

**Turk Ekonomi Bankasi
Anonim Sirketi**

**Consolidated Financial Statements
As of September 30, 2005
Together With Review Report**

(CONVENIENCE TRANSLATION OF A REPORT AND FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH- SEE SECTION III, NOTE XXIII)

**(Convenience Translation of A Review Report And Consolidated Financial Statements
Originally Issued In Turkish - See Section III, Note XXIII)**

**TURK EKONOMI BANKASI ANONIM SIRKETI
REVIEW REPORT AS OF SEPTEMBER 30, 2005**

To the Board of Directors of Turk Ekonomi Bankasi Anonim Sirketi:

We have reviewed the consolidated balance sheet of Turk Ekonomi Bankasi Anonim Sirketi (the Bank) and its subsidiaries as of September 30, 2005 and the related consolidated statements of income, changes in shareholders' equity and cash flows for the interim period then ended. These financial statements are the responsibility of the Bank's management. Our responsibility as independent auditors is to issue a review report on these financial statements based on our review.

We conducted our review in accordance with the auditing standards which were determined under the provisions of Banking Law Number 4389. These standards require that the review should be planned and performed to obtain limited assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of bank personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly we do not express an opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements do not present fairly, in all material respects, the consolidated financial position of Turk Ekonomi Bankasi Anonim Sirketi and its subsidiaries at September 30, 2005 and the consolidated results of their operations and consolidated cash flows for the interim period then ended in accordance with the accounting principles and standards that are based on the Article 13 of the Banking Law.

Additional paragraph for convenience translation to English:

The above mentioned accounting principles differ from International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board. The effects of the differences between these accounting principles and accounting principles generally accepted in the countries in which the accompanying financial statements are to be used and IFRS have not been quantified in the accompanying financial statements. Such differences primarily related to the accounting for the effects of hyperinflation, deferred taxes, employee termination benefits and presentation. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations in accordance with the accounting principles generally accepted in the countries of users of the financial statements and IFRS.

Guney Serbest Muhasebeci Mali Musavirlik Anonim Sirketi
An Affiliated Firm of Ernst & Young International

Fatma E. Yucel, SMMM

November 17, 2005
Istanbul, Turkiye

THE CONSOLIDATED FINANCIAL REPORT OF TURK EKONOMI BANKASI A.S. FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2005

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

- GENERAL INFORMATION ABOUT THE BANK
- CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON ACCOUNTING POLICIES
- INFORMATION ON FINANCIAL STRUCTURE OF THE BANK
- EXPLANATORY DISCLOSURES AND FOOTNOTES ON CONSOLIDATED INTERIM FINANCIAL STATEMENTS
- INDEPENDENT AUDITORS' REVIEW REPORT

The consolidated subsidiaries are as follows:

Subsidiaries

1. The Economy Bank N.V.
2. Petek International Holdings B.V.
3. Stichting Custody Services TEB
4. Kronenburg Vastgoed B.V.
5. TEB Yatirim Menkul Degerler A.S.
6. TEB Finansal Kiralama A.S.
7. TEB Factoring A.S.
8. TEB Portfoy Yonetimi A.S.

Associates

1. Varlik Yatirim Ortakligi A.S.

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

November 17, 2005

Ismail Yanik
Member of Board of Directors
Responsible from Internal Control
System

Varol Civil
General
Manager

E.Sevinc Ozsen
Assistant General Manager
Responsible from Internal
Control System

Ilgaz Dogan
Finance Director

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

Name-Surname/ Title: Guzin Ustun / Investor Relations Director

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

**(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)**

INDEX

Page no.

SECTION ONE

General Information

I.	The Parent Bank's Incorporation Date, Beginning Statute, Changes in the Existing Statute	1
II.	Explanations Regarding the Parent Bank's Shareholding Structure, Shareholders Holding Directly or Indirectly, Collectively or Individually, the Managing and Controlling Power and Changes in Current Year, if any and Explanations on the Controlling Group of the Bank	1
III.	Explanations Regarding the Chairman of Board of Directors and Members of Board of Directors, Audit Committee, General Manager and Assistants and their Shares in the Parent Bank	2
IV.	The Parent Bank's Service Activities and Operating Areas	2
V.	Other Explanations	3
VI.	Explanations Regarding Consolidated Interim Financial Statements	3

SECTION TWO

Consolidated Interim Financial Statements

I.	Consolidated Balance Sheets	4
II.	Consolidated Statements of Off Balance Sheet Contingencies and Commitments	6
III.	Consolidated Income Statements	7
IV.	Consolidated Statements of Changes in Shareholders' Equity	8
V.	Consolidated Cash Flow Statements	9

SECTION THREE

Accounting Principles

I.	Basis of Presentation	10
II.	Information about the Parent Bank and the Subsidiaries subject to Consolidation	11
III.	Explanations on Forward, Option Contracts and Derivative Instruments	12
IV.	Offsetting of Financial Assets and Liabilities	12
V.	Interest Income and Expense	12
VI.	Fees and Commission Income and Expense	12
VII.	Securities Held for Trading	13
VIII.	Sales and Repurchase Agreements and Lending of Securities	13
IX.	Securities Held to Maturity, Securities Available for Sale and Bank Originated Loans and Receivables	13
X.	Unconsolidated Participations and Subsidiaries	14
XI.	Originated Loans and Receivables and Provisions for Loan Impairment	14
XII.	Goodwill and Other Intangible Fixed Assets	15
XIII.	Tangible Fixed Assets	15
XIV.	Leasing Transactions	16
XV.	Provisions and Contingent Liabilities	16
XVI.	Liabilities Regarding Employee Benefits	16
XVII.	Taxation	17
XVIII.	Additional Explanations on Borrowings	18
XIX.	Paid-in Capital and Share Certificates	18
XX.	Acceptances	18
XXI.	Government Incentives	18
XXII.	Securities at Custody	18
XXIII.	Other Matters	18

SECTION FOUR

Information on Consolidated Financial Structure

I.	Consolidated Capital Adequacy Standard Ratio	19
II.	Consolidated Market Risk	22
III.	Consolidated Foreign Currency Risk	22
IV.	Consolidated Interest Rate Risk	24
V.	Consolidated Liquidity Risk	26

SECTION FIVE

Footnotes and Explanations on Consolidated Financial Statements

I.	Footnotes and Explanations Related to the Consolidated Assets	28
II.	Footnotes and Explanations Related to the Consolidated Liabilities	39
III.	Footnotes and Explanations Related to the Consolidated Income Statement	43
IV.	Footnotes and Explanations Related to the Consolidated Off-balance Sheet Contingencies and Commitments	46
V.	Footnotes and Explanations Related to the Statements of Cash Flows	48
VI.	Footnotes and Explanations on the Risk Group of the Bank	49
VII.	Footnotes and Explanations on Inflation Accounting	51
VIII.	Explanations Related to Subsequent Events	53

SECTION SIX

Independent Limited Review report

I.	Explanations on the Independent Limited Review Report	54
II.	Footnotes and Explanations Prepared by the Independent Auditors	54

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)

**TURK EKONOMI BANKASI A.S.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED AS OF SEPTEMBER 30, 2005
(Currency - Thousands of New Turkish Lira)**

SECTION ONE

GENERAL INFORMATION

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

The Bank was incorporated in Turkey in 1927 under the name of Kocaeli Halk Bankasi T.A.S. and in 1982 was acquired by the Colakoglu Group. Its name was changed as Turk Ekonomi Bankasi A.S. and its headquarter moved to Istanbul.

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

As of September 30, 2005 and December 31, 2004, the shareholders and their respective percentages of ownership are summarized as follows:

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

As of September 30, 2005 and December 31, 2004, the Parent Bank's paid-in-capital consists of 115,600 million shares at the historical value of 0.0005 YTL nominal. In accordance with the notification made on February 10, 2005 by TEB Mali Yatirimlar A.S., the ultimate shareholder of the Group, it was announced that TEB Mali Yatirimlar A.S. has transferred shares representing 50% of its capital to BNP Paribas on February 10, 2005, based on the share purchase agreement signed with BNP Paribas at November 22, 2004.

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**TURK EKONOMI BANKASI A.S.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED AS OF SEPTEMBER 30, 2005 (Continued)
(Currency - Thousands of New Turkish Lira)**

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

<u>TITLE</u>	<u>NAME</u>
Chairman of Board of Directors	: Yavuz Canevi
Members of Board of Directors	: Dr.Akin Akbaygil Alain Pierre Andre Bailly Ismail Yanik Jean-Jacques Marie Santini Metin Togay Michel Roger Chevalier Refael Taranto Varol Civil (General Manager)
Chairman of Inspection Committee	: Halil Kaya Harac
General Manager Assistants	: Emine Sevinc Ozsen Hakan Tirasin Izzet Cemal Kismir Levent Celebioglu Necdet Osman Kolat Nuri Tuncali Turgut Boz Turgut Guney Umit Leblebici Unsal Aysun
Auditors	: Ayse Asardag Musa Erden

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

IV- The Parent Bank's Service Activities and Operating Areas

The Parent Bank's operating areas include, retail, commercial and corporate banking, fund management operations and project financing. Besides the daily banking operations, Bank is handling insurance agency functions by its branches under the name of TEB Sigorta A.S. As of September 30, 2005 Bank has 101 local branches and 1 foreign branch (December 31, 2004 - 87 local branches, 1 foreign branch).

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)

**TURK EKONOMI BANKASI A.S.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED AS OF SEPTEMBER 30, 2005 (Continued)
(Currency - Thousands of New Turkish Lira)**

V- Other Explanations

Commercial name of the Bank	: Turk Ekonomi Bankasi Anonim Sirketi (the Bank)
Address of the head office	: Meclis-i Mebusan Caddesi No: 35 Findikli 34427 - ISTANBUL
Telephone number	: (0212) 251 21 21
Facsimile number	: (0212) 249 65 68
Web page	: www.teb.com.tr
E-mail address	: investorrelations@teb.com.tr
Reporting period	: January 1 – September 30, 2005

VI. Explanations on the Interim Consolidated Financial Statements

- a) Accounting policies that are applied in the preparation of consolidated year-end financials except for the application of inflation accounting with respect to Communiqué No:14 of AAR for interim financial statements, are used without any change.
- b) There are no transactions realized in the interim period that display a seasonal or a periodical nature.
- c) There are no non-recurring transactions or basic accounting misstatements.
- d) There are no extraordinary items in terms of nature or amount that effect the assets, liabilities, equity, net income or the cash flow of the Bank.
- e) Prior period interim consolidated financial statements, do not contain any changes with respect to the estimated values related with the current period. There are no items in the prior period financial statements that are recorded with their estimated value.
- f) There are no convertible bonds or any other debt securities issued during the current period.
- g) In the General Assembly meeting of the Parent Bank, dated March 30, 2005, it was decided to distribute the profit for the year 2004 after providing the legal reserves. The amounts that will be distributed to the shareholders who are subject to and not subject to withholding tax are YTL 0.1628883 and YTL 0.1465994 (Nominal full YTL) respectively. Dividends amounting to YTL 9,414 were paid to the shareholders.
- h) There are no subsequent events that occurred after the preparation date of the interim consolidated financial statements which have a material impact on the interim consolidated financial statements.
- i) There are no transactions that may cause a structural change for the Bank such as restructuring, mergers and acquisitions, or discontinue of any operations.
- j) There are no subsequent changes in the commitments and contingencies of the Bank that have arisen after the year-end balance sheet date.

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)

SECTION TWO

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)

TURK EKONOMI BANKASI A.S.
CONSOLIDATED BALANCE SHEETS AS OF SEPTEMBER 30, 2005 AND DECEMBER 31, 2004
(Currency - Thousands of New Turkish Lira)

I- CONSOLIDATED BALANCE SHEETS - ASSETS

	Note Ref. (Section 5)	Reviewed			Audited		
		Current Period			Prior Period		
		30.09.2005			31.12.2004		
		YTL	FC	Total	YTL	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK OF TURKEY		70,073	526,098	596,171	34,306	821,288	855,594
1.1 Cash		21,947	5	21,952	12,388	-	12,388
1.2 Foreign currency		-	70,362	70,362	-	67,672	67,672
1.3 Balances with the Central Bank of Turkey	I-1	48,060	433,156	481,216	21,918	752,085	774,003
1.4 Other		66	22,575	22,641	-	1,531	1,531
II. TRADING SECURITIES (Net)		28,268	2,104	30,372	10,584	6,821	17,405
2.1 Public sector debt securities	I-2	28,087	1,520	29,607	10,584	6,266	16,850
2.1.1 Government bonds	I-2	22,988	931	23,919	5,680	89	5,769
2.1.2 Treasury bills	I-2	5,099	-	5,099	4,904	-	4,904
2.1.3 Other public sector debt securities	I-2	-	589	589	-	6,177	6,177
2.2 Share certificates		181	-	181	-	-	-
2.3 Other marketable securities		-	584	584	-	555	555
III. BANKS AND OTHER FINANCIAL INSTITUTIONS		93,937	701,195	795,132	100,499	738,283	838,782
3.1 Due from banks		93,937	701,195	795,132	100,499	738,283	838,782
3.1.1 Domestic banks		78,044	20,694	98,738	72,788	43,969	116,757
3.1.2 Foreign banks		15,893	680,501	696,394	27,711	694,314	722,025
3.1.3 Branches and head office abroad		-	-	-	-	-	-
3.2 Other financial institutions		-	-	-	-	-	-
IV. MONEY MARKET PLACEMENTS		176,042	-	176,042	95,617	-	95,617
4.1 Interbank money market placements		170,240	-	170,240	95,000	-	95,000
4.2 Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3 Receivables from reverse repurchase agreements		5,802	-	5,802	617	-	617
V. SECURITIES AVAILABLE FOR SALE (Net)		210,677	222,841	433,518	295,846	56,498	352,344
5.1 Share certificates	I-3	9	-	9	9	-	9
5.2 Other marketable securities	I-3	210,668	222,841	433,509	295,837	56,498	352,335
VI. LOANS		1,557,053	1,559,168	3,116,221	896,862	1,150,318	2,047,180
6.1 Short term	I-4	1,183,661	1,139,043	2,322,704	747,547	861,271	1,608,818
6.2 Medium and long term	I-4	363,867	420,125	783,992	139,678	289,047	428,725
6.3 Loans under follow-up	I-4	23,695	-	23,695	20,881	-	20,881
6.4 Specific provisions (-)	I-4	(14,170)	-	(14,170)	(11,244)	-	(11,244)
VII. FACTORING RECEIVABLES		122,316	26,040	148,356	100,166	25,215	125,381
VIII. SECURITIES HELD TO MATURITY (Net)		67,414	13,682	81,096	65,449	7,594	73,043
8.1 Public sector debt securities	I-5	67,414	13,682	81,096	65,449	7,594	73,043
8.1.1 Government bonds	I-5	65,449	9,614	75,063	65,449	7,594	73,043
8.1.2 Treasury bills	I-5	1,965	4,068	6,033	-	-	-
8.1.3 Other public sector debt securities	I-5	-	-	-	-	-	-
8.2 Other marketable securities	I-5	-	-	-	-	-	-
IX. UNCONSOLIDATED INVESTMENTS IN ASSOCIATES (Net)		785	-	785	656	-	656
9.1 Financial associates	I-6	785	-	785	656	-	656
9.2 Non-Financial associates		-	-	-	-	-	-
X. UNCONSOLIDATED INVESTMENTS IN SUBSIDIARIES (Net)		-	-	-	-	-	-
10.1 Financial subsidiaries	I-7	-	-	-	-	-	-
10.2 Non-Financial subsidiaries		-	-	-	-	-	-
XI. OTHER INVESTMENTS (Net)		-	-	-	-	-	-
XII. FINANCE LEASE RECEIVABLES (Net)		8,473	173,984	182,457	5,141	181,875	187,016
12.1 Gross finance lease receivables	I-9	10,089	194,779	204,868	6,445	203,652	210,097
12.2 Unearned income (-)	I-9	(1,616)	(20,795)	(22,411)	(1,304)	(21,777)	(23,081)
XIII. RESERVE DEPOSITS		35,641	198,602	234,243	26,443	163,727	190,170
XIV. MISCELLANEOUS RECEIVABLES		9,229	1,104	10,333	4,919	1,467	6,386
XV. ACCRUED INTEREST AND INCOME RECEIVABLES		34,930	28,429	63,359	30,630	19,076	49,706
15.1 Loans	I-10	14,899	13,614	28,513	9,630	8,921	18,551
15.2 Marketable securities	I-10	12,468	5,310	17,778	13,127	509	13,636
15.3 Other	I-10	7,563	9,505	17,068	7,873	9,646	17,519
XVI. PROPERTY AND EQUIPMENT (Net)		46,056	6,788	52,844	42,122	7,802	49,924
16.1 Book value		132,732	8,038	140,770	124,303	8,900	133,203
16.2 Accumulated depreciation (-)		(86,676)	(1,250)	(87,926)	(82,181)	(1,098)	(83,279)
XVII. INTANGIBLE ASSETS [Net]		4,158	216	4,374	3,727	186	3,913
17.1 Goodwill		1,686	-	1,686	480	-	480
17.2 Other		13,243	1,211	14,454	12,696	1,233	13,929
17.3 Accumulated amortization (-)		(10,771)	(995)	(11,766)	(9,449)	(1,047)	(10,496)
XVIII. DEFERRED TAX ASSET	I-11	6,520	-	6,520	3,702	-	3,702
XIV. OTHER ASSETS	I-12	39,274	21,680	60,954	29,972	11,381	41,353
TOTAL ASSETS		2,510,846	3,481,931	5,992,777	1,746,641	3,191,531	4,938,172

