297,654
Other Saving Deposits	--	--	--	--
Foreign branches' Deposits Under Foreign Insurance Coverage	--	--	--	--
Off-Shore Deposits Under Foreign Insurance Coverage	--	--	--	--
Total	2,188,966	1,795,308	2,890,554	2,131,178

1.2 Since the Bank's head office is not located outside Turkey, saving deposits are not insured in other countries.

1.3 Savings deposits that are not covered under the guarantee of deposit insurance fund

	Current Period	Prior Period
Deposits and Other Accounts in Foreign Branches	125,388	106,262
Deposits and Other Accounts belong to Major Shareholders with Their Parents, Spouses and Children under Their Wardship	--	--
Deposits and Other Accounts belong to Members of Board of Directors, EVPs with Their Parents, Spouses and Children under Their Wardship	3,919	6,983
Deposits and Other Accounts linked to Crimes Mentioned in 282 nd Article of 5237 Numbered Turkish Crime Legislation dated on 26/09/2004	--	--
Deposits belong to Off-shore Banks who are established in Turkey.	--	--
Total	129,307	113,245

2. Information on trading purpose derivatives

2.1 Negative value of trading purpose derivatives

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Forwards	8,585	3,145	11,049	10,525
Swaps	112,781	19,270	10,898	4,933
Futures	--	144	19	--
Options	41,330	8,810	--	3,086
Other	--	--	--	110
Total	162,696	31,369	21,966	18,654

3. Information on banks and other financial institutions

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Central Bank of Turkey	--	--	--	--
Domestic Bank and Institutions	82,493	29,929	71,977	42,020
Foreign Bank, Institutions and Funds	33,089	2,086,561	230,075	1,801,328
Total	115,582	2,116,490	302,052	1,843,348

3.1 Maturity information of funds borrowed

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Short-Term	82,493	165,662	241,799	1,272,467
Medium and Long-Term	33,089	1,950,828	60,253	570,881
Total	115,582	2,116,490	302,052	1,843,348

3.2 Additional information on concentrations of the Bank's liabilities

As at 31 December 2007, the Bank's liabilities comprise; 62% deposits, 17% funds borrowed and 5% funds provided from transactions by repurchase transactions. (31 December 2006: 63%, 20%, 2%, respectively).

4. Components of other liabilities, those that exceed 10% of total liabilities or those that exceed 20% of the individual liability items in the balance sheet

Other liabilities do not exceed 10% of total liabilities excluding the off-balance sheet items.

5. Criteria used in the determination of lease instalments in the financial lease contracts, renewal and purchase options, restrictions, and significant burdens imposed on the bank on such contracts

The maximum period of the lease agreements is mostly 4 years. Interest rate and cash flow of the Bank are the criteria which are taken into consideration in the leasing contracts. There are no significant obligations imposed on the Bank as a result of the lease agreements.

5.1 Changes in agreements and further commitments arising

No changes have been made to the leasing agreements in the current period.

5.2 Obligations under financial leases

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	--	--	1	1
Between 1-4 years	38,029	33,338	31,966	28,377
More than 4 years	--	--	--	--
Total	38,029	33,338	31,967	28,378

5.3 Information on operational lease

Bank has operational lease agreements for its bank branches and motor vehicles. Rental payments for the majority of these agreements are made and expensed on a monthly basis. The unexpired portion of payments made for rent agreements on a yearly basis are accounted under prepaid expenses in "other assets".

The Bank does not have any liabilities related to operational lease agreements.

5.4 Information on “Sell-and-lease back” agreements

The Bank does not have any sale and lease back transactions in the current period.

6. Information on liabilities arising from hedging purpose derivatives:

None.

7. Information on provisions

7.1 Information on general provisions

	Current Period	Prior Period
Provisions for Loans and Receivables in Group I	69,820	45,925
Provisions for Loans and Receivables in Group II	--	--
Provisions for Non Cash Loans	9,167	6,634
Other	--	--
Total	78,987	52,559

7.2 Provision for currency exchange gain/loss on foreign currency indexed loans

	Current Period	Prior Period
Foreign Exchange Provision for Foreign Currency Indexed Loans (*)	76,864	18,487

(*) Netted against loans in assets

7.3 Specific provisions for non-cash loans that are uncollected and unconverted to cash

	Current Period	Prior Period
Specific provisions for non-cash loans that are uncollected and unconverted to cash	15,397	14,287

7.4 Information on other provisions

7.4.1 Information on general reserves for possible loan losses

	Current Period	Prior Period
General Reserves for Possible Loan Losses	--	542

7.4.2 Information on other provisions exceeding 10% of total provisions

Other provisions comprise specific provisions for non-cash loans that are uncollected and unconverted to cash, amounting YTL 15,397; provisions for credit card promotions and other banking services, amounting YTL 4,150; and general reserves for possible loan losses, amounting YTL 2,230.

8. Taxation

8.1 Current taxes

8.1.1 Current tax liability

As of 31 December 2007, Bank has tax liabilities of YTL 55,274 (31 December 2006: YTL 49,080), after deducting prepaid taxes. If the differences between tax base and carrying value of the taxable items are related to equity accounts, then the current tax effects are also considered under equity.