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

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)

TURK EKONOMI BANKASI A.S.
CONSOLIDATED BALANCE SHEETS AS OF SEPTEMBER 30, 2005 AND DECEMBER 31, 2004
(Currency - Thousands of New Turkish Lira)

I- CONSOLIDATED BALANCE SHEETS - LIABILITIES

	Note Ref. (Section 5)	Reviewed			Audited		
		YTL	FC	Total	YTL	FC	Total
I. DEPOSITS		993,889	3,066,262	4,060,151	755,532	2,507,111	3,262,643
1.1 Bank deposits	II-1	58,048	55,363	113,411	43,626	66,291	109,917
1.2 Saving deposits	II-1	477,803	-	477,803	457,149	-	457,149
1.3 Public sector deposits	II-1	2,178	-	2,178	166	-	166
1.4 Commercial deposits	II-1	343,842	-	343,842	208,370	-	208,370
1.5 Other institutions deposits	II-1	112,018	-	112,018	46,221	-	46,221
1.6 Foreign currency deposits	II-1	-	3,009,274	3,009,274	-	2,439,131	2,439,131
1.7 Precious metals deposit accounts	II-1	-	1,625	1,625	-	1,689	1,689
II. MONEY MARKET BALANCES		169,269	-	169,269	155,705	-	155,705
2.1 Interbank money market takings		-	-	-	-	-	-
2.2 Istanbul Stock Exchange money market takings		-	-	-	-	-	-
2.3 Funds provided under repurchase agreements	II-2	169,269	-	169,269	155,705	-	155,705
III. FUNDS BORROWED		197,215	700,328	897,543	75,168	764,858	840,026
3.1 Funds borrowed from the Central Bank of Turkey		-	-	-	-	-	-
3.2 Other funds borrowed	II-3	197,215	700,328	897,543	75,168	764,858	840,026
3.2.1 Domestic banks and institutions	II-3	56,017	71,194	127,211	48,448	72,488	120,936
3.2.2 Foreign banks, institutions and funds	II-3	141,198	629,134	770,332	26,720	692,370	719,090
IV. MARKETABLE SECURITIES ISSUED (Net)		-	-	-	-	-	-
4.1 Bills	II-4	-	-	-	-	-	-
4.2 Asset backed securities	II-4	-	-	-	-	-	-
4.3 Bonds	II-4	-	-	-	-	-	-
V. FUNDS		-	-	-	-	-	-
VI. MISCELLANEOUS PAYABLES	II-6	38,831	11,618	50,449	28,456	19,878	48,334
VII. OTHER EXTERNAL RESOURCES	II-7	53,070	5,566	58,636	36,473	8,131	44,604
VIII. TAXES AND OTHER DUTIES PAYABLE		10,882	4,355	15,237	10,368	407	10,775
IX. FACTORING PAYABLES		48,065	13,203	61,268	42,420	13,601	56,021
X. FINANCE LEASE PAYABLES (Net)		-	-	-	-	-	-
10.1 Finance Lease Payables	II-8	-	-	-	-	-	-
10.2 Deferred finance lease expenses (-)	II-8	-	-	-	-	-	-
XI. ACCRUED INTEREST AND EXPENSES PAYABLE		32,611	18,499	51,110	21,928	15,204	37,132
11.1 Deposits	II-9	9,439	6,200	15,639	10,264	3,873	14,137
11.2 Borrowings	II-9	4,803	8,327	13,130	2,103	6,956	9,059
11.3 Repurchase agreements	II-9	73	-	73	78	-	78
11.4 Other	II-9	18,296	3,972	22,268	9,483	4,375	13,858
XII. PROVISIONS		58,136	2,901	61,037	37,878	8,472	46,350
12.1 General provisions	II-10	16,139	-	16,139	10,235	-	10,235
12.2 Reserve for employee termination benefits		2,498	-	2,498	2,735	-	2,735
12.3 Provisions for income taxes		36,794	2,901	39,695	22,717	8,472	31,189
12.4 Insurance technical reserves (Net)		-	-	-	-	-	-
12.5 Other provisions	II-10	2,705	-	2,705	2,191	-	2,191
XIII. SUBORDINATED LOANS	II-10	-	87,243	87,243	-	20,045	20,045
XIV. MINORITY RIGHTS		-	-	-	791	-	791
XV. DEFERRED TAX LIABILITY		-	-	-	-	-	-
XVI. SHAREHOLDERS' EQUITY		435,577	45,257	480,834	374,000	41,746	415,746
16.1 Paid-in capital	II-11, 13	57,800	-	57,800	57,800	-	57,800
16.2 Supplementary capital		255,340	2,182	257,522	256,487	253	256,740
16.2.1 Share premium	II-12	69	-	69	69	-	69
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Marketable securities value increase fund		2,595	2,182	4,777	3,742	253	3,995
16.2.4 Revaluation fund		-	-	-	-	-	-
16.2.5 Value increase in revaluation fund		-	-	-	-	-	-
16.2.6 Other capital reserves		252,676	-	252,676	-	-	-
16.2.7 Effect of inflation accounting on share capital		-	-	-	252,676	-	252,676
16.3 Profit reserves		49,517	36,744	86,261	14,947	32,763	47,710
16.3.1 Legal reserves		19,955	44,781	64,736	16,515	35,968	52,483
16.3.2 Status reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		29,562	(39)	29,523	(1,568)	45	(1,523)
16.3.4 Other profit reserves		-	(7,998)	(7,998)	-	(3,250)	(3,250)
16.4 Profit or loss		72,920	6,331	79,251	44,766	8,730	53,496
16.4.1 Prior year income/loss		-	-	-	-	-	-
16.4.1.1 Group's share		-	-	-	-	-	-
16.4.1.2 Minority shares		-	-	-	-	-	-
16.4.2 Current year net income/loss		72,920	6,331	79,251	44,766	8,730	53,496
16.4.2.1 Group's share		72,920	6,331	79,251	44,029	8,730	52,759
16.4.2.2 Minority shares		-	-	-	737	-	737
TOTAL LIABILITIES		2,037,545	3,955,232	5,992,777	1,538,719	3,399,453	4,938,172

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

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)**TURK EKONOMI BANKASI A.S.
STATEMENTS OF CONSOLIDATED OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS
AS OF SEPTEMBER 30, 2005 AND DECEMBER 31, 2004
(Currency - Thousands of New Turkish Lira)****II- CONSOLIDATED STATEMENTS OF OFF-BALANCE SHEET COMMITMENTS**

	Note Ref. (Section 5)	Current Period 30.09.2005			Prior Period 31.12.2004		
		YTL	FC	TOTAL	YTL	FC	TOTAL
A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)		1,465,277	3,476,704	4,941,981	1,080,002	2,087,675	3,167,677
I. GUARANTEES	IV-2,3	620,992	1,254,021	1,875,013	514,745	1,015,817	1,530,562
1.1 Letters of guarantee		605,600	593,825	1,199,425	506,150	445,170	951,320
1.1.1 Guarantees subject to State Tender Law		32,277	47,574	79,851	31,235	3,152	34,387
1.1.2 Guarantees given for foreign trade operations		118,820	43,162	161,982	124,129	33,030	157,159
1.1.3 Other letters of guarantee		454,503	503,089	957,592	350,786	408,988	759,774
1.2 Bank acceptances		60	52,720	52,780	-	45,697	45,697
1.2.1 Import acceptances		60	52,720	52,780	-	45,697	45,697
1.2.2 Other bank acceptances		-	-	-	-	-	-
1.3 Letters of credit		104	596,983	597,087	-	515,191	515,191
1.3.1 Documentary letters of credit		104	545,659	545,763	-	446,620	446,620
1.3.2 Other letters of credit		-	51,324	51,324	-	68,571	68,571
1.4 Guaranteed prefinancing		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2 Other endorsements		-	-	-	-	-	-
1.6 Securities issue purchase guarantees		-	-	-	-	-	-
1.7 Factoring guarantees		-	-	-	-	-	-
1.8 Other guarantees		14,920	171	15,091	8,589	-	8,589
1.9 Other suretyships		308	10,322	10,630	6	9,759	9,765
II. COMMITMENTS		427,612	413,465	841,077	370,471	249,924	620,395
2.1 Irrevocable commitments		427,612	385,612	813,224	370,471	229,558	600,029
2.1.1 Asset purchase commitments		-	116,298	116,298	10,400	149,380	159,780
2.1.2 Deposit purchase and sales commitments		-	268,440	268,440	-	80,178	80,178
2.1.3 Share capital commitment to associates and subsidiaries		-	-	-	-	-	-
2.1.4 Loan granting commitments		90,450	-	90,450	69,803	-	69,803
2.1.5 Securities issue brokerage commitments		-	-	-	-	-	-
2.1.6 Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7 Payment commitment for checks	IV-2	164,844	-	164,844	131,835	-	131,835
2.1.8 Tax and fund liabilities from export commitments		25,528	-	25,528	30,008	-	30,008
2.1.9 Commitments for credit card expenditure limits	IV-2	144,352	874	145,226	123,660	-	123,660
2.1.10 Receivables from short sale commitments		-	-	-	-	-	-
2.1.11 Payables for short sale commitments		-	-	-	-	-	-
2.1.12 Other irrevocable commitments		2,438	-	2,438	4,765	-	4,765
2.2 Revocable commitments		-	27,853	27,853	-	20,366	20,366
2.2.1 Revocable loan granting commitments		-	-	-	-	-	-
2.2.2 Other revocable commitments		-	27,853	27,853	-	20,366	20,366
III. DERIVATIVE FINANCIAL INSTRUMENTS		416,673	1,809,218	2,225,891	194,786	821,934	1,016,720
3.1 Forward foreign currency buy/sell transactions		112,392	1,005,249	1,117,641	94,055	475,884	569,939
3.1.1 Forward foreign currency transactions-buy		40,227	517,156	557,383	15,551	266,659	282,210
3.1.2 Forward foreign currency transactions-sell		72,165	488,093	560,258	78,504	209,225	287,729
3.2 Swap transactions related to f.c. and interest rates		205,865	622,238	828,103	67,247	315,225	382,472
3.2.1 Foreign currency swap-buy		-	404,334	404,334	35,336	150,434	185,770
3.2.2 Foreign currency swap-sell		204,724	211,950	416,674	31,911	157,721	189,632
3.2.3 Interest rate swaps-buy		-	3,152	3,152	-	3,424	3,424
3.2.4 Interest rate swaps-sell		1,141	2,802	3,943	-	3,646	3,646
3.3 Foreign currency and interest rate options		97,057	137,767	234,824	33,484	30,825	64,309
3.3.1 Foreign currency options-buy		48,932	68,854	117,786	16,815	15,348	32,163
3.3.2 Foreign currency options-sell		48,125	68,913	117,038	16,669	15,477	32,146
3.3.3 Interest rate options-buy		-	-	-	-	-	-
3.3.4 Interest rate options-sell		-	-	-	-	-	-
3.3.5 Securities options-buy		-	-	-	-	-	-
3.3.6 Securities options-sell		-	-	-	-	-	-
3.4 Foreign currency futures		1,359	21,617	22,976	-	-	-
3.4.1 Foreign currency futures-buy		1,359	20,275	21,634	-	-	-
3.4.2 Foreign currency futures-sell		-	1,342	1,342	-	-	-
3.5 Interest rate futures		-	-	-	-	-	-
3.5.1 Interest rate futures-buy		-	-	-	-	-	-
3.5.2 Interest rate futures-sell		-	-	-	-	-	-
3.6 Other		-	22,347	22,347	-	-	-
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		18,637,047	1,366,444	20,003,491	2,583,502	1,056,303	3,639,805
IV. ITEMS HELD IN CUSTODY		17,630,530	433,029	18,063,559	2,023,104	368,300	2,391,404
4.1 Assets under management		134,133	-	134,133	153,585	-	153,585
4.2 Investment securities held in custody		15,828,637	169,668	15,998,305	652,266	165,413	817,679
4.3 Checks received for collection		1,534,541	126,885	1,661,426	1,148,048	101,209	1,249,257
4.4 Commercial notes received for collection		133,089	75,677	208,766	69,205	49,296	118,501
4.5 Other assets received for collection		60	60,799	60,859	-	52,382	52,382
4.6 Assets received for public offering		-	-	-	-	-	-
4.7 Other items under custody		70	-	70	-	-	-
4.8 Custodians		-	-	-	-	-	-
V. PLEDGED ITEMS		1,006,462	910,912	1,917,374	560,398	676,154	1,236,552
5.1 Marketable securities		150,837	20,378	171,215	29,513	13,511	43,024
5.2 Guarantee notes		4,761	2,646	7,407	4,537	4,741	9,278
5.3 Commodity		1,213	252,995	254,208	4,717	170,992	175,709
5.4 Warranty		-	-	-	-	-	-
5.5 Immovables		555,768	424,400	980,168	355,224	302,716	657,940
5.6 Other pledged items		293,883	210,493	504,376	166,407	184,194	350,601
5.7 Pledged items-depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		55	22,503	22,558	-	11,849	11,849
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		20,102,324	4,843,148	24,945,472	3,663,504	3,143,978	6,807,482

The accompanying notes are an integral part of these statements.

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)

TURK EKONOMI BANKASI A.S.
CONSOLIDATED INCOME STATEMENTS FOR THE INTERIM PERIODS ENDED
SEPTEMBER 30, 2005 AND 2004
(Currency - Thousands of New Turkish Lira)

III- CONSOLIDATED STATEMENTS OF INCOME

	Note Ref.	Reviewed	Reviewed	Reviewed	Reviewed
		Current Period 30.09.2005	Prior Period 30.09.2004	01.07.2005 - 30.09.2005	01.07.2004 - 30.09.2004
	(Section 5)	Total	Total	Total	Total
I. INTEREST INCOME	III-1	419,355	380,631	155,778	129,452
1.1 Interest on loans		243,349	208,638	89,934	76,059
1.1.1 Interest on TL loans		189,998	159,858	69,772	59,305
1.1.1.1 Short term loans		160,515	141,891	55,953	52,540
1.1.1.2 Medium and long term loans		29,483	17,967	13,819	6,765
1.1.2 Interest on foreign currency loans		52,843	47,959	20,041	16,173
1.1.2.1 Short term loans		38,501	33,295	14,348	11,525
1.1.2.2 Medium and long term loans		14,342	14,664	5,693	4,648
1.1.3 Interest on loans under follow-up		508	821	121	581
1.1.4 Premiums received from Resource Utilization Support Fund		-	-	-	-
1.2 Interest received from reserve deposits		6,098	5,955	2,324	2,086
1.3 Interest received from banks		46,072	23,316	16,305	9,316
1.3.1 The Central Bank of Turkey		2,909	119	607	100
1.3.2 Domestic banks		14,603	9,852	4,561	3,346
1.3.3 Foreign banks		28,560	13,345	11,137	5,870
1.3.4 Branches and head office abroad		-	-	-	-
1.4 Interest received from money market placements		10,474	54,996	4,048	12,590
1.5 Interest received from marketable securities portfolio		84,335	59,144	32,684	19,853
1.5.1 Trading securities		14,363	14,816	7,232	6,308
1.5.2 Available-for-sale securities		58,099	25,439	21,589	8,025
1.5.3 Held to maturity securities		11,873	18,889	3,863	5,520
1.6 Other interest income		29,027	28,582	10,483	9,548
II. INTEREST EXPENSE	III-2	220,247	213,284	82,828	73,579
2.1 Interest on deposits		146,785	174,542	53,354	59,499
2.1.1 Bank deposits		7,839	15,446	2,425	4,722
2.1.2 Saving deposits		51,530	75,485	18,509	26,153
2.1.3 Public sector deposits		-	49	-	-
2.1.4 Commercial deposits		34,391	62,606	19,093	20,023
2.1.5 Other institutions deposits		2,387	1,060	937	282
2.1.6 Foreign currency deposits		50,638	19,810	12,390	8,311
2.1.7 Precious metals vault accounts		-	86	-	8
2.2 Interest on money market borrowings		31,878	8,024	12,043	2,920
2.3 Interest on funds borrowed		41,222	30,386	17,421	11,102
2.3.1 The Central Bank of Turkey		-	-	-	-
2.3.2 Domestic banks		7,611	6,577	2,641	2,503
2.3.3 Foreign banks		29,115	20,962	12,466	7,593
2.3.4 Branches and head office abroad		-	-	-	-
2.3.5 Other financial institutions		4,496	2,847	2,314	1,006
2.4 Interest on securities issued		-	-	-	-
2.5 Other interest expense		362	332	10	58
III. NET INTEREST INCOME (I - II)		199,108	167,347	72,950	55,873
IV. NET FEES AND COMMISSIONS INCOME		46,227	47,199	12,389	15,781
4.1 Fees and commissions received		63,507	63,391	18,740	21,748
4.1.1 Cash loans		7,193	5,292	2,760	2,083
4.1.2 Non-cash loans		14,009	13,946	5,456	5,253
4.1.3 Other		42,305	44,153	10,524	14,412
4.2 Fees and commissions paid		17,280	16,192	6,351	5,967
4.2.1 Cash loans		3,841	2,150	728	792
4.2.2 Non-cash loans		51	118	(1)	14
4.2.3 Other		13,388	13,924	5,624	5,161
V. DIVIDEND INCOME		5	-	-	-
5.1 Trading securities		-	-	-	-
5.2 Available-for-sale securities		5	-	-	-
VI. NET TRADING INCOME/LOSS		38,009	8,692	12,533	6,521
6.1 Profit/losses on trading transactions (Net)		52,045	14,868	21,475	3,124
6.1.1 Profit on trading transactions		119,012	61,095	47,412	10,426
6.1.1.1 Profit on derivative financial instruments		81,459	36,392	31,615	2,621
6.1.1.2 Other		37,553	24,703	15,797	7,805
6.1.2 Losses on trading transactions (-)		(66,967)	(46,227)	(25,937)	(7,302)
6.1.2.1 Losses on derivative financial instruments		(54,875)	(32,851)	(21,196)	(3,889)
6.1.2.2 Other		(12,092)	(13,376)	(4,741)	(3,413)
6.2 Foreign exchange gains/losses (Net)		(14,036)	(6,176)	(8,942)	3,397
6.2.1 Foreign exchange gains		315,010	224,139	121,389	112,747
6.2.2 Foreign exchange losses (-)		(329,046)	(230,315)	(130,331)	(109,350)
VII. OTHER OPERATING INCOME	III-3	8,310	15,027	2,687	1,494
VIII. TOTAL OPERATING INCOME (III+IV+V+VI+VII)		291,659	238,265	100,559	79,669
IX. PROVISION FOR LOAN LOSSES OR OTHER RECEIVABLES (-)	III-4	22,993	13,678	5,276	2,919
X. OTHER OPERATING EXPENSES (-)		152,591	141,995	52,050	54,159
XI. NET OPERATING INCOME (IX-X-IXI)		116,075	82,592	43,233	22,591
XII. PROFIT/LOSSES FROM ASSOCIATES AND SUBSIDIARIES	III-5	129	-	82	-
XIII. NET MONETARY GAIN/(LOSS)		-	(27,848)	-	(3,343)
XIV. INCOME BEFORE TAXES		116,204	54,744	43,315	19,248
XV. PROVISION FOR TAXES ON INCOME (-)	III-6	36,953	17,636	12,901	6,128
15.1 Provision for income taxes		40,597	20,363	13,099	11,616
15.2 Provision for deferred taxes		(3,644)	(2,727)	(198)	(5,488)
XVI. NET OPERATING INCOME/EXPENSE AFTER TAXES		79,251	37,108	30,414	13,120
XVII. EXTRAORDINARY INCOME/EXPENSE AFTER TAXES		-	(191)	-	(315)
17.1 Extraordinary net income/expense before taxes		-	(191)	-	(315)
17.1.1 Extraordinary income		-	124	-	-
17.1.2 Extraordinary expense (-)		-	(315)	-	(315)
17.2 Provision for taxes on extraordinary income		-	-	-	-
XVIII. PROFIT/LOSSES ON UNCONSOLIDATED INVESTMENTS (-)		-	-	-	-
XIX. NET PROFIT/LOSSES (XVI+XVII+XVIII)	III-7	79,251	36,917	30,414	12,805
19.1 Group's profit/loss		79,251	39,229	30,414	15,488
19.2 Minority Profit/Loss		-	(2,312)	-	(2,683)
Earnings/Losses per share (Full amount)		0.000686	0.000319	0.000263	0.000111

The accompanying notes are an integral part of these statements.

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)

TURK EKONOMI BANKASI A.S.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE INTERIM PERIODS ENDED SEPTEMBER 30, 2005 AND 2004

(Currency - Thousands of New Turkish Lira)

IV. CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

	Paid-in Capital	Effect of inflation Accounting on Capital and Other Reserves	Share premium	Share certificate cancellation profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/(Loss)	Prior Period Net Income/(Loss)	Revaluation Fund	Value Increase Fund Revaluation Fund	Marketable Securities Value Increase Fund	Total Equity
Prior Period - 30.09.2004														
I Balances at the end of prior period	55,125	252,384	-	-	9,095	-	-	2,961	55,062	(9,987)	-	-	184	364,824
II Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III New balance	55,125	252,384	-	-	9,095	-	-	2,961	55,062	(9,987)	-	-	184	364,824
IV Net Profit or Losses	-	-	-	-	-	-	-	-	36,917	-	-	-	-	36,917
V Profit Distribution	-	-	-	-	41,170	-	35,554	-	(55,062)	(38,823)	-	-	-	(17,161)
5.1 Dividends distributed	-	-	-	-	-	-	-	-	-	(17,161)	-	-	-	(17,161)
5.2 Transfers to legal reserves	-	-	-	-	41,170	-	35,554	-	(55,062)	(21,662)	-	-	-	-
5.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI Increase in capital	2,675	(373)	-	-	-	-	-	-	-	(2,302)	-	-	-	-
6.1 Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2 Revaluation Fund	2,675	(373)	-	-	-	-	-	-	-	(2,302)	-	-	-	-
6.3 Value Increase Fund Revaluation Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.4 Marketable Securities Value Increase Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.5 Adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.6 Issuance of share certificates at end of period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.7 Foreign exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.8 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII Convertible bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII Others	-	-	69	-	-	-	-	(1,394)	-	10,590	-	-	534	9,799
Balances (I+II+IV+V+VI+VII+VIII)	57,800	252,011	69	-	50,265	-	35,554	1,567	36,917	(40,522)	-	-	718	394,379
Current Period - 30.09.2005														
I Balances at the end of prior period	57,800	252,676	69	-	52,483	-	(1,523)	(3,250)	53,496	-	-	-	3,995	415,746
Increases in the period:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II Investments securities available for sale	-	-	-	-	-	-	-	-	-	-	-	-	782	782
2.1 Net fair value gains/losses	-	-	-	-	-	-	-	-	-	-	-	-	782	782
III Cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.1 Net fair value gains/losses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred Amounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV Investments securities available for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Transferred to net income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V Cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5.1 Transferred to net income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5.2 Transferred to assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI Net Profit or Losses	-	-	-	-	-	-	-	-	79,251	-	-	-	-	79,251
VII Profit Distribution	-	-	-	-	12,253	-	31,829	-	(53,496)	-	-	-	-	(9,414)
7.1 Dividends distributed	-	-	-	-	-	-	-	-	(9,414)	-	-	-	-	(9,414)
7.2 Transfers to legal reserves	-	-	-	-	12,253	-	31,829	-	(44,082)	-	-	-	-	-
7.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII Increase in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.1 Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.2 Revaluation Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.3 Value Increase Fund Revaluation Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.4 Marketable Securities Value Increase Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.5 Adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.6 Issuance of share certificates at end of period	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.7 Foreign exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.8 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX Convertible bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X Others	-	-	-	-	-	-	(783)	(4,748)	-	-	-	-	-	(5,531)
Closing Balances (I+II+III+IV+V+VI+VII+VIII+IX)	57,800	252,676	69	-	64,736	-	29,523	(7,998)	79,251	-	-	-	4,777	480,834

The accompanying notes are an integral part of these statements.

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)

**TURK EKONOMI BANKASI A.S.
CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE INTERIM PERIOD ENDED
SEPTEMBER 30, 2005 AND 2004
(Currency - Thousands of New Turkish Lira)**

V. CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note Ref. Section 5	Current Period 30.09.2005	Prior Period 30.09.2004
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		102,846	(61,664)
1.1.1 Interest received		408,518	376,650
1.1.2 Interest paid		(214,679)	(201,013)
1.1.3 Dividend received		5	-
1.1.4 Fees and commissions received		63,507	63,391
1.1.5 Other income		61,793	23,867
1.1.6 Collections from previously written off loans and other receivables		4,874	5,141
1.1.7 Payments to personnel and service suppliers		(89,457)	(69,846)
1.1.8 Taxes paid		(38,849)	(27,461)
1.1.9 Others		(92,866)	(232,393)
1.2 Changes in operating assets and liabilities		(306,388)	85,759
1.2.1 Net (increase) decrease in trading securities		(12,967)	(59,300)
1.2.2 Net (increase) decrease in due from banks and other financial institutions		(2,055)	(16,722)
1.2.3 Net (increase) decrease in loans		(1,081,745)	(266,545)
1.2.4 Net (increase) decrease in other assets		(106,477)	(27,084)
1.2.5 Net increase (decrease) in bank deposits		17,058	216,622
1.2.6 Net increase (decrease) in other deposits		794,014	75,974
1.2.7 Net increase (decrease) in funds borrowed		57,517	192,861
1.2.8 Net increase (decrease) in matured payables		-	-
1.2.9 Net increase (decrease) in other liabilities		28,267	(30,047)
I. Net cash provided from banking operations		(203,542)	24,095
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from investing activities		(106,195)	(234,877)
2.1 Cash paid for purchase of investments, associates and subsidiaries		(2,842)	-
2.2 Cash obtained from sale of investments, associates and subsidiaries		-	-
2.3 Fixed assets purchases		(14,493)	(11,183)
2.4 Fixed assets sales		373	570
2.5 Cash paid for purchase of securities available for sale		(900,479)	(454,294)
2.6 Cash obtained from sale of securities available for sale		820,165	213,541
2.7 Cash paid for purchase of investment securities		(13,823)	(32,744)
2.8 Cash obtained from sale of investment securities		4,904	49,233
2.9 Extraordinary items		-	-
2.10 Others		-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash provided from financing activities		57,784	(17,161)
3.1 Cash obtained from funds borrowed and securities issued		67,198	-
3.2 Cash used for repayment of funds borrowed and securities issued		-	-
3.3 Capital increase		-	-
3.4 Dividends paid		(9,414)	(17,161)
3.5 Payments for finance leases		-	-
3.6 Extraordinary items		-	-
3.7 Others		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents		6,140	111,516
V. Net increase / (decrease) in cash and cash equivalents(I+II+III)		(245,813)	(116,427)
VI. Cash and cash equivalents at beginning of the period	V-1	1,765,570	2,081,758
VII. Cash and cash equivalents at end of the period	V-1	1,519,757	1,965,331

The accompanying notes are an integral part of these statements.

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)

**TURK EKONOMI BANKASI A.S.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED AS OF SEPTEMBER 30, 2005 (Continued)
(Currency - Thousands of New Turkish Lira)**

SECTION THREE

ACCOUNTING PRINCIPLES

I. Basis of Presentation

The Parent Bank prepares its financial statements in accordance with the “Accounting Application Regulations” (AAR) based on Article 13 named as “Accounting and Recording System” of the Banking Law 4389 and related communiqués and related explanations and further communiqués that add or cause a change on the content of the relevant communiqués.