8.1.2 Information on taxes payable

	Current Period	Prior Period
Corporate taxes payable	23,196	16,663
Taxation on securities	10,864	6,686
Capital gains tax on property	431	8,444
Banking Insurance Transaction Tax (BITT)	8,860	507
Taxes on foreign exchange transactions	660	585
Value added tax payable	329	140
Other	5,056	10,305
Total	49,396	43,330

8.1.3 Information on premiums payable

	Current Period	Prior Period
Social security premiums- employee share	2,146	2,080
Social security premiums- employer share	3,066	2,971
Bank pension fund premium- employee share	--	--
Bank pension fund premium- employer share	--	--
Pension fund membership fees and provisions- employee share	--	--
Pension fund membership fees and provisions- employer share	--	--
Unemployment insurance- employee share	150	145
Unemployment insurance- employer share	300	291
Other	216	263
Total	5,878	5,750

8.2 Information on deferred tax liability

None.

9. Information on payables related to assets held for sale

None.

10. Information on subordinated loans

On 28 December 2006, the Bank obtained a EUR 90 million subordinated loan from Dexia SA. Maturity date of the loan is 28 December 2016. It is repayable after 5 years.

On 28 June 2007, the Bank obtained a USD 50 million subordinated loan from Dexia SA. The loan has a maturity of 10 years which is repayable after 5 years.

On 27 September 2007, the Bank obtained a USD 130 million subordinated loan from Dexia SA. The loan has a maturity of 10 years which is repayable after 5 years.

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Domestic banks	--	--	--	--
Other domestic institutions	--	--	--	--
Foreign banks	--	362,506	--	166,746
Other foreign institutions	--	--	--	--
Total	--	362,506	--	166,746

11. Information on shareholders' equity

11.1 Paid-in capital

	Current Period	Prior Period
Common Stock	316,100	316,100
Preferred Stock	--	--

The Bank's paid-in capital has been presented in nominal values. As of 31 December 2007, the Bank has "other capital reserves" amounting to YTL 189,164 (31 December 2006: YTL 189,164) arising from the effect of inflation on the paid-in capital.

11.2 Paid-in capital amount, explanation as to whether the registered share capital system is applicable at bank; if so the amount of registered share capital

Registered share capital system is not applicable at the Bank.

11.3 Information on share capital increases and their sources; other information on any increase in capital shares during the current period

None.

11.4 Information on share capital increases from revaluation funds

None.

11.5 Capital commitments for current financial year and following period

Bank does not have any capital commitments.

11.6 Prior period indicators of the Bank's income, profitability and liquidity; and possible effects of the predictions on equity, considering the ambiguity of the indicators

None.

11.7 Information on the privileges given to stocks representing the capital

The Bank does not have any preferred stocks.

12. Common stock issue premiums, shares and equity instruments

	Current Period	Prior Period
Number of Shares (in thousands)	50,368,526	50,368,526
Preferred Stock	--	--
Common Stock Issue Premium	98,351	98,351
Common Stock Cancelling Profit	--	--
Other Equity Instruments	--	--
Total Common Stock Issued	50,369	50,369

13. Valuation difference of securities

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Associates, Subsidiaries and JV's	--	--	--	--
FV Difference	12,247	6,773	4,008	8,196
Foreign Exchange Difference	--	--	--	--
Total	12,247	6,773	4,008	8,196

III. Information and disclosures related to off-balance sheet items

1. Disclosures related to other contingent liabilities

1.1 Type and amount of irrevocable commitments

All of the Bank's off-balance sheet loan commitments are in the nature of irrevocable commitments. As of 31 December 2007, non-cash loans, commitments for credit card limits and commitments for cheque payments are YTL 4,672,417, YTL 2,113,934 and YTL 485,468, respectively (31 December 2006: YTL 4,075,631, YTL 2,145,780 and YTL 431,925, respectively). These items are reflected in the off-balance sheet accounts.

1.2 Type and amount of possible losses from off-balance sheet items including those referred to below

1.2.1 Guarantees, bills of exchange and acceptances and other letters of credit which can be counted as financial collateral

As of 31 December 2007, the Bank has letters of guarantee amounting to YTL 2,949,715, bills of exchange and acceptances amounting to YTL 80,541, and guarantees and sureties on letters of credit amounting to YTL 1,463,819. There are also other guarantees and sureties amounting to YTL 178,342.

As of 31 December 2006, the Bank has letters of guarantee amounting to YTL 2,795,222, bills of exchange and acceptances amounting to YTL 142,408, and guarantees and sureties amounting to YTL 1,059,507. There are other guarantees and sureties amounting to YTL 78,494.