Presentation of the financial statements in accordance with the current purchasing power of money

In accordance with the declaration of the Banking Regulation and Supervision Agency (BRSA) numbered 1623 and dated April 21, 2005 and the circular dated April 28, 2005, banks are not required to apply in their financial statements the Communiqué number 14 “Accounting Standard on Financial Statements at Hyperinflation Periods” since the indicators defined in Article 5 of the Communiqué are not deemed to be applicable. Accordingly, starting from January 1, 2005 inflation accounting has not been applied and, prior period financials presented for comparative presentation purposes are expressed in purchasing power of December 31, 2004.

As a result of a long period of high inflation, the TL has ended up in large denominations, creating difficulty in expressing and recording transactions. A new law was enacted in January 31, 2004 to introduce Yeni Turk Lirasi (New Turkish Lira, YTL), as the new currency unit for the Republic of Turkey effective January 1, 2005. Conversion rate for TL against YTL is fixed at YTL 1 to TL 1,000,000 through out the one year period until complete phase-out of TL. Effective January 1, 2005 the Parent Bank’s functional and presentation currency is YTL and current period consolidated financial statements together with prior period/year comparative figures are presented in thousands of YTL, in accordance with BRSA’s circular dated January 5, 2005.

Other valuation methods

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

Changes in Accounting Policies and Valuation Methods in the Current Period

Accounting policies that are applied in the preparation of consolidated year-end financials, except for the discontinuation of the application of inflation accounting with respect to Communiqué No:14 of AAR for interim consolidated financial statements, are used without any change and summarized in Section Three.

Certain reclassifications have been made to the prior year financial statements to be consistent with the current year presentation. Such reclassifications relate to classifications of amounts previously reported under “Prior year income/loss” as of December 31, 2004 to “Extraordinary Reserves”.

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)

**TURK EKONOMI BANKASI A.S.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED AS OF SEPTEMBER 30, 2005 (Continued)
(Currency - Thousands of New Turkish Lira)**

II- Information about the Parent Bank and the Subsidiaries subject to Consolidation:

Turk Ekonomi Bankasi Anonim Sirketi and its financial institutions, The Economy Bank N.V. (Economy Bank), Petek International Holdings B.V. (Petek International), Stichting Custody Services TEB (Stichting), Kronenburg Vastgoed B.V. (Kronenburg), TEB Yatirim Menkul Degerler A.S. (TEB Yatirim), TEB Finansal Kiralama A.S. (TEB Leasing), TEB Factoring A.S. (TEB Factoring) and TEB Portfoy Yonetimi A.S. (TEB Portfoy) are included in the accompanying consolidated financial statements by full consolidation method. The accompanying consolidated financial statements are prepared in accordance with AAR Communiqué No:15 "Accounting Standard on Consolidated Financial Statements, Subsidiaries, Joint Ventures and Associates". The Parent Bank and the institutions included in the consolidation hereafter will be referred to as "the Group".

Certain changes were made on the financial statements of the subsidiaries, which were prepared in accordance with the principles and rules regarding financial statement and report presentation stated in the Turkish Commercial Code and/or Financial Leasing Law and communiqués of the Capital Market Board, in order to present their financial statements in accordance with AAR.

Explanations on Consolidation Method and Scope

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

<u>Commercial Name</u>	<u>Head Office</u>
Economy Bank	Netherlands
Petek International	Netherlands
Stitching	Netherlands
Kronenburg	Netherlands
TEB Yatirim	Turkey
TEB Leasing	Turkey
TEB Factoring	Turkey
TEB Portfoy	Turkey

Full consolidation method is used for all the financial institutions included in the consolidation.

When there are differences between the accounting policies of the subsidiaries and the Parent Bank, the financial statements are adjusted in accordance with the AAR principles considering the materiality. The financial statements of the subsidiaries are prepared as of September 30, 2005 and December 31, 2004.

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

Associates and subsidiaries that were acquired during the period are explained in notes 6 and 7 of Section V, Part 1.

Explanations on Foreign Currency Transactions

Gains or losses arising from foreign currency transactions are reflected in the income statement as they are realized during the year. Foreign currency assets and liabilities at each period-end are translated into Turkish lira at the period-end foreign exchange buying rates announced by the Parent Bank and the resulting foreign exchange gains or losses are recorded in the income statement as foreign exchange gain or loss. The USD exchange rate used for translating foreign currency transactions into New Turkish Lira and reflecting these to consolidated financial statements as of September 30, 2005 is YTL 1.3422 (December 31, 2004 - YTL 1.3363 (in full YTL)).

There are no capitalized foreign exchange losses.

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

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)

**TURK EKONOMI BANKASI A.S.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED AS OF SEPTEMBER 30, 2005 (Continued)
(Currency - Thousands of New Turkish Lira)**

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

The foreign currency net investment in consolidated foreign subsidiaries to be consolidated are translated into New Turkish Lira using the exchange rate prevailing at the balance sheet date for their assets and liabilities and 9 months average exchange rate for their income statement items.

The currency translation loss derived from the translation of shareholders' equity items amounting to YTL 7,998 (December 31, 2004 - YTL 3,250) has been reflected in "Other Profit Reserves" under shareholders' equity.

III- Explanations on Forward, Option Contracts and Derivative Instruments

In the absence of forward foreign currency market rates and reliable forward rate estimations in a volatile market, values of foreign currency forward, and swap transactions are determined by comparing the period end Bank foreign exchange rates with the forward rates discounted to the balance sheet date. The resulting gain or loss is reflected to the income statement. In determination of the fair values of interest rate swaps, discounted values calculated using the fixed and floating interest rates between the transaction date and repricing date are used. Fair value of option transactions are determined by comparing the option rates discounted to balance sheet with the period end foreign exchange rates of the Bank and the resulting gain or loss is reflected to the income statement taken into account of exercisability of the option. Premiums, received and paid for the option transactions, are calculated on accrual basis using IRR method. Also the Parent Bank has entered into future agreements. Future transactions are valued daily by the primary market prices and related gains or losses are reflected in the income statement.

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

IV- Offsetting of Financial Assets and Liabilities

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

V- Interest Income and Expense

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

VI- Fees and Commission Income and Expense

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

Fees and commissions for funds borrowed paid to other financial institutions, which are a part of the transaction costs, are recorded as prepaid expenses and accordingly expensed on monthly basis.

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

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)

**TURK EKONOMI BANKASI A.S.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED AS OF SEPTEMBER 30, 2005 (Continued)
(Currency - Thousands of New Turkish Lira)**

VII- Securities Held for Trading

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

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

VIII- Sales and Repurchase Agreements and Lending of Securities

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

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

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

Securities purchased with resale commitments (reverse repo) are shown under 'Money Market Placements' as a separate line and are remeasured at amortized cost by using effective interest rate and related gain is reflected under other income accruals in the accompanying financial statements.

As of September 30, 2005, the Group does not have any lent marketable securities (December 31, 2004 – None).

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

Securities held to maturity include securities with fixed or determinable payments and fixed maturity where there is intention of holding till maturity and the relevant conditions for fulfillment of such intention, including the funding ability exist. This portfolio excludes bank originated loans and receivables.

Securities available for sale include all securities other than bank originated loans and receivables, securities held to maturity and securities held for trading.

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

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)

**TURK EKONOMI BANKASI A.S.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED AS OF SEPTEMBER 30, 2005 (Continued)
(Currency - Thousands of New Turkish Lira)**

After the initial recognition, available for sale securities are measured at fair values and the unrealized gain/loss originating from the difference between the initial cost and the fair value is recorded in "Securities Value Increase Fund" under the equity. The difference between fair value and amortized cost of investments by using effective interest rate method is considered while calculating value increase/decrease of investments. Fair values of debt securities that are traded in an active market are determined based on quoted prices or current market prices. In the absence of prices formed in an active market the fair values of these securities are determined using other valuation methods stated in the articles of the AAR's Communiqué No:1, "Accounting Standards of Financial Instruments".

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

Held to maturity securities are remeasured at amortized cost by using original effective interest rate and reserve for impairment in value is provided, if any.

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

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

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

The sale and purchase transactions of the securities held to maturity are recorded at the settlement dates.

X- Unconsolidated Participations and Subsidiaries

Turkish lira investment in associate in which the Group's effective shareholding is below 50% but in which the Group has controlling power is accounted for under the equity method in the accompanying financials, as the effect is not material.

XI- Originated Loans and Receivables and Provisions for Loan Impairment

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

Cash loans are recorded in accordance with the regulations stated at the Communiqué on the Uniform Chart of Accounts and Its Explanations by the Parent Bank.

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

Specific reserves are computed and provided for Group III, IV and V loans in accordance with the Banking Law No.4389 as revised by Law Number 4672, Article 3, Sub Article 11 and Article 11, Sub Article 12 published on the Official Gazette No. 24448 dated June 30, 2001 on "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" amended by Communiqués published on the Official Gazette No:34657 date January 31, 2002. These provisions are reflected in the income statement under "Provision and Impairment Expenses - Special Provision Expense". The collections made regarding these loans are first deducted from the principal amount of the loan and the remaining collections are deducted from interest receivables.

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)

**TURK EKONOMI BANKASI A.S.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED AS OF SEPTEMBER 30, 2005 (Continued)
(Currency - Thousands of New Turkish Lira)**

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

Releases of loan provisions are recorded in the "Provision and Impairment Expenses - Special Provision Expense" account as income. Foreign currency indexed loans are accounted in their YTL equivalent as of granting date. Any foreign exchange gain related to these loans is recorded in interest income on loans, whereas any foreign exchange loss is recorded to provision for loan losses or other receivables.

XII- Goodwill and Other Intangible Fixed Assets

The positive difference of YTL 1,686 (December 31, 2004 - YTL 480), between the acquisition cost and share in equity of acquired subsidiaries is reflected under the intangible fixed assets as goodwill in the accompanying consolidated financial statements.

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

The intangible assets of the Parent Bank comprise mainly software. The requirements of the Turkish Tax Procedural Code are taken into consideration in determining the useful lives and no other specific criteria are used. The useful lives of these assets acquired prior to 2004 are determined as 5 years and for the year 2004 and forthcoming years, as 3 years. Software used are mainly developed within the Parent Bank by the Bank's personnel, and the expenses regarding these are not capitalized. Software is purchased only in emergency cases and for special projects.

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

XIII- Tangible Fixed Assets

Buildings are reflected at their restated costs until December 31, 2004, less reserve for impairment, if any. The straight-line method for depreciation is used for buildings and useful life is considered as 50 years.

Other tangible fixed assets are reflected at their restated costs until December 31, 2004, and depreciated by straight-line method. A prorata basis is used for depreciation of assets held less than one year as of the balance sheet date. The leasehold improvements are depreciated in accordance with the lease period by straight-line method. The annual rates used, which approximate rates based on the estimated economic useful lives of the related assets, are as follows:

	%
Buildings	2
Motor vehicles	20
Furniture, fixtures and office equipment and others	5-50
Leasehold improvements	Lease period

Gains or losses resulting from disposals of the tangible fixed assets are reflected to the income statement as the difference between the net proceeds and net book value.

The repairment costs of the tangible fixed assets are capitalized if they extend the economic useful life of the related asset. Other repairment costs are expensed. There are no pledges, mortgages or other restrictions on the tangible fixed assets.

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)

**TURK EKONOMI BANKASI A.S.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED AS OF SEPTEMBER 30, 2005 (Continued)
(Currency - Thousands of New Turkish Lira)**

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

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

XIV- Leasing Transactions

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

In addition to interest expense, depreciation is provided for the leased assets in each period. The depreciation rate is determined in accordance with AAR 2:"Accounting Standard for Tangible Fixed Assets" and the depreciation rate used is 20%.

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

Operating lease payments are recognized as expense in the income statements in the periods in which they are incurred.

XV- Provisions and Contingent Liabilities

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

XVI- Liabilities Regarding Employee Benefits

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

The Group has no employees contracted for determined periods.

As of September 30, 2005 and December 31, 2004 the arithmetical average of the actual payments realized for the previous five years are 8.35% and 8.54% respectively for the Parent Bank. The Parent Bank's consolidated subsidiaries provided reserve for retirement pay for the eligible personnel as of September 30, 2005 and December 31, 2004, at estimated amounts.

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)

**TURK EKONOMI BANKASI A.S.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED AS OF SEPTEMBER 30, 2005 (Continued)
(Currency - Thousands of New Turkish Lira)**

The employees of the Group are members of Tebliler Foundation. The Parent Bank and subsidiaries do not have any other liability to this foundation other than paying 20 % of the first monthly contribution fee of the employee.

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

XVII- Taxation

Corporate Tax

Beginning with 2003, the effective corporation tax rate is 30% in accordance with Law No. 4842, published on April 24, 2003. However, with Law No. 5035 published at January 2, 2004, only for the year 2004 the corporation tax was calculated at 33%. The corporate tax rate for 2005 is 30%.

The tax legislation, provides for a temporary tax of 30% (2004-33 %) to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset against the final tax liability for the year.

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

In 2004 corporation tax was computed on the statutory income tax based on inflation adjusted statutory financial statements prepared in accordance with Law No. 5024 related with changes in Procedural Tax Code, Income Tax Law and Corporation Tax Law and reflected in the accompanying financial statements. In the Tax Procedural Code Circular number 21, dated October 17, 2005; Republic of Turkey Ministry of Finance General Directorate of Revenues announced that inflation accounting will not be applied in the third quarterly temporary tax period of 2005, as the wholesale price indices announced for October 2005 did not increase more than 10 % compared to July 2004 and three year cumulative inflation rate from October 1, 2002 did not exceed 100 %.

Current tax related with items that are credited or charged directly to equity are charged or credited to equity under "Marketable securities value increase fund".

Tax losses can be carried forward for a maximum period of five years following the year in which the losses were incurred. The tax authorities can inspect tax returns and the related accounting records for a retrospective maximum period of five years.

The Tax Procedural Code does not allow the corporate and income tax to be calculated on a consolidated basis. Accordingly, the current and deferred taxes in the accompanying financial statements are calculated separately for each entity.

Effective tax rate of foreign subsidiaries is 31.5%.

Deferred tax

As of June 30, 2004 and prior periods, the Group calculated and reflected deferred tax asset or liability on timing differences which will result in taxable or deductible amounts in determining taxable profit of future periods.

As of September 30, 2005 and December 31, 2004, in accordance with Communiqué Number 18 of AAR published on August 12, 2004 and effective from July 1, 2004 and the circular of BRSA numbered BDDK.DZM.2/13/1-a-3 dated December 8, 2004 the Group calculated deferred tax asset on all deductible temporary differences except for general loan reserve, if sufficient taxable profit in future periods to recover such amounts is probable; as well as deferred tax liability on all taxable temporary differences. The net deferred tax asset and liabilities of the Bank and its subsidiaries are presented on the financial statements separately in accordance with AAR 18 as deferred tax amounts related to the Bank and its subsidiaries could not be net off with each other.

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)

**TURK EKONOMI BANKASI A.S.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED AS OF SEPTEMBER 30, 2005 (Continued)
(Currency - Thousands of New Turkish Lira)**

The deferred tax asset net is included in other assets and deferred tax liability net is reflected under other external resources on the balance sheets. YTL 3,644 of deferred tax credit is stated under the tax provision in the income statement. YTL 826 of deferred tax asset resulting from differences related to items that are credited or charged directly to equity is netted with these accounts.

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

XVIII-Additional Explanations on Borrowings

There are no debt securities issued by the Parent Bank.

The Group has not issued convertible bonds.

XIX- Paid-in Capital and Share Certificates

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

XX- Acceptances

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

XXI- Government Incentives

There are no government incentives utilized by the Group.

XXII- Securities at Custody

Securities held by the Group at custody on behalf of customers are not included in the balance sheet since they are not assets of the Group. As of September 30, 2005, securities at custody in the off-balance sheet includes investment funds denominated as thousand share units (December 31, 2004 – billion share units).

XXIII- Other Matters

Explanation for convenience translation to English:

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

There are no other matters required to be disclosed.

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)

**TURK EKONOMI BANKASI A.S.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED AS OF SEPTEMBER 30, 2005 (Continued)
(Currency - Thousands of New Turkish Lira)**

SECTION FOUR

INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE OF THE GROUP

I- Consolidated Capital Adequacy Standard Ratio

The method used for risk measurement for capital adequacy standard ratio: Capital Adequacy Standard Ratio is calculated in accordance with the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks ", which was published on January 31, 2002 in the Official Gazette numbered 24657. As of September 30, 2005, the Parent Bank's consolidated capital adequacy ratio is % 15.01 (December 31, 2004 - %16.27).

In the computation of capital adequacy standard ratio, information prepared in accordance with statutory accounting requirements are used. Additionally, the market risk amount is calculated in accordance with the communiqué on the "Internal Control and Risk Management Systems of the Banks" and is taken in to consideration in the capital adequacy standard ratio calculation.

The values deducted from the capital in the shareholders' equity computation are not considered while calculating risk-weighted assets, non-cash loans and contingent liabilities. Assets subject to depreciation and depletion among risk-weighted assets are included in the calculations over their net book values after deducting the relative depreciations and provisions.

While calculating the basis of non-cash loans subject to credit risk, the net receivable amount from the counter parties found by means of deducting the provision amount set in accordance with the "Communiqué on Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" is multiplied by the rates presented at the Clause 1, Article 21 of the "Communiqué on Regulations on the Establishment and Operations of Banks", and included in the related risk group and weighted by the related group's risk.

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

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)**TURK EKONOMI BANKASI A.S.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED AS OF SEPTEMBER 30, 2005 (Continued)
(Currency - Thousands of New Turkish Lira)****Information related to the capital adequacy ratio:**

	Consolidated				Parent Bank			
	Risk Weight				Risk Weight			
	0%	20%	50%	100%	0%	20%	50%	100%
Risk Weighted Assets, Liabilities and Non Cash								
Loans								
Balance Sheet items (Net)	1,211,953	840,085	527,444	2,792,878	1,098,527	235,764	344,975	2,157,058
Cash	95,252	19,703	-	-	94,925	968	-	-
Due from banks	481,216	785,257	-	9,875	481,216	201,632	-	254
Interbank money market placements	170,240	-	-	-	170,000	-	-	-
Receivables from reverse repo transactions	5,802	-	-	-	-	-	-	-
Reserve deposits	234,243	-	-	-	234,243	-	-	-
Special finance houses	-	-	-	-	-	-	-	-
Loans	189,748	28,605	337,569	2,699,130	92,633	28,605	337,569	2,106,343
Loans under follow-up (Net)	-	-	-	9,525	-	-	-	9,525
Subsidiaries, associates and investments held to maturity	-	-	-	-	-	-	-	-
Miscellaneous receivables	-	-	-	10,333	-	-	-	1,820
Marketable securities held to maturity (Net)	3,558	-	-	-	3,558	-	-	-
Advances for assets acquired by financial leasing	-	-	-	-	-	-	-	-
Financial lease receivables	-	-	182,457	-	-	-	-	-
Leased assets (Net)	-	-	7,418	-	-	-	7,406	-
Fixed assets (Net)	-	-	-	36,495	-	-	-	28,471
Other assets	31,894	6,520	-	27,520	21,952	4,559	-	10,645
Off balance sheet items	384,854	713,231	472,877	91,680	340,710	684,207	427,285	83,933
Guarantees and pledges	67,980	708,873	168,025	39,251	24,886	679,852	123,690	39,165
Commitments	312,687	-	304,852	-	312,687	-	303,595	-
Other off balance sheet items	-	-	-	-	-	-	-	-
Transactions related with derivative financial instruments	-	-	-	23,544	-	-	-	18,767
Interest and income accruals	4,187	4,358	-	28,885	3,137	4,355	-	26,001
Non risk weighted accounts	-	-	-	-	-	-	-	-
Total Assets Subject to Risk	1,596,807	1,553,316	1,000,321	2,884,558	1,439,237	919,971	772,260	2,240,991
Total Risk Weighted Assets	-	310,663	500,161	2,884,558	-	183,994	386,130	2,240,991

Summary information related to the capital adequacy ratio:

	Consolidated		Parent Bank	
	Current Period	Prior Period	Current Period	Prior Period
Total Risk Weighted Assets	3,695,382	2,575,912	2,811,115	1,784,135
Amount Subject to Market Risk	81,150	54,288	77,113	48,009
Shareholders' Equity	566,975	427,864	397,062	261,749
Shareholders' Equity / (TRWA + ASMR) *100	15.01	16.27	13.75	14.29

TRWA: Total Risk Weighted Assets
ASMR: Amount Subject to Market Risk

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)

TURK EKONOMI BANKASI A.S.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED AS OF SEPTEMBER 30, 2005 (Continued)
(Currency - Thousands of New Turkish Lira)

Information related to the components of shareholders' equity:

	Consolidated		Parent Bank	
	Current Period	Prior Period	Current Period	Prior Period
MAIN CAPITAL				
Paid-in Capital	57,800	57,800	57,800	57,800
Nominal capital	57,800	57,800	57,800	57,800
Capital commitments (-)	-	-	-	-
Effect on Inflation Accounting on Share Capital	252,676	252,676	252,676	252,676
Share Premium	69	69	-	-
Legal Reserves	56,738	49,233	9,253	6,838
First legal reserve (Turkish Commercial Code 466/1)	60,024	46,797	5,479	3,789
Second legal reserve (Turkish Commercial Code 466/2)	4,712	5,686	3,774	3,049
Other legal reserve per special legislation	(7,998)	(3,250)	-	-
Statute Reserves	-	-	-	-
Extraordinary reserves	29,523	(1,523)	61,218	39,247
Reserves allocated by the General Assembly	29,523	(1,523)	61,218	39,247
Retained earnings	-	-	-	-
Accumulated loss	-	-	-	-
Foreign currency share capital exchange difference	-	-	-	-
Minority Rights	-	791	-	-
Profit	79,251	53,496	63,414	33,800
Current period profit	79,251	53,496	63,414	33,800
Prior period profit	-	-	-	-
Loss (-)	-	-	-	-
Current period loss	-	-	-	-
Prior period loss	-	-	-	-
Total Main Capital	476,057	412,542	444,361	390,361
SUPPLEMENTARY CAPITAL				
Revaluation Fund	-	-	-	-
Furniture, fixture and vehicles	-	-	-	-
Buildings	-	-	-	-
Profit on sale of associates, subsidiaries and buildings to be transferred to share capital	-	-	-	-
Revaluation fund of leasehold improvement	-	-	-	-
Increase in the Value of Revaluation Fund	-	-	-	-
Foreign Exchange Differences	-	-	-	-
General Reserves	16,139	10,235	16,139	10,235
Provisions for Possible Losses	-	-	-	-
Subordinated Loans	85,632	16,036	85,632	16,036
Marketable Securities and Investment Securities Value Increase Fund	4,777	3,995	4,035	3,836
Associates and subsidiaries	-	-	-	-
Available for sale securities	4,777	3,995	4,035	3,836
Structured positions	-	-	-	-
Total Supplementary Capital	106,548	30,266	105,806	30,107
TIER III CAPITAL				
CAPITAL	582,605	442,808	550,167	420,468
DEDUCTIONS FROM THE CAPITAL	15,630	14,944	153,105	158,719
Investments in unconsolidated financial companies whose main activities are money and capital markets, insurance and that operate with licenses provided in accordance with special laws	785	656	140,143	146,474
Leasehold improvements	8,931	7,461	8,710	6,846
Start-up costs	-	-	-	-
Prepaid expenses	4,708	6,827	4,252	5,399
The negative difference between the market values and the carrying amounts for unconsolidated investments, subsidiaries, other investments and fixed assets	-	-	-	-
Subordinated loans given to other banks which operate in Turkey	-	-	-	-
Goodwill (Net)	1,206	-	-	-
Capitalized expenses	-	-	-	-
Total Shareholder's Equity	566,975	427,864	397,062	261,749

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)

**TURK EKONOMI BANKASI A.S.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED AS OF SEPTEMBER 30, 2005 (Continued)
(Currency - Thousands of New Turkish Lira)**

II- Consolidated Market Risk

The Group has established market risk management operations and taken the necessary precautions in order to hedge market risk within its financial risk management purposes, in accordance with the Communiqués on “Internal Control and Risk Management Systems of Banks”, and “Measurement and Assessment of Capital Adequacy of Banks”.

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

The interest rate and exchange rate risks of the financial positions taken by the Parent Bank related to balance sheet and off-balance sheet accounts are measured and while calculating the capital adequacy, the amount subject to VAR is taken into consideration by the standard method. VAR for Market risks using international models Scenario analysis and stress tests are calculated and such tests supported by results are reported to senior management.

	Consolidated	Parent Bank
Capital to be employed for interest rate risk – standard method	5,333	5,162
Capital to be employed for general market risk	5,333	5,162
Capital to be employed for specific risk	-	-
Capital to be employed for options subject to interest rate risk	-	-
Capital to be employed for common stock position risk – Standard method	19	-
Capital to be employed for general market risk	15	-
Capital to be employed for specific risk	4	-
Capital to be employed for options subject to common stock position risk	-	-
Capital to be employed for currency risk – Standard method	1,140	1,007
Capital liability	825	692
Capital to be employed for options subject to currency risk	315	315
Total Value-at-risk (VAR)-Internal Model	-	-
Total capital to be employed for market risk	6,492	6,169
Amount subject to market risk	81,150	77,113

III- Consolidated Foreign Currency Risk

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

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

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

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

As of September 30, 2005, the Group's net long position is YTL 35,370 (December 31, 2004 - YTL 40,343 net long) resulting from short position amounting to YTL 182,958 (December 31, 2004 - YTL 9,417) on the balance sheet and long position amounting to YTL 218,328 (December 31, 2004 - YTL 49,760) from off-balance sheet position.

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)

TURK EKONOMI BANKASI A.S.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED AS OF SEPTEMBER 30, 2005 (Continued)
(Currency - Thousands of New Turkish Lira)

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

	23.09.2005	26.09.2005	27.09.2005	28.09.2005	29.09.2005	30.09.2005
USD	1.33600	1.34230	1.33760	1.34360	1.34060	1.34220
CHF	1.03940	1.03730	1.03100	1.03680	1.03550	1.03620
GBP	2.38500	2.38010	2.36290	2.37340	2.36620	2.36480
JPY	1.19500	1.19150	1.18110	1.18590	1.18560	1.18260
EUR	1.61950	1.61710	1.60810	1.61560	1.61610	1.61540

The simple arithmetical average of the major current foreign exchange buying rates of the Parent Bank for the thirty days before September 30, 2005, is as follows:

	Monthly Average FX rates
USD	1.33340
CHF	1.05519
GBP	2.41384
JPY	1.19893
EUR	1.63723

Information on the foreign currency risk of the Group:

Current Period	EUR	USD	YEN	OTHER FC	TOTAL
Assets					
Cash (cash in vault, foreign currency cash, money in transit, cheques purchased, precious materials) and balances with the Central Bank of Turkey	64,757	652,545	50	7,348	724,700
Due from other banks and financial institutions	60,055	619,199	167	21,774	701,195
Trading securities	873	647	-	584	2,104
Money market placements	-	-	-	-	-
Investment securities available-for-sale	-	222,841	-	-	222,841
Loans (**)	607,273	1,148,853	11,816	40,898	1,808,840
Investments in associates and subsidiaries	-	-	-	-	-
Investment securities held-to-maturity	-	13,682	-	-	13,682
Property and equipment	6,788	-	-	-	6,788
Goodwill	-	-	-	-	-
Other assets (**)	151,752	80,857	64	11,430	244,103
Total Assets	891,498	2,738,624	12,097	82,034	3,724,253
Liabilities					
Bank deposits	8,010	25,733	688	20,932	55,363
Foreign currency deposits (*)	451,809	2,512,412	2,598	44,080	3,010,899
Money market borrowings	-	-	-	-	-
Funds provided from other financial institutions	170,098	578,382	-	39,091	787,571
Marketable securities issued	-	-	-	-	-
Miscellaneous payables	7,132	3,570	916	-	11,618
Other liabilities(**)	19,746	17,090	10	4,914	41,760
Total liabilities	656,795	3,137,187	4,212	109,017	3,907,211
Net Balance Sheet Position	234,703	(398,563)	7,885	(26,983)	(182,958)
Net Off-Balance Sheet Position	(186,054)	387,095	(8,503)	25,790	218,328
Financial derivative assets	231,039	739,973	4,305	88,407	1,063,724
Financial derivative liabilities	417,093	352,878	12,808	62,617	845,396
Non-cash loans (***)	405,312	809,609	5,615	33,485	1,254,021
Prior Period					
Total Assets	610,373	2,689,819	1,548	48,964	3,350,704
Total Liabilities	601,350	2,621,901	1,707	135,163	3,360,121
Net Balance Sheet Position	9,023	67,918	(159)	(86,199)	(9,417)
Net Off-Balance Sheet Position	35,197	(68,631)	267	82,927	49,760
Non-cash loans (***)	353,422	607,839	12,099	42,457	1,015,817

(*) Gold account deposits amounting to YTL 1,625 (December 31, 2004 - YTL 1,689) are included in the foreign currency deposits.

(**) FX-indexed loans amounting to YTL 249,672 (December 31, 2004 - YTL 158,143) are included in loans, FX-indexed factoring receivables amounting to YTL 290 (December 31, 2004 - YTL 4,540) are included in other assets and FX-indexed factoring payables amounting to YTL 183 (December 31, 2004 - YTL 3,774) are included in other liabilities in the currency risk table of the Group.

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

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)

**TURK EKONOMI BANKASI A.S.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED AS OF SEPTEMBER 30, 2005 (Continued)
(Currency - Thousands of New Turkish Lira)**

III- Consolidated Interest Rate Risk

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

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

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

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

The Group defines the risk due from maturity mismatches in advance to carry interest risk at an optimum level.