2.2.2 Final guarantees, provisional guarantees, sureties and similar transactions

	Current Period	Prior Period
Provisional Letters of Guarantee	300,186	189,817
Final Letters of Guarantee	2,040,478	2,067,027
Letters of Guarantee for advances	486,265	391,103
Letters of Guarantee given to Customs Offices	119,927	145,929
Other Letters of Guarantee	2,859	1,346
Total	2,949,715	2,795,222

2. Non-cash loans

	Current Period	Prior Period
Non-Cash Loans Given for Cash Loan Risks	178,342	78,494
With Original Maturity of 1 Year or Less	137,678	20,899
With Original Maturity of More Than 1 Year	40,664	57,595
Other Non-Cash Loans	4,494,075	3,997,137
Total	4,672,417	4,075,631

3. Sectoral risk concentrations of non-cash loans

	Current Period				Prior Period			
	YTL	(%)	FC	(%)	YTL	(%)	FC	(%)
Agricultural	12,629	0.83	40,763	1.29	12,812	1.00	34,065	1.22
Farming and Cattle	12,425	0.82	37,489	1.19	12,302	0.96	26,834	0.96
Forestry	13	0.00	3,274	0.10	266	0.02	7,055	0.25
Fishing	191	0.01	--	0.00	244	0.02	176	0.01
Manufacturing	322,993	21.25	1,183,527	37.55	355,187	27.72	1,057,040	37.83
Mining	89,077	5.86	500,837	15.89	81,441	6.35	421,578	15.09
Production	211,231	13.90	561,913	17.83	267,251	20.86	612,820	21.93
Electric, gas and water	22,685	1.49	120,777	3.83	6,495	0.51	22,642	0.81
Construction	508,946	33.48	867,687	27.52	408,511	31.88	690,905	24.73
Services	529,450	34.83	988,092	31.35	400,920	31.29	952,212	34.08
Wholesale and retail trade	374,917	24.66	437,428	13.88	271,094	21.16	484,500	17.34
Hotel, food and beverage services	26,516	1.75	37,892	1.20	13,156	1.03	24,820	0.89
Transportation and telecommunication	61,844	4.07	207,976	6.60	53,328	4.16	255,304	9.14
Financial institutions	44,734	2.94	299,560	9.50	41,178	3.21	184,950	6.62
Real estate and renting services	71	--	--	0.00	72	0.01	21	0.00
Self-employment services	--	--	--	0.00	--	0.00	--	0.00
Education services	1,481	0.10	956	0.03	1,557	0.12	606	0.02
Health and social services	19,887	1.31	4,280	0.14	20,535	1.60	2,011	0.07
Other	146,039	9.61	72,291	2.29	103,938	8.11	60,041	2.14
Total	1,520,057	100.00	3,152,360	100.00	1,281,368	100.00	2,794,263	100.00

4. Non-cash loans classified in I. and II. groups

	I. Group		II. Group	
	YTL	FC	YTL	FC
Letters of Guarantee	1,518,371	1,429,569	1,686	89
Bank Acceptances	--	80,541	--	--
Letters of Credit	--	1,463,819	--	--
Endorsements	--	--	--	--
Purchase Guarantees for Securities Issued	--	--	--	--
Factoring Guarantees	--	--	--	--
Other Guarantees and Sureties	--	178,342	--	--
Total	1,518,371	3,152,271	1,686	89

5. Information related to derivative financial instruments

Current Period	Up to 1 Month	1 – 3 Months	3 – 12 Months	1 – 5 Years	5 Years and Over	Total
Hedging Purpose Derivatives						
A. Total hedging Purpose Derivative Transactions						
Fair Value Hedge Transactions	--	--	--	--	--	--
Cash Flow Hedge Transactions	--	--	--	--	--	--
Foreign Investment Hedge Transactions	--	--	--	--	--	--
Trading purpose derivatives						
Foreign currency derivatives (I)	5,006,615	1,115,869	544,044	99,782	142,464	6,908,774
Forwards (purchase)	1,566,370	30,263	4,005	--	--	1,600,638
Forwards (sell)	1,565,667	30,061	3,989	--	--	1,599,717
Swaps (purchase)	310,129	--	--	46,372	65,714	422,215
Swaps (sell)	319,999	--	--	53,410	76,750	450,159
Options (purchases)	622,475	541,021	273,901	--	--	1,437,397
Options (sell)	621,975	497,328	262,149	--	--	1,381,452
Futures (purchase)	--	7,207	--	--	--	7,207
Futures (sell)	--	9,989	--	--	--	9,989
Interest rate derivatives (II)	--	23,178	479,050	1,369,887	284,928	2,157,043
Swaps (purchase)	--	3,548	242,362	669,622	142,464	1,057,996
Swaps (sell)	--	3,548	236,688	700,265	142,464	1,082,965
Options (purchase)	--	--	--	--	--	--
Options (sell)	--	--	--	--	--	--
Securities (purchase)	--	--	--	--	--	--
Securities (sell)	--	--	--	--	--	--
Futures (purchase)	--	9,989	--	--	--	9,989
Futures (sell)	--	6,093	--	--	--	6,093
Other types of trading transactions (III)	120,800	458,044	84,619	139,116	--	802,579
B. Total Trading Purpose Derivative Transactions (I+II+III)	5,127,415	1,597,091	1,107,713	1,608,785	427,392	9,868,396
Total Derivative Transactions (A+B)	5,127,415	1,597,091	1,107,713	1,608,785	427,392	9,868,396

Prior Period	Up to 1 Month	1 – 3 Months	3 – 12 Months	1 – 5 Years	5 Years and Over	Total
Hedging Purpose Derivatives						
A. Total hedging Purpose Derivative Transactions						
Fair Value Hedge Transactions	--	--	--	--	--	--
Cash Flow Hedge Transactions	--	--	--	--	--	--
Foreign Investment Hedge Transactions	--	--	--	--	--	--
Trading purpose derivatives						
Foreign currency derivatives (I)	3,856,823	937,362	338,668	113,677	156,428	5,402,958
Forwards (purchase)	1,527,898	350,296	71,325	--	--	1,949,519
Forwards (sell)	1,539,175	350,894	70,917	--	--	1,960,986
Swaps (purchase)	11,244	28,112	--	56,224	79,677	175,257
Swaps (sell)	11,426	33,260	--	53,410	76,751	174,847
Options (purchases)	390,328	79,204	93,472	1,852	--	564,856
Options (sell)	376,752	81,690	102,954	2,191	--	563,587
Futures (purchase)	--	7,768	--	--	--	7,768
Futures (sell)	--	6,138	--	--	--	6,138
Interest rate derivatives (II)	--	5,622	--	102,247	247,983	355,852
Swaps (purchase)	--	--	--	51,123	123,992	175,115
Swaps (sell)	--	--	--	51,124	123,991	175,115
Options (purchase)	--	--	--	--	--	--
Options (sell)	--	--	--	--	--	--
Securities (purchase)	--	--	--	--	--	--
Securities (sell)	--	--	--	--	--	--
Futures (purchase)	--	--	--	--	--	--
Futures (sell)	--	5,622	--	--	--	5,622
Other types of trading transactions (III)	9,840	7,747	--	--	--	17,587
B. Total Trading Purpose Derivative Transactions (I+II+III)	3,866,663	950,731	338,668	215,924	404,411	5,776,397
Total Derivative Transactions (A+B)	3,866,663	950,731	338,668	215,924	404,411	5,776,397

6. Contingent assets and liabilities

None.

7. Information on fiduciary services rendered on behalf of third parties:

The Bank grants custody services on behalf of its customers for all kinds of securities. Additionally, the Bank acts as a trust for any kind of customer portfolio.

IV. Information on disclosures related to income statement

1. Interest income

1.1 Information on interest income received from loans

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Short Term	651,064	60,550	532,545	55,361
Medium and Long Term	512,572	108,511	300,861	70,553
Loans Under Follow-Up	17,021	--	8,750	--
Source Utilization Support Fund	--	--	--	--
Total	1,180,657	169,061	842,156	125,914

*Includes fees and commissions from cash loans.

1.2 Information on interest income received from banks

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Central Bank of Turkey	--	3,196	3,373	--
Domestic Banks	808	4,884	3,775	6,022
Foreign Banks	218	54,631	873	52,578
Foreign Branches	--	--	--	--
Total	1,026	62,711	8,021	58,600

1.3 Information on interest income received from securities portfolio

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Trading Securities	45,424	1,368	13,134	2,641
Financial Assets at Fair Value Through Profit or Loss	--	--	--	--
Investment Securities Available-for-Sale	186,997	16,234	113,779	24,715
Investment Securities Held-to-Maturity	--	2,908	5,375	1,989
Total	232,421	20,510	132,288	29,345

1.4 Information on interest income received from associates and subsidiaries

	Current Period	Prior Period
Interest Received from Associates and Subsidiaries	2,255	2,154

2. Interest expense

2.1 Information on interest expense related to funds borrowed

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Banks	33,063	103,983	30,129	142,710
Central Bank of Turkey	249	--	165	--
Domestic Banks	14,920	2,138	6,563	1,011
Foreign Banks	17,894	101,845	23,401	141,699
Foreign Branches	--	--	--	--
Other Institutions	--	--	--	--
Total	33,063	103,983	30,129	142,710

*Includes fees and commissions from cash loans received.

2.2 Information on interest expense paid to associates and subsidiaries

	Current Period	Prior Period
Interest Paid to Associates and Subsidiaries	43,227	20,853

2.3 Information on interest expense paid to securities issued

None.

2.4 Maturity structure of the interest expense on deposits

Account Name	Time Deposits						1 year and over	Accumulat. Deposit	Total
	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year				
YTL									
Bank Deposits	728	38,538	--	--	--	--	--	--	39,266
Saving Deposits	2,789	89,023	311,305	5,164	2,452	890	--	--	411,623
Public Sector Deposits	4	443	180	--	--	--	--	--	627
Commercial Deposits	929	89,984	35,300	2,389	625	5	--	--	129,232
Other Deposits "7 Days Notice" Deposits	107	3,663	5,445	40	5	--	--	--	9,260
	--	--	--	--	--	--	--	--	--
Total Turkish Lira	4,557	221,651	352,230	7,593	3,082	895	--	--	590,008
FC									
Foreign Currency Deposits	2,561	53,596	65,202	7,191	4,058	1,164	--	--	133,772
Bank Deposits "7 Days Notice" Deposits	5	3,806	--	--	--	--	--	--	3,811
Precious Metal Deposits	--	--	--	--	--	--	--	--	--
	--	--	--	--	--	--	--	--	--
Total Foreign Currency	2,566	57,402	65,202	7,191	4,058	1,164	--	--	137,583
Total	7,123	279,053	417,432	14,784	7,140	2,059	--	--	727,591