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

	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Non-interest bearing	Total
Current Period							
Assets							
Cash (cash in vault, foreign currency cash, money in transit, cheques purchased, precious materials) and balances with the Central Bank of Turkey	667,400	-	-	-	-	163,014	830,414
Due from banks and other financial institutions	738,558	19,000	10,000	19,000	-	8,574	795,132
Trading securities	5,529	9,439	1,046	4,469	9,708	181	30,372
Money market placements	176,042	-	-	-	-	-	176,042
Securities available-for-sale	-	163,871	167,605	38,947	63,086	9	433,518
Loans	1,077,951	451,085	594,465	434,988	548,207	-	3,106,696
Securities held-to-maturity	69,417	100	-	413	11,166	-	81,096
Other assets	31,326	137,681	43,524	48,743	83,386	194,847	539,507
Total Assets	2,766,223	781,176	816,640	546,560	715,553	366,625	5,992,777
Liabilities							
Bank deposits	97,868	6,699	7,713	-	-	1,131	113,411
Other deposits	2,447,579	484,163	81,692	62,550	127,622	743,134	3,946,740
Money market borrowings	169,269	-	-	-	-	-	169,269
Miscellaneous payables	-	-	-	-	-	50,449	50,449
Marketable securities issued	-	-	-	-	-	-	-
Funds provided from other financial institutions	176,261	485,136	228,972	36,572	57,845	-	984,786
Other liabilities	2,864	54,966	1,906	318	-	668,068	728,122
Total Liabilities	2,893,841	1,030,964	320,283	99,440	185,467	1,462,782	5,992,777
Balance Sheet Interest Sensitivity Gap	(127,618)	(249,788)	496,357	447,120	530,086	(1,096,157)	-
Off Balance Sheet Interest Sensitivity Gap	(791)	-	-	-	-	-	(791)
Total Interest Sensitivity Gap	(128,409)	(249,788)	496,357	447,120	530,086	(1,096,157)	(791)

Other assets line at the non-interest bearing column includes YTL 52,844 of tangible fixed assets, YTL 4,374 of intangible fixed assets, YTL 63,359 of accrued interest and income receivables, YTL 785 of participations and YTL 67,474 of deferred tax and other assets and the other liability line includes equity of YTL 480,834.

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)

TURK EKONOMI BANKASI A.S.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED AS OF SEPTEMBER 30, 2005 (Continued)
(Currency - Thousands of New Turkish Lira)

	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Non-interest bearing	Total
Prior Period							
Assets							
Cash (cash in vault, foreign currency cash, money in transit, cheques purchased, precious materials) and balances with the Central Bank of Turkey	942,255	-	-	-	-	103,509	1,045,764
Due from Banks and other financial institutions	785,652	23,049	6,892	16,000	-	7,189	838,782
Trading securities	2,274	1,148	2,838	2,659	8,486	-	17,405
Money market placements	95,617	-	-	-	-	-	95,617
Securities available-for-sale	38,872	100,974	7,077	36,927	168,485	9	352,344
Loans	805,677	402,493	384,252	175,819	269,302	-	2,037,543
Securities held-to-maturity	65,349	100	1,021	6,573	-	-	73,043
Other assets	59,932	87,217	49,020	47,644	78,866	154,995	477,674
Total Assets	2,795,628	614,981	451,100	285,622	525,139	265,702	4,938,172
Liabilities							
Bank deposits	87,570	19,776	1,000	-	-	1,571	109,917
Other deposits	2,366,070	509,293	70,082	60,624	50,145	96,512	3,152,726
Money market borrowings	155,705	-	-	-	-	-	155,705
Miscellaneous payables	-	44	-	-	-	48,290	48,334
Marketable securities issued	-	-	-	-	-	-	-
Funds provided from other financial institutions	135,629	371,553	169,970	74,678	108,241	-	860,071
Other liabilities	29,142	25,342	1,537	-	-	555,398	611,419
Total Liabilities	2,774,116	926,008	242,589	135,302	158,386	701,771	4,938,172
Balance Sheet Interest Sensitivity Gap	21,512	(311,027)	208,511	150,320	366,753	(436,069)	-
Off Balance Sheet Interest Sensitivity Gap	(163)	-	(59)	-	-	-	(222)
Total Interest Sensitivity Gap	21,349	(311,027)	208,452	150,320	366,753	(436,069)	(222)

Other assets line at the non-interest bearing column includes YTL 49,924 of tangible fixed assets, YTL 3,913 of intangible fixed assets, YTL 49,706 of accrued interest and income receivables, YTL 656 of participations and YTL 45,055 of deferred tax and other assets and the other liability line includes equity of YTL 415,746 and minority interest amounting to YTL 791.

Average interest rates applied to monetary financial instruments:

	EURO %	USD %	YEN %	YTL %
Current Period				
Assets				
Cash (cash in vault, foreign currency cash, money in transit, cheques purchased, precious materials) and balances with the Central Bank of Turkey	1.51	1.33	-	10.86
Due from banks and other financial institutions	2.36	3.43	-	15.52
Trading securities	4.84	7.45	-	15.54
Money market placements	-	-	-	14.50
Securities available-for-sale	-	6.06	-	17.31
Leasing receivables	10.70	10.40	-	35.30
Factoring receivables	5.35	6.78	-	21.80
Loans	5.35	6.16	4.12	19.61
Securities held-to-maturity	-	9.19	-	15.23
Liabilities				
Bank deposits	2.55	3.24	-	16.06
Other deposits	2.36	3.20	-	15.92
Miscellaneous payables	-	4.39	-	15.27
Money market placements	-	-	-	-
Marketable securities issued	-	-	-	-
Funds provided from other financial institutions	3.19	5.01	-	20.22

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)

**TURK EKONOMI BANKASI A.S.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED AS OF SEPTEMBER 30, 2005 (Continued)
(Currency - Thousands of New Turkish Lira)**

	EURO %	USD %	YEN %	YTL %
Prior Period				
Assets				
Cash (cash in vault, foreign currency cash, money in transit, cheques purchased, precious materials) and balances with the Central Bank of Turkey	0.64	0.55	-	10.00
Due from banks and other financial institutions	2.12	2.67	-	20.17
Trading securities	7.56	8.60	-	22.87
Money market placements	-	-	-	17.40
Securities available-for-sale	-	6.50	-	22.17
Leasing receivables	11.14	11.03	-	52.9
Factoring receivables	6.28	5.19	-	29.32
Loans	4.93	4.79	-	24.49
Securities held-to-maturity	-	4.81	-	26.00
Liabilities				
Bank deposits	2.06	1.83	-	20.96
Other deposits	2.88	2.46	-	21.34
Miscellaneous payables	-	-	-	19.64
Money market placements	-	-	-	-
Marketable securities issued	-	-	-	-
Funds provided from other financial institutions	4.37	3.90	-	22.73

IV- Consolidated Liquidity Risk

Liquidity risk occurs when there is not sufficient amount of cash or cash inflows to meet the cash outflows completely and on time, resulting from the unstable cash flows.

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

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

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

When the funding and liquidity sources are considered, the parent Bank covers majority of its liquidity need by deposits, and in addition to this source, it makes use of prefinancing and syndication products to generate additional sources. The Parent Bank keeps its position as a net lender position in general.

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)

TURK EKONOMI BANKASI A.S.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED AS OF SEPTEMBER 30, 2005 (Continued)
(Currency - Thousands of New Turkish Lira)

Presentation of assets and liabilities according to their remaining maturities :

Current Period	Demand	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Undistributed (*)	Total
Assets								
Cash (cash in vault, foreign currency cash, money in transit, cheques purchased, precious materials) and Balances with the Central Bank of Turkey	162,903	667,460	26	25	-	-	-	830,414
Due from banks and other financial institutions	120,877	626,255	19,000	10,000	19,000	-	-	795,132
Trading securities	181	5,041	1,408	1,218	8,706	13,818	-	30,372
Money market placements	-	176,042	-	-	-	-	-	176,042
Securities available-for-sale	9	-	260	19,874	111,637	301,738	-	433,518
Loans	-	1,077,951	451,085	594,465	434,988	548,207	-	3,106,696
Securities held-to-maturity	-	69,417	-	100	413	11,166	-	81,096
Other assets	24	89,453	144,147	51,054	55,978	99,557	99,294	539,507
Total Assets	283,994	2,711,619	615,926	676,736	630,722	974,486	99,294	5,992,777
Liabilities								
Bank deposits	16,042	82,957	6,699	7,713	-	-	-	113,411
Other deposits	743,134	2,447,579	484,163	81,692	62,550	127,622	-	3,946,740
Money market borrowings	-	169,269	-	-	-	-	-	169,269
Funds provided from other financial institutions	-	123,038	389,105	78,884	73,939	319,820	-	984,786
Marketable securities issued	-	-	-	-	-	-	-	-
Miscellaneous payables	36,507	2,427	-	-	-	-	11,515	50,449
Other liabilities	2,816	103,011	64,060	5,860	42,226	7,973	502,176	728,122
Total Liabilities	798,499	2,928,281	944,027	174,149	178,715	455,415	513,691	5,992,777
Net Liquidity Gap	(514,505)	(216,662)	(328,101)	502,587	452,007	519,071	(414,397)	-
Prior Period								
Total Assets	177,833	2,651,380	524,840	472,471	398,074	642,152	71,422	4,938,172
Total Liabilities	791,448	2,136,066	643,736	162,527	478,319	284,601	441,475	4,938,172
Net Liquidity Gap	(613,615)	515,314	(118,896)	309,944	(80,245)	357,551	(370,053)	-

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

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)

TURK EKONOMI BANKASI A.S.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED AS OF SEPTEMBER 30, 2005 (Continued)
(Currency - Thousands of New Turkish Lira)

SECTION FIVE**FOOTNOTES AND EXPLANATIONS ON CONSOLIDATED FINANCIAL STATEMENTS****I. Footnotes and Explanations Related to the Consolidated Assets****1. Information related to the account of the Central Bank of Turkey:**

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Unrestricted demand deposit	48,060	-	21,918	-
Unrestricted time deposit	-	433,156	-	752,085
Total	48,060	433,156	21,918	752,085

2. Information on trading portfolio (stated at net values):

a) Trading securities given as collateral or blocked:

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Share Certificates	-	-	-	-
Bond, Treasury Bill and Similar Investment Securities	87	-	866	-
Other	-	-	-	-
Total	87	-	866	-

b) Trading securities subject to repurchase agreements:

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Government Bonds	7,625	-	3,138	-
Treasury Bills	1,646	-	4,786	-
Other Debt Securities	-	-	-	-
Bank Bonds and Bank Guaranteed Bonds	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
Total	9,271	-	7,924	-

As of September 30, 2005, trading securities which are not given as collateral amount to YTL 21,014 (December 31, 2004 - YTL 8,615).

3. Information on available for sale portfolio:

a) Main types of available for sale securities: Available for sale securities include public sector, domestic and foreign debt securities, other securities and share certificates.

b) Information on available for sale portfolio:

	Current Period	Prior Period
Debt Securities	437,339	355,091
Quoted in a Stock Exchange	378,881	296,889
Not Quoted	58,458	58,202
Share Certificates	9	9
Quoted in a Stock Exchange	-	-
Not Quoted	9	9
Provision for Impairment (-)	(3,830)	(2,756)
Total	433,518	352,344

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)

TURK EKONOMI BANKASI A.S.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED AS OF SEPTEMBER 30, 2005 (Continued)
(Currency - Thousands of New Turkish Lira)

c) Available for sale securities given as collateral or blocked: Available for sale securities given as collateral consist of public sector debt securities of TL 178,529 (December 31, 2004 – YTL 54,519) given as collateral for regulatory requirements.

d) Information on investment securities available-for-sale given as collateral or blocked :

	Current Period		Prior Period	
	TL	FC	TL	FC
Share Certificates	-	-	-	-
Bond, Treasury Bill and Similar Investment Securities	17,365	161,164	54,519	-
Other	-	-	-	-
Total	17,365	161,164	54,519	-

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

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Government bonds	108,193	-	147,941	-
Treasury bills	-	-	-	-
Other public sector debt securities	-	-	-	-
Bank bonds and bank guaranteed bonds	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	108,193	-	147,941	-

4. Information on loans:

a) Information on all types of loans and advances given to shareholders and employees of the Bank:

	Current Period		Prior Period	
	Cash Loans	Non-Cash Loans	Cash Loans	Non-Cash Loans
Direct loans Granted to Shareholders	2,033	14,936	31	13,024
Corporate Shareholders	2,033	14,936	31	13,024
Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees	2,753	-	2,157	18
Total	4,786	14,936	2,188	13,042

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

	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Cash Loans	Loans and Other Receivables	Loans and Other Receivables	Restructured or Rescheduled
Non-Specialized Loans		3,097,961	-	8,735
Discount Notes		78,321	-	-
Export Loans		754,905	-	-
Import Loans		-	-	-
Loans Given to Financial Sector		182,633	-	-
Foreign Loans		236,798	-	-
Consumer Loans		245,538	-	-
Credit Cards		25,084	-	-
Precious Metals Loans		35,054	-	-
Other		1,539,628	-	8,735
Specialized Loans		-	-	-
Other Receivables		-	-	-
Total		3,097,961	-	8,735

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)

TURK EKONOMI BANKASI A.S.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED AS OF SEPTEMBER 30, 2005 (Continued)
(Currency - Thousands of New Turkish Lira)

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

	Short Term	Medium and Long Term	Total	Interest Income Accrual
Consumer Loans-YTL	25,890	179,926	205,816	1,920
Real Estate Loans	931	66,347	67,278	521
Automotive Loans	4,264	83,025	87,289	808
General Purpose Loans	12,964	30,554	43,518	591
Other	7,731	-	7,731	-
Consumer Loans -Indexed to FC	1,369	29,241	30,610	134
Real Estate Loans	212	16,903	17,115	71
Automotive Loans	617	10,796	11,413	46
General Purpose Loans	540	1,542	2,082	17
Other	-	-	-	-
Consumer Loans-FC	6,055	1,062	7,117	54
Real Estate Loans	-	-	-	-
Automotive Loans	-	-	-	-
General Purpose Loans	-	-	-	-
Other	6,055	1,062	7,117	54
Individual Credit Cards-YTL	21,936	-	21,936	-
With Installments	129	-	129	-
Without Installments	21,807	-	21,807	-
Individual Credit Cards-FC	984	-	984	-
With Installments	-	-	-	-
Without Installments	984	-	984	-
Personnel Loans-YTL	943	996	1,939	23
Real Estate Loans	-	-	-	-
Automotive Loans	-	-	-	-
General Purpose Loans	831	996	1,827	23
Other	112	-	112	-
Personnel Loans- Indexed to FC	-	-	-	-
Real Estate Loans	-	-	-	-
Automotive Loans	-	-	-	-
General Purpose Loans	-	-	-	-
Other	-	-	-	-
Personnel Loans-FC	4	52	56	-
Real Estate Loans	-	-	-	-
Automotive Loans	-	-	-	-
General Purpose Loans	4	52	56	-
Other	-	-	-	-
Personnel Credit Cards-YTL	724	-	724	-
With Installments	17	-	17	-
Without Installments	707	-	707	-
Personnel Credit Cards-FC	35	-	35	-
With Installments	-	-	-	-
Without Installments	35	-	35	-
Total	57,940	211,277	269,217	2,131