3. Dividend income

	Current Period	Prior Period
Trading Securities	--	--
Financial Assets at Fair Value Through Profit or Loss	--	--
Investment Securities Available-for-Sale	--	--
Other (from Subsidiaries and Associates)	7,874	50,003
Total	7,874	50,003

4. Trading income / loss (net)

	Current Period	Prior Period
Profit	5,118,528	5,917,084
Capital Market Transactions:	355,025	95,657
<i>Derivatives and Financial Trans.</i>	338,781	81,506
<i>Other</i>	16,244	14,151
Foreign Exchange Gain	4,763,503	5,821,427
Loss (-)	5,123,517	5,996,705
Capital Market Transactions:	492,909	82,340
<i>Derivatives and Financial Trans.</i>	483,715	55,990
<i>Other</i>	9,194	26,350
Foreign Exchange Loss	4,630,608	5,914,365
Total	(4,989)	(79,621)

5. Other operating income

	Current Period	Prior Period
Income from customers for banking services	45,185	38,732
Reversals from prior year provisions	41,032	29,341
Communication income	9,570	11,164
Gain on sale of assets	77	9,308
Other	13,119	3,339
Total	108,983	91,884

6. Impairment on loans and other receivables

	Current Period	Prior Period
Specific Provisions on Loans and Other Receivables:	74,880	63,829
<i>Loans and Receivables in Group III</i>	--	9,066
<i>Loans and Receivables in Group IV</i>	--	--
<i>Loans and Receivables in Group V</i>	74,880	54,763
Non-performing commissions and other receivables	--	--
General Provision Expenses	32,182	19,867
Provision for Possible Losses	--	--
Impairment Losses on Securities:	3,300	4,998
<i>At Fair Value Through Profit and Loss</i>	261	3,952
<i>Investment Securities Available-for-Sale</i>	3,039	1,046
Other Impairment Losses:	186	226
<i>Associates</i>	--	--
<i>Subsidiaries</i>	--	--
<i>Joint Ventures</i>	--	--
<i>Investment Securities Held-to-Maturity</i>	186	226
Other	5,395	2,125
Total	115,943	91,045

7. Other operational expenses

	Current Period	Prior Period
Personnel Expenses	306,291	219,886
Reserve for Employee Termination Indemnity Benefits	2,463	1,972
Reserve for Bank's Social Aid Fund Deficit	--	--
Impairment of Tangible Assets	--	4,402
Depreciation Expenses of Tangible Assets	32,357	31,322
Impairment of Intangible Assets	--	--
Depreciation Expenses of Intangible Assets	7,241	7,424
Impairment of Investments in Associates	--	--
Impairment of Securities Held for Sale	--	--
Depreciation of Securities Held for Sale (*)	422	730
Impairment of Assets Held for Sale	--	--
Other Operating Expenses	188,913	148,650
Operational Leases	40,029	30,103
Repair and Maintenance	6,186	5,352
Advertising	25,248	24,863
Other Expenses	117,450	88,332
Loss on Sales of Assets	807	609
Others	34,530	41,840
Total	573,024	456,835

(*) Depreciation of fixed assets held for resale.

8. Profit / loss before taxes for continued and discontinued operations

Information regarding continued and discontinued operations are presented in notes 8, 9 and 10.

The Bank does not have any discontinued operation in 2007.

	Current Period	Prior Period
Interest income	1,725,389	1,279,685
Interest expense	979,934	653,908
Net fee and commission income	101,941	92,963
Dividend income	7,874	50,003
Net trading income/(loss)	(4,989)	(79,621)
Other operating income	108,983	172,808
Provision for loan losses or other receivables (-)	115,943	91,045
Other operating expenses (-)	573,024	456,848
Profit before tax – Continued operations	270,297	314,037

9. Taxes for continued and discontinued operations

9.1 Current period taxation benefit or charge and deferred tax benefit or charge

The current period taxation charge is YTL 76,208 and deferred tax benefit is YTL 17,161.

Corporate Tax Rate is reduced from 30% to 20% in accordance with the article 32 of the new Corporate Tax Law No 5520, as announced in the Official Gazette dated 21 June 2006, no.26205. Consequently, corporate earnings is subject to 20% corporate tax rate starting from 1 January 2006. It is announced that corporate taxes which have been computed and paid using the corporate tax rate of 30% for the taxation periods before the new Law is enacted, will be offset against the corporate taxes of the following periods.

9.2 Deferred tax benefit arising from origination or reversal of temporary differences

	Current Period	Prior Period
Deferred tax benefit/charge arising from temporary differences:		
Arising from Origination of Deductible Temporary Differences (+)	14,762	5,398
Arising from Reversal of Deductible Temporary Differences (-)	(1,669)	(5,899)
Arising from Origination of Taxable Temporary Differences (-)	(18)	(7,095)
Arising from Reversal of Taxable Temporary Differences (+)	4,086	6,784
Total	17,161	(812)

9.3 Deferred tax benefit arising from temporary differences, tax losses or unused tax credits

	Current Period	Prior Period
Sources of deferred tax benefit/charge:		
Arising from Origination (+)/ Reversal (-) of Deductible Temporary Differences	13,093	(501)
Arising from Origination (+)/ Reversal (-) of Taxable Temporary Differences	4,068	(311)
Arising from Origination (+)/ Reversal (-) of Tax Losses	--	--
Arising from Origination (+)/ Reversal (-) of Unused Tax Credits	--	--
Total	17,161	(812)

10. Profit / loss for the period regarding continued and discontinued operations

	Current Period	Prior Period
Profit before taxes-continued operations	270,297	314,037
Taxes for continued operations	(59,047)	(37,693)
Net profit/loss-continued operations	211,250	276,344

11. Net profit and loss

11.1 Any further explanation on operating results needed for a proper understanding of the Bank's performance

Income generated from the Bank's ordinary banking transactions during the current and prior period are mainly consisted of interest income from loans and marketable securities and income from other banking services. Main expense items are the interest expenses related to deposits and borrowings which are the main funding sources of marketable securities and loans. The size and recurring ratio of these items are not significant which would require additional explanation and disclosure.

11.2 Changes in estimations made by the Bank do not have a material effect on current and subsequent period profit/loss.

11.3 Since there is no minority right in the share capital of the Bank, there is not any profit or loss related to minority rights.

11.4 No changes have been made in the accounting estimates which may have a material effect in current period and materially affect subsequent periods.

12. **Information related to the components of other items in the income statement exceeding 10% of the group total, or 20% of the sub-accounts belonging to this group**

Fees and Commissions Received	Current Period	Prior Period
Credit Card / POS Commissions	57,657	42,509
Non-Cash Loans	45,174	40,077
Brokerage Fees	23,676	15,388
Remittance Commissions	11,115	9,873
Insurance Services	9,838	9,565
Others	39,976	36,847
Total	187,436	154,259

Fees and Commissions Paid	Current Period	Prior Period
Credit Card / POS Commissions	70,400	48,884
Non-Cash Loans	23	47
Others	15,072	12,365
Total	85,495	61,296

V. Information and disclosures related to statement of changes in shareholders' equity

1. Changes due to valuation of investments available-for-sale

The amount of decreases from valuation of investments available-for-sale of the Bank has been YTL 9,350 as of 31 December 2007. This amount has been reflected to "Valuation Differences of Securities" in the balance sheet.

During 2007, an additional amount of YTL 2,534 has been realized as income from redemption/sale of other items in "available-for-sale investments" portfolio.

On 18 September 2006, the Bank sold its investment amounting to 32,481,802 shares in Zorlu Enerji Elektrik Üretimi Otoprodüktör A.Ş with a unit price of YTL 4.35, totalling to YTL 141,296 to Zorlu Holding A.Ş.. 20,730,000 shares of this sale, amounting to YTL 90,176 have been realized from "Investments available-fore-sale" portfolio. As a result of the sale, the Bank transferred YTL 71,595 from "Valuation Differences of Securities" to "Profit/Loss" accounts.

2. Reconciliation of the beginning and end of the year balances of foreign exchange differences

Foreign exchange differences resulting from the Bahrain branch of the Bank amounted to YTL 4,395 (31 December 2006: YTL 181) and are included in shareholders' equity as "other profit reserves".

3. Dividend information

3.1 *Dividend amounts declared subsequent to the balance sheet date but before the issuance of the financial statements*

None.

3.2 *Net profit per share decided to be distributed after the balance sheet date*

None.

4. Amounts transferred to legal reserves

The Bank transferred YTL 13,818 to legal reserves and YTL 281,233 to extraordinary reserves in 2007.

5. Information on issuance of common stock

5.1 *Rights, priorities and restrictions for all classes of capital shares, including dividend distribution and recall of capital*

None.

6. Explanations for other increases in consolidated statements of changes in shareholders' equity

None.

VI. Information and disclosures related to statement of cash flows

1. Disclosures for “other” items in the statement of cash flows and effect of changes in foreign currency exchange rates on cash and cash equivalents

“Other” item amounting to YTL (503,010) before “changes in operating assets and liabilities” comprise other operating expenses, fees and commissions paid and net trading income/loss. The Bank’s net cash outflow from investing activities amounts to YTL 1,341,466. As a result of these changes in the statement of cash flows, the balance of cash and cash equivalents has changed from YTL 2,637,123 to YTL 926,890 in 2007.

“Other liabilities” item included in “operating assets and liabilities”, amounting to YTL (72,486) comprise taxes and duties payable, factoring payables and other changes in liabilities.

The effect of foreign currency exchange rates on cash and cash equivalents is reflected in foreign exchange gains and losses, which is presented as a separate line item as “effect of change in foreign currency exchange rate on cash and cash equivalents”.