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)

TURK EKONOMI BANKASI A.S.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED AS OF SEPTEMBER 30, 2005 (Continued)
(Currency - Thousands of New Turkish Lira)

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

	Short Term	Medium and Long Term	Total	Interest Income Accrual
Commercial loans with installment facility- YTL	18,190	68,148	86,338	743
Real Estate Loans	38	2,984	3,022	16
Automotive Loans	5,886	43,367	49,253	448
General Purpose Loans	12,091	20,782	32,873	268
Other	175	1,015	1,190	11
Commercial loans with installment facility - Indexed to FC	4,312	62,254	66,566	244
Real Estate Loans	-	786	786	4
Automotive Loans	1,237	40,709	41,946	143
General Purpose Loans	3,052	19,750	22,802	93
Other	23	1,009	1,032	4
Commercial loans with installment facility -FC	-	-	-	-
Real Estate Loans	-	-	-	-
Automotive Loans	-	-	-	-
General Purpose Loans	-	-	-	-
Other	-	-	-	-
Corporate Credit Cards-YTL	1,138	-	1,138	-
With Installments	-	-	-	-
Without Installments	1,138	-	1,138	-
Corporate Credit Cards-FC	267	-	267	-
With Installments	-	-	-	-
Without Installments	267	-	267	-
Total	23,907	130,402	154,309	987

e) Domestic and foreign loans:

	Current Period	Prior Period
Domestic Loans	2,869,898	1,865,375
Foreign Loans	236,798	172,168
Total	3,106,696	2,037,543

f) Loans granted to subsidiaries and investments: None.

g) Specific provisions provided against loans:

	Current Period	Prior Period
Specific Provisions		
Loans and Receivables With Limited Collectibility	479	255
Loans and Receivables With Doubtful Collectibility	1,876	1,045
Uncollectible Loans and Receivables	11,815	9,944
Total	14,170	11,244

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)**TURK EKONOMI BANKASI A.S.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED AS OF SEPTEMBER 30, 2005 (Continued)
(Currency - Thousands of New Turkish Lira)**

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

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

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

	III. Group	IV. Group	V. Group
	Loans and Receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Prior Period End Balance	1,799	5,096	13,986
Additions (+)	8,663	133	1,224
Transfers from Other Categories of Loans Under Follow-up (+)	-	6,411	6,287
Transfers to Other Categories of Loans Under Follow-up (-)	6,411	6,287	-
Collections (-)	1,299	1,401	4,332(*)
Write-offs (-)	-	2	172
Effect of inflation(-)	-	-	-
Current Period End Balance	2,752	3,950	16,993
Specific Provisions (-)	479	1,876	11,815
Net Balances on Balance Sheet	2,273	2,074	5,178

(*) A loan risk, that was followed in the doubtful receivables in the prior periods, has been transferred to the loans and other receivables under close monitoring since the conditions in the "Communiqué on Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" were fulfilled. Accordingly, the specific provision amounting to TL 2,158 is reversed in the current period.

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

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

a) Information on held to maturity portfolio:

	Current Period	Prior Period
Debt Securities	81,096	73,043
Quoted in a Stock Exchange	81,096	73,043
Not Quoted	-	-
Provision for Impairment (-)	-	-
Total	81,096	73,043

b) Movement of held to maturity portfolio:

	Current Period	Prior Period
Beginning Balance	73,043	104,112
Effect of Inflation (-)	-	(10,486)
Foreign Currency Differences on Monetary Assets	(866)	(159)
Purchases During Year	13,823	33,401
Disposals Through Sales and Redemptions	(4,904)	(53,825)
Provision for Impairment (-)	-	-
Closing Balances	81,096	73,043

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)

TURK EKONOMI BANKASI A.S.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED AS OF SEPTEMBER 30, 2005 (Continued)
(Currency - Thousands of New Turkish Lira)

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

	Current Period				Prior Period			
	Cost		Amortized cost		Cost		Amortized cost	
	TL	FC	TL	FC	TL	FC	TL	FC
Held to Maturity Portfolio								
Given as Collateral or Blocked	1,130	-	1,138	-	65,449	-	67,637	-
Subject to Repo Transactions	60,761	-	61,229	-	-	-	-	-
Held for Structural Position	-	-	-	-	-	-	-	-
Receivables From Securities Lending	-	-	-	-	-	-	-	-
Collaterals on Securities Lending	-	-	-	-	-	-	-	-
Other (*)	5,523	13,682	5,594	13,837	-	7,594	-	7,736
Closing Balances	67,414	13,682	67,961	13,837	65,449	7,594	67,637	7,736

(*) The free marketable securities held by the Group.

c.2) Marketable securities held to maturity given as collateral consist of public sector debt securities of YTL 1,130 (December 31, 2004 - YTL 65,449), given as collateral for regulatory requirements.

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

	Current Period		Prior Period	
	TL	FC	TL	FC
Bonds	-	-	-	-
Bills and similar investment securities	1,130	-	65,449	-
Other	-	-	-	-
Total	1,130	-	65,449	-

c.3) Securities held-to-maturity subject to repurchase agreements given as collateral consist of public sector debt securities of YTL 60,761 (December 31, 2004-None).

Information on investment securities held to maturity subject to repurchase agreements:

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Government bonds	60,761	-	-	-
Treasury bills	-	-	-	-
Other public sector debt securities	-	-	-	-
Bank bonds and bank guaranteed bonds	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	60,761	-	-	-

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

6. Information on participations (Net):

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

a.2) Based on the line on (a.1), there are not any unconsolidated participations.

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

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

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)

TURK EKONOMI BANKASI A.S.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED AS OF SEPTEMBER 30, 2005 (Continued)
(Currency - Thousands of New Turkish Lira)

b.1) Information on the consolidated participations:

	Current Period	Prior Period
Balance at the Beginning of the Period	656	10,724
Movements During the Period	129	(10,068)
Purchases (*)	129	656
Free Shares Obtained Profit from Current Year's Share	-	-
Dividends from Current Year Income	-	-
Sales (**)	-	(10,724)
Revaluation Increase	-	-
Provision for Impairment	-	-
Balance at the End of the Period	785	656
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

(*) The "purchases" amount is due to accounting of Varlik Yatirim Ortakligi A.S. with equity method.

(**) The amount which has been disclosed in "sales" is the reclassification of TEB Sigorta as "subsidiaries" due to increase in the effective shareholding percentage of the Parent Bank in relation with the change in its share capital structure.

b.2) Valuation of investments made to the consolidated participations:

	Current Period	Prior Period
Valuation With Cost	-	-
Valuation With Fair Value	-	-
Valuation With Equity Method	785	656
Total	785	656

b.3) Sectoral information and the related carrying amounts of participations:

Participations	Current Period	Prior Period
Other financial participations / Varlik Yatirim Ortakligi A.S.	785	656
Total	785	656

b.4) Participations which are quoted in a stock exchange: Varlik Yatirim Ortakligi A.S..

b.5) Information related to participations that are included in consolidation:

Description	Address (City / Country)	Parent Bank's share percentage-If different voting percentage (%)	Group's risk group share percentage (%)	Method of Consolidation
Varlik Yatirim Ortakligi A.S.	Istanbul/Turkey	-	34.00	Equity method

Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit / Loss	Prior Period Profit / Loss (*)	Fair Value
(i) 2,269	2,051	7	-	232	106	(152)	2,050

(*) Represents profit/loss for the year ended December 31, 2004.

(i) Represents amounts reflected on the financial statements prepared based on the regulations of Capital Market Board as of June 30, 2005.

b.6) Information on participation, included in consolidation which are sold in current period: None.

b.7) Participations, included in the consolidation that are purchased in the current period: None.

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)

**TURK EKONOMI BANKASI A.S.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED AS OF SEPTEMBER 30, 2005 (Continued)
(Currency - Thousands of New Turkish Lira)**

7. Information on Subsidiaries (Net):

a) Information on the unconsolidated subsidiaries.

b) Information on the consolidated subsidiaries.

b.1) Information on the consolidated subsidiaries:

	Current Period	Prior Period
Balance at the Beginning of the Period	156,783	152,103
Movements During the Period	(4,723)	4,680
Purchases(*)	1,636	27,644
Bonus shares obtained	-	-
Share in current year income	-	-
Sales (**)	-	(17,561)
Revaluation Increase (***)	(6,359)	(5,403)
Provision for Impairment	-	-
Balance at the end of the Period	152,060	156,783
Capital Commitments	-	-
Share Percentage at the end of the Period (%)	-	-

(*) Current year purchases are due to purchase of TEB Portfoy A.S shares that belonged to ABN Amro by TEB Yatirim A.S. (As of December 31, 2004, YTL 10,724 is due to the reclassification of TEB Sigorta A.S. as a subsidiary and YTL 16,920 is due to the increase in the shareholding percentages of other subsidiaries.)

(**) As of December 31, 2004, the "Sales" amount includes TL 13,396 due to disposal of TEB Sigorta A.S.

(***) For the prior period the amount represents the effects of change in exchange rates and inflation on foreign subsidiaries; for the current period, represents just the effects of change in exchange rates.

The figures stated above present the cost of the Group's total investment restated until December 31, 2004 in subsidiaries before consolidation.

b.2) Valuation of investments made to the consolidated subsidiaries under unconsolidated financial statements:

Subsidiaries denominated in New Turkish Lira are reflected by restating their costs until December 31, 2004 with the conversion factors applicable for the relevant dates after deducting the capital increases from internally generated funds like the revaluation fund. Subsidiaries denominated in foreign currency are translated into New Turkish Lira by applying the exchange rates prevailing at balance sheet dates. When there is a permanent diminution in value of the subsidiaries then a provision is set.

	Current Period	Prior Period
Valuation With Cost	152,060	156,783
Valuation With Fair Value	-	-
Valuation With Equity Method	-	-

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

	Current Period	Prior Period
Banks / Economy Bank	48,462	54,700
Leasing Companies / TEB Leasing	40,191	40,191
Factoring Companies / TEB Factoring	22,324	22,324
Other Financial Sub. / TEB Yatirim	34,770	34,770
TEB Portfoy Yonetiimi A.S.	5,354	3,718
Petek International Holdings B.V.	727	819
Stichting Custody Services TEB	203	228
Kronenburg Vastgoed B.V.	29	33
Total	152,060	156,783

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)**TURK EKONOMI BANKASI A.S.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED AS OF SEPTEMBER 30, 2005 (Continued)
(Currency - Thousands of New Turkish Lira)**

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

b.5) Information related to subsidiaries that are included in consolidation:

Description	Address (City / Country)	Group's share percentage- If different voting percentage (%)	Group's risk group share percentage (%)	Method of Consolidation
The Economy Bank N.V.	Netherlands	100.00	100.00	full
Petek International Holdings B.V.	Netherlands	100.00	100.00	full
Stichting Custody Services TEB	Netherlands	-	100.00	full
Kronenburg Vastgoed B.V.	Netherlands	-	100.00	full
TEB Yatirim Menkul Degerler A.S.	Istanbul/Turkey	74.94	100.00	full
TEB Finansal Kiralama A.S.	Istanbul/Turkey	100.00	100.00	full
TEB Factoring A.S.	Istanbul/Turkey	100.00	100.00	full
TEB Portfoy Yonetimi A.S.	Istanbul/Turkey	46.77	100.00	full

Information on subsidiaries as presented in table above:

	Total Assets	Shareholders' Equity	Total Fixed Assets	Interest Income	Income from Marketable Securities Portfolio	Current Period Profit / Loss	Prior Period Profit / Loss(*)	Fair Value
(i)	1,208,205	91,553	7,004	43,328	(36)	6,602	8,159	-
(i)	727	711	-	-	-	23	(69)	-
(v)	-	-	-	-	-	-	-	-
(v)	-	-	-	-	-	-	-	-
(ii)	37,849	27,235	916	2,800	906	3,563	1,720	-
(iii)	317,482	89,356	84,505	41,959	3,564	1,963	8,906	-
(iii)	103,773	14,501	252	10,836	-	3,060	1,410	-
(iv)	11,232	10,321	346	422	1,271	4,161	4,272	-

(*) Represents December 31, 2004 figures.

- (i) Represents financial figures of foreign currency subsidiaries translated at period end foreign exchange rates for balance sheet and yearly average rates for profit and loss.
- (ii) Represents consolidated financial figures of TEB Yatirim and TEB Portfoy based on Capital Market Board regulations as of June 30, 2005.
- (iii) Represents statutory financial figures based on tax procedural law as of September 30, 2005.
- (iv) Represents financial figures based on Capital Market Board regulations as of September 30, 2005.
- (v) Related information is disclosed at The Economy Bank N.V.'s financial statements by consolidation

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

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

8. Information on other investments (Net): None.

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)

TURK EKONOMI BANKASI A.S.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED AS OF SEPTEMBER 30, 2005 (Continued)
(Currency - Thousands of New Turkish Lira)

9. Information on financial lease receivables (Net):

a) Aging of leasing receivables:

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	119,294	105,055	123,531	108,382
Between 1-4 years	85,418	77,277	86,555	78,630
Over 4 years	156	125	11	4
Total	204,868	182,457	210,097	187,016

10. Explanations related to interest and income accruals:

a) Information about accrued interest and income receivables of loans:

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Accrued Interest and Income Receivables				
Interest Accruals - Due	639	3	37	-
Interest Accruals - Not Due	14,189	13,582	9,574	8,914
Loan Commissions and Other Income Accruals - Due	-	-	-	-
Loan Commissions and Other Income Accruals - Not Due	71	29	19	7
Total	14,899	13,614	9,630	8,921

b) Information on other interest and income accruals:

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Other Interest and Income Accruals				
Trading Securities	81	6	145	1
Securities Available for Sale	9,563	5,149	9,561	366
Securities Held to Maturity	2,824	155	3,421	142
Interest Accruals of Reverse Repo Transactions	2	-	-	-
Interest Accruals of Reserve Deposits	1,481	741	1,455	354
Income Accruals of Financial Derivative Instruments	1,165	7,424	1,459	5,431
Interest and Income Accruals	-	261	-	147
Income Accrual of Foreign Exchange Gains	1,165	7,163	1,459	5,284
Income Accruals from Factoring Income	131	6	81	7
Income Accruals from Leasing Receivables	68	486	-	-
Other	4,716	848	4,878	3,854
Total	20,031	14,815	21,000	10,155

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)

**TURK EKONOMI BANKASI A.S.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED AS OF SEPTEMBER 30, 2005 (Continued)
(Currency - Thousands of New Turkish Lira)**

11. Information on deferred tax assets:

- a) As of September 30, 2005, deferred tax asset computed on the temporary differences is amounting to YTL 6,520 (December 31, 2004 – YTL 3,702). There are no carried forward tax losses or tax exemptions or deductions over which deferred tax asset is computed.
- b) Temporary differences over which deferred tax asset are not computed and recorded on the balance sheet in prior periods and tax exemptions on which deferred tax is not computed in previous terms: None.
- c) Provision provided for deferred tax and deferred tax arises from reversal of these provisions: The Group had provided value decrease provision amounting to YTL 55,607 (December 31, 2004 – YTL 41,161) for the deferred tax asset arising from financial lease operations.

12. Information on other assets:

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

	Current Period	Prior Period
Prepaid Taxes	31,894	24,234
Financial Lease Agreements in Progress	12,409	3,578
Receivables from Fund Participation Certificates	2,950	3,212
Transaction Cost Related to Financial Liabilities	1,698	2,874
Advances Given	3,364	1,052
Prepaid Rent	1,365	1,455
Other	7,274	4,948
Total	60,954	41,353

- b) Other assets which exceed 10% of the balance sheet total (excluding off-balance sheet commitments) and breakdown of these which constitute at least 20% of grand total: None.

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)

TURK EKONOMI BANKASI A.S.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED AS OF SEPTEMBER 30, 2005 (Continued)
(Currency - Thousands of New Turkish Lira)

II- Footnotes and Explanations Related to the Consolidated Liabilities

1. a) Information on maturity structure of deposits:

a.1) Current period:

	Demand	7 day Call Accounts	Up to 1 month	1-3 Month	3-6 Month	6 Month-1 Year	1 Year and over
Saving Deposits	61,940	-	269,052	97,814	18,441	2,164	28,392
Foreign Currency Deposits	527,834	-	1,484,827	550,887	185,170	126,928	133,628
Residents in Turkey	436,256	-	924,236	511,123	173,820	101,281	8,832
Residents Abroad	91,578	-	560,591	39,764	11,350	25,647	124,796
Public Sector Deposits	2,178	-	-	-	-	-	-
Commercial Deposits	104,919	-	222,092	12,803	2,591	441	996
Other Institutions Deposits	44,637	-	20,686	46,674	18	3	-
Precious Metals Deposits	1,625	-	-	-	-	-	-
Interbank Deposits	16,043	-	31,778	55,355	9,235	1,000	-
Central Bank of Turkey	-	-	-	-	-	-	-
Domestic Banks	2	-	8,952	-	-	-	-
Foreign Banks	9,087	-	22,826	55,355	9,235	1,000	-
Special Finance Houses	6,954	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total	759,176	-	2,028,435	763,533	215,455	130,536	163,016

a.2) Prior period:

	Demand	7 day Call Accounts	Up to 1 month	1-3 Month	3-6 Month	6 Month-1 Year	1 Year and over
Saving Deposits	40,991	-	165,207	173,658	35,355	8,782	33,156
Foreign Currency Deposits	571,013	-	979,651	724,537	75,360	40,083	48,487
Residents in Turkey	491,698	-	570,329	442,754	63,552	23,465	22,271
Residents Abroad	79,315	-	409,322	281,783	11,808	16,618	26,216
Public Sector Deposits	166	-	-	-	-	-	-
Commercial Deposits	85,968	-	72,865	29,837	4,069	14,011	1,620
Other Institutions Deposits	27,195	-	1,935	17,087	2	2	-
Precious Metals Deposits	1,689	-	-	-	-	-	-
Interbank Deposits	23,415	-	29,041	51,252	5,209	1,000	-
Central Bank of Turkey	-	-	-	-	-	-	-
Domestic Banks	600	-	12,746	-	1,000	-	-
Foreign Banks	10,125	-	16,295	51,252	4,209	1,000	-
Special Finance Houses	12,690	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total	750,437	-	1,248,699	996,371	119,995	63,878	83,263

b.1) Information on saving deposits under the guarantee of saving deposit insurance and exceeding the limit of saving deposit insurance:

Saving Deposits	Under the guarantee of saving deposit insurance	Under the guarantee of saving deposit insurance	Exceeding the limit of saving deposit	Exceeding the limit of saving deposit
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	159,822	118,980	214,968	280,872
Foreign Currency Saving Deposits	248,108	249,931	990,776	868,477
Other Deposits in the form of Saving Deposits	294	297	631	1,314
Foreign Branches' Deposits Under Foreign Authorities' Insurance	-	-	-	-
Off-shore Banking Regions' Deposits Under Foreign Authorities' Insurance	-	-	-	-
Total	408,224	369,208	1,206,375	1,150,663

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

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)

**TURK EKONOMI BANKASI A.S.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED AS OF SEPTEMBER 30, 2005 (Continued)
(Currency - Thousands of New Turkish Lira)**

b.3) Saving deposits which are not under the guarantee of deposit insurance fund:

	Current Period (*)	Prior Period (*)
Foreign Branches' Saving Deposits	-	-
Off-shore Banking Regions' Saving Deposits	25,250	14,294
Total	25,250	14,294

(*) In addition to the amount disclosed above, there are also saving deposits amounting to YTL 251,001 (December 31, 2004 – 205,006) in Economy Bank, one of the consolidated subsidiaries of the parent Bank that is incorporated in The Netherlands that are not subject to the guarantee of deposit insurance fund.

2. Information on funds provided from repurchase agreement transactions:

	Current Period		Prior Period	
	YTL	FC	YTL	FC
From Domestic Transactions	169,257	-	155,700	-
Financial Institutions and Organizations	160,000	-	147,173	-
Other Institutions and Organizations	3,072	-	2,110	-
Real Persons	6,185	-	6,417	-
From Foreign Transactions	12	-	5	-
Financial Institutions and Organizations	-	-	-	-
Other Institutions and Organizations	-	-	-	-
Real Persons	12	-	5	-
Total	169,269	-	155,705	-

3. a) Information on funds borrowed:

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Short-term	197,130	438,854	74,502	531,605
Medium and Long-term	85	261,474	666	233,253
Total	197,215	700,328	75,168	764,858

4. a) Information on debt securities issued: None.

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

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

6. **Explanation on miscellaneous payables:**

	Current Period	Prior Period
Total Amount of Cash Collateral Obtained	573	282

The Cash Collateral obtained comprises amount blocked for import and export transactions.

7. a) Other External Resources which exceed 10 % of the balance sheet total (excluding off-balance sheet commitments) and breakdown of these which constitute at least 20% of grand total: None.

8. **Information on financial lease payables:** None.

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)

TURK EKONOMI BANKASI A.S.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED AS OF SEPTEMBER 30, 2005 (Continued)
(Currency - Thousands of New Turkish Lira)

9. Information on interest and expense accruals:

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Accrued Interest on Deposits	9,439	6,200	10,264	3,873
Accrued Interest on Funds Borrowed	4,803	8,327	2,103	6,956
Accrued Interest on Bonds	-	-	-	-
Accrued Interest on Repurchase Agreement Transactions	73	-	78	-
Accrued Interest on Derivative Financial Instruments	14,368	3,958	7,519	2,796
Accrued Interest and Expense	63	1,011	-	341
Foreign Exchange Losses Accrued	14,305	2,947	7,519	2,455
Accrued interest on factoring payables	-	-	-	-
Other Interest and Expense Accruals	3,928	14	1,964	1,579
Total	32,611	18,499	21,928	15,204

10. Provisions and subordinated loans:

a) Information on general provisions:

	Current Period		Prior Period	
	YTL	FC	YTL	FC
General provisions		16,139		10,235
Provisions for First Group Loans and Receivables		13,995		8,692
Provisions for Second Group Loans and Receivables		44		49
Provisions for Non Cash Loans		2,100		1,494
Total		16,139		10,235

b) Information on free reserves for possible losses: There are no free reserves for possible losses other than the general provision on lease receivables.

c) Information on subordinated loans:

	Current Period		Prior Period	
	TL	FC	TL	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	-	-	-	-
From Other Foreign Institutions	-	87,243	-	20,045
Total	-	87,243	-	20,045

d) The foreign exchange losses on the foreign currency indexed loans amounting to YTL 7,124 (December 31, 2004 – YTL 9,682) is offset against loans on the balance sheet.

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)

**TURK EKONOMI BANKASI A.S.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED AS OF SEPTEMBER 30, 2005 (Continued)
(Currency - Thousands of New Turkish Lira)**

11. Information of Shareholders' Equity:

- a) Presentation of paid-in capital:

	Current Period	Prior Period
Common Stock	57,800	57,800
Preferred Stock	-	-

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

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

- c) Information on share capital increases and their sources; other information on increased capital shares in current period: None.
- d) Information on share capital increases from revaluation funds: None.
- e) Capital commitments in the last fiscal year and at the end of the following period, the general purpose of these commitments and projected resources required to meet these commitments: None.
- f) Indicators of the Group's income, profit and liquidity for the previous periods and possible effects of the uncertainties in such indicators on the Bank's equity: None.
- g) Information on privileged shares:

7 % of the Parent Bank's remaining net income and tax after deducting legal reserves and first dividends, corresponding to the Parent Bank's 60,000 shares of YTL 30 (in full YTL) is distributed to the founder shares. In accordance with the Board of Directors' decision numbered 3702/11 and dated February 10, 2005; 6 units of founder shares have been transferred to Bank's major shareholder TEB Mali Yatirimlar.

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

	Current Period	Prior Period
Number of Shares (Thousand)	115,600,000	115,600,000
Preferred Stock	-	-
Common Stock Issue Premium	69	69
Common Stock Cancellation Profit	-	-
Other Equity Instruments	-	-
Total Common Stock Issue	115,600,000	115,600,000

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

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

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)

**TURK EKONOMI BANKASI A.S.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED AS OF SEPTEMBER 30, 2005 (Continued)
(Currency - Thousands of New Turkish Lira)**

III. Footnotes and Explanations Related to the Consolidated Income Statement

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

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

Other interest income amounting to YTL 29,027 (September 30, 2004 - YTL 28,582) includes financial lease interest income amounting to YTL 17,248 (September 30, 2004 - YTL 15,561) and factoring interest income amounting to YTL 10,840 (September 30, 2004 - YTL 10,776).

Other fees and commissions received amounting to YTL 42,305 (September 30, 2004 - YTL 44,153) primarily consists of credit card fees and commissions amounting to YTL 5,564 (June 30, 2004 - YTL 4,273), brokerage commissions amounting to YTL 13,685 (September 30, 2004 - YTL 11,219) and import letters of credit commissions amounting to YTL 3,843 (September 30, 2004 - YTL 4,290). Other fees and commission expense totalling to YTL 13,388 (September 30, 2004 - YTL 13,924) primarily consists of fees and commissions paid for the credit cards amounting to YTL 5,160 (September 30, 2004 - YTL 5,564) and brokerage commission returns amounting to YTL 4,883 (September 30, 2004 - YTL 928).

1. a) Information on interest income received from participations and subsidiaries: None.

c) Information on financial lease income :

	Current Period	Prior Period
Financial Lease Income	18,499	15,561

c) Interest received from reverse repurchase agreement transactions:

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Interest Received from Reverse Repurchase Agreement Transactions	440	-	1,214	-

2. a) Information on interest expense to investments and subsidiaries: None.

b) Information on financial lease expenses: None.

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

Account name	Time Deposits						Total
	Demand Deposits	Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year	
TL							
Bank deposits	-	6,301	117	-	-	-	6,418
Saving deposits	2,244	20,583	16,203	6,061	619	5,820	51,530
Public sector deposits	-	-	-	-	-	-	-
Commercial deposits	452	29,928	2,634	777	408	192	34,391
Other deposits	-	1,127	1,260	-	-	-	2,387
7 days call accounts	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-
Total	2,696	57,939	20,214	6,838	1,027	6,012	94,726
Foreign Currency							
Foreign currency deposits	802	22,891	15,967	3,040	2,200	5,738	50,638
Bank deposits	115	956	86	182	82	-	1,421
7 days call accounts	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-
Total	917	23,847	16,053	3,222	2,282	5,738	52,059
Total	3,613	81,786	36,267	10,060	3,309	11,750	146,785

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)

TURK EKONOMI BANKASI A.S.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED AS OF SEPTEMBER 30, 2005 (Continued)
(Currency - Thousands of New Turkish Lira)

- d) Interest expense on repurchase agreements:

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Interest Expense on Repurchase Agreements	31,691	-		

3. Information on other operating income:

Information on the factors affecting the Group's income including extraordinary items and new developments and the explanation on nature and amount of income earned from extraordinary items : None.

4. Provision for loans and other receivables:

	Current Period	Prior Period
Specific provisions for loans and other receivables	4,403	3,351
III. Group	486	140
IV. Group	1,945	1,282
V. Group	1,972	1,929
General provision expenses	6,421	3,022
Provision expenses for possible losses	-	-
Foreign exchange differences on foreign currency losses	9,778	3,299
Provision for impairment - marketable securities	2,384	2,985
Trading securities	-	3
Investment securities available for sale	2,384	2,982
Provision for impairment	-	-
Participations	-	-
Subsidiaries	-	-
Joint ventures	-	-
Investment securities held to maturity	-	-
Other	7	1,021
Total	22,993	13,678

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

	Current Period	Prior Period
Income and loss from subsidiaries (+/-)	-	-
Income and loss from participations (+/-)	129	-
Total	129	-

- b) Income / Loss from participations, which are accounted under equity method: YTL 129 (September 30, 2004 – None).
- c) The information on the income / loss relating to the transactions within the risk group of the Bank:

Group performs various banking transactions with the institutions within its risk group. These are commercial transactions and are realized at market rates. Income / loss from these transactions are included within income statement. The amounts are presented in Section V, Part VI.

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)

**TURK EKONOMI BANKASI A.S.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED AS OF SEPTEMBER 30, 2005 (Continued)
(Currency - Thousands of New Turkish Lira)**

- 6.a) As of September 30, 2005, current tax expense is YTL 40,597 (September 30, 2004 – YTL 20,363) and deferred tax income is YTL 3,644 (September 30, 2004 – YTL 2,727 deferred tax expense).
- b) Deferred tax income on temporary differences is YTL 3,644 (September 30, 2004 – YTL 2,727 deferred tax expense).
- c) Deferred tax income or expense on no carried forward tax losses or tax exemptions or deductions: None.

7. The explanations on net income / loss for the period:

- a) The nature and amount of certain income and expense items from ordinary operations is disclosed if the disclosure for nature, amount and repetition rate of such items is required for a complete understanding of the Bank's performance for the period : None.
- b) Effect of changes in accounting estimates on income statement for the current and, if any for subsequent periods : None.
- c) Income/loss related to minority shares:

	Current Period	Prior Period
Income and Loss related to Minority Shares	-	(2,312)

- 8. Nature and amount of changes in accounting estimates, which have material effects on current period or expected to have a material effect on subsequent periods: None.**

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)

**TURK EKONOMI BANKASI A.S.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED AS OF SEPTEMBER 30, 2005 (Continued)
(Currency - Thousands of New Turkish Lira)**

IV- Footnotes and Explanations Related to the Consolidated Off-balance Sheet Contingencies Commitments

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

- a.1) The Group's share in contingent liabilities of joint ventures together with other ventures: None.
- a