2. Information on cash and cash equivalents at the beginning of the period

	Current Period 31.12.2006	Prior Period 31.12.2005
Cash	228,598	181,464
Interbank Money Market Placements	--	226,000
Trading Securities (Net)	11,919	239,696
Banks and Other Financial Institutions	2,396,606	2,035,024
Cash Equivalents	2,637,123	2,682,184

3. Information on cash and cash equivalents at the end of the period

	Current Period 31.12.2007	Prior Period 31.12.2006
Cash	210,944	228,598
Interbank Money Market Placements	--	--
Trading Securities (Net)	3,351	11,919
Banks and Other Financial Institutions	715,595	2,396,606
Cash Equivalents	926,890	2,637,123

4. Information on cash and cash equivalent assets of the Bank that are not available for free use due to legal restrictions or other reasons

None.

5. Additional information

5.1 Restrictions on the line of unused credit facilities to be used in banking operations and in fulfilling capital commitments, if any

None.

VII. Information and disclosures related to the Bank's risk group

1. Information on the volume of transactions with the Bank's risk group, lending and deposits outstanding at period end and income and expenses in the current period

1.1 As of 31 December 2007, the Bank's risk group has subordinated loans granted at the Bank, cash loans, given bank deposit, other assets, deposits, subordinated loans, cash loans received and non-cash loans amounting to YTL 3,130, YTL 7,394, YTL 9,884, YTL 47,085, YTL 616,425, YTL 362,506, YTL 1,540,653 and YTL 61,202 respectively. As a result of the transactions with the risk group, the Bank has recorded net interest and commission expense of YTL 71,348; trading loss of YTL 3,313; and other income of YTL 14,658.

Current Period

Bank's Risk Group (*)	Associates and subsidiaries		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
<u>Loans and Other Receivables</u>						
Balance at the Beginning of the Period	148,641	8,821	19	2,651	--	--
Balance at the End of the Period	14,764	58,491	6,135	2,676	49	35
Interest and Commission Income Received	2,125	130	6	1	5	--

Prior Period

Bank's Risk Group (*)	Associates and subsidiaries		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
<u>Loans and Other Receivables</u>						
Balance at the Beginning of the Period	16,023	28,913	36,620	182,102	--	--
Balance at the End of the Period	148,641	8,821	19	2,651	--	--
Interest and Commission Income Received	1,883	271	443	179	--	--

* As described in the Article 49 of Banking Law no.5411.

1.2 Information on deposits held by the Bank's risk group

Bank's Risk Group (*)	Associates and subsidiaries		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
<u>Deposits</u>						
Balance at the beginning of the Period	458,990	163,045	180,055	41,353	5,061	13,225
Balance at the End of the Period	609,324	458,990	1,908,126	180,055	2,134	5,061
Interest on Deposits	43,227	20,868	29,979	2,627	409	802

* As described in the Article 49 of Banking Law no.5411.

1.3 Information on forward and option agreements and similar agreements made with the Bank's risk group

Bank's Risk Group (*)	Associates and subsidiaries		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Transactions for Trading Purposes:						
Beginning of the Period	10,577	34,884	--	--	--	--
End of the Period	8,565	10,577	408,326	--	--	--
Total Income/Loss	1,060	(22,283)	(4,373)	(1,204)	--	(12)
Transactions for Hedging Purposes:						
Beginning of the Period	--	--	--	--	--	--
End of the Period	--	--	--	--	--	--
Total Income/Loss	--	--	--	--	--	--

* As described in the Article 49 of Banking Law no.5411.

2. Disclosures of transactions with the Bank's risk group

2.1 Relations with entities in the risk group of / or controlled by the Bank regardless of the nature of relationship among the parties

Transactions with the risk group are made on an arms-length basis; terms are set according to the market conditions and in compliance with the Banking Law.

2.2 In addition to the structure of the relationship, type of transaction, amount, and share in total transaction volume, amount of significant items, and share in all items, pricing policy and other

The pricing of transactions with the risk group companies is set in compliance with the market prices. As of 31 December 2007, cash loans of the risk group represented 0.1% of the Bank's total cash loans granted, the deposits represented 7% of the Bank's total deposits, and cash loans received represented 73% of the Bank's cash loans received. Non-cash loans granted represent 1% of the total balance.

2.3 Explanations on purchase and sale of real estate and other assets, sales and purchases of services, agent contracts, financial lease agreements, transfer of data obtained from research and development, licensing agreements, financing (including loans and cash and in-kind capital support), guarantees and promissory notes, and management contracts

The risk group, which the Bank belongs to, has entered into financial lease contracts with Deniz Leasing. As of 31 December 2007, net financial lease obligation related to these transactions amounts to YTL 33,338 (31 December 2006: YTL 28,378).

VIII. Domestic, foreign and off-shore banking branches and foreign representatives

1. Information relating to the bank's domestic and foreign branch and representatives

	Number	Number of employees			
Domestic branch	319	6,621			
			Country of incorporation		
Foreign representation			1-		
			2-		
			3-		
				Total Assets	Statutory share capital
Foreign branch	1	13	1-Bahrain	2,615,168	
			2-		
			3-		
Off-shore banking region branches			1-		
			2-		
			3-		

SECTION SIX

OTHER DISCLOSURES AND FOOTNOTES

I. Other explanations related to the Bank's operations

1. Explanations related to the Bank's operations

On 5 March 2007, the Bank fully repaid its club loan, amounting to USD 500 millions.

On 28 June 2007, the Bank obtained a securitization loan based on remittances, amounting to USD 350 million (Series 2007-B, USD 200 million, and Series 2007-C, USD 150 million) by the intermediation of Dexia Bank Belgium and ABN Amro Bank. The maturity of the loan is 15 June 2015.

The Bank obtained a 10 years maturity (repayable after 5 years) subordinated loan from Dexia SA, amounting to USD 50 million on 28 June 2007.

On 3 July 2007, the Bank fully repaid its securitization loan, amounting to USD 150 millions (Series 2005-A) which had an original maturity of 2010.

The Bank signed a 10 years loan facility with European Investment Bank, amounting to Euro 250 million, on 12 July 2007. The loan is designed to be granted to small and medium sized enterprises, and commercial and corporate customers, in portions of Euro 150 million and Euro 100 million, respectively.

The Bank obtained a 10 years maturity (repayable after 5 years) subordinated loan from Dexia SA, amounting to USD 130 million on 27 September 2007.

The Bank recorded its new capital investments to Denizbank AG and CJSC Denizbank Moscow, amounting to YTL 25,534 and YTL 14,217, respectively, in "other assets" on 19 December 2007, since the authorizations of the related foreign bodies have not been granted yet.

2. Information summary about ratings of the Banks which has been performed by the international risk rating institutions

Republic of Turkey's rating by Fitch Ratings

On 12 December 2007, Fitch Ratings has upgraded Turkey's long-term local currency rating to BB from BB-. Fitch Ratings has affirmed long-term foreign currency rating of BB- and the outlooks for long-term local and foreign currency at Stable. There has been no change to Turkey's country ceiling rating of BB and short term foreign currency rating of B.

Denizbank's rating by Fitch Ratings

On 14 December 2007, Fitch Ratings has upgraded Denizbank's long term local currency rating to BBB- from BB+, short term local currency rating to F3 from B and national long-term rating to AAA from AA+. Fitch ratings affirmed DenizBank's long and short term foreign currency rating and the outlooks for foreign and local currency IDRs and the National rating at Stable. The latest ratings of Denizbank are as follows:

Foreign Currency				Local Currency		
Short Term	Long Term	Individual	Support	Short Term	Long Term	National
B	BB (Stable)	C	3	F3	BBB- (Stable)	AAA (Stable)

Republic of Turkey's rating by Moody's Investors Service

On 24 May 2006, Moody's Investors Service upgraded Turkey's country ceiling for foreign currency bonds to Ba1 from Ba3. There has been no change to Turkish government's long term foreign and local currency bond ratings of Ba3. Moody's affirmed Turkey's foreign currency bank deposit country ceiling at B1, local currency bank deposits country ceiling at A3 and local currency bonds country ceiling at A2. The outlooks on the country and government ratings have been affirmed at Stable.

Denizbank's rating by Moody's Investors Service

On 24 April 2007, Moody's has raised Denizbank's financial strength rating to C- from D+ and assigned its outlook at Stable. The latest ratings of Denizbank are as follows:

Long Term Foreign Currency Deposit	Long Term Local Currency Deposit	Short Term Local Currency Deposit	Local Currency Deposit Outlook	Financial Strength Rating	Financial Strength Rating Outlook
B1 / Stable	A3	Prime-2	Stable	C-	Stable

3. Transactions that have not been finalized and their effect on the financial statements

According to the provisions of BRSA's "Regulation on Amendments for the Regulation of Principles and Procedures Related to the Determination of the Loans and Other Receivables for which Provisions Shall be Set Aside by Banks and to the Provisions to be Set Aside" published in the Official Gazette No. 26779, dated 6 February 2008, the general loan loss provisions for closely monitored cash loans and non-cash loans increased from 1% to 2%, and 0.2% to 0.4%, respectively.

Following the approval of the legal authority on 11 January 2008, the Bank transferred the amount of its new investment (YTL 14,217) in CJSC Denizbank Moscow from temporary account to subsidiaries account.

Following the approval of the legal authority on 28 January 2008, the Bank transferred the amount of its new investment (YTL 25,534) in Denizbank AG from temporary account to subsidiaries account.

4. Information about effects on foreign currency transactions and financial statements of significant changes in foreign exchange rates after balance sheet date and foreign operations of the bank

There are no significant fluctuations in the currency exchange rates after the balance sheet date that would affect the analysis and decision making process should they not be mentioned.

SECTION SEVEN

INDEPENDENT AUDITOR'S REPORT

I. Information on the independent auditor's report

The Bank's financial statements as of 31 December 2007 have been audited by Akis Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. It was noted in their audit report dated 28 February 2008 that the financial statements present fairly the financial position of Denizbank Anonim Şirketi as of 31 December 2007, and of the results of its operations and its cash flows for the year then ended, in all material respects in accordance with regulations described in Article 37 of the (Turkish) Banking Law No 5411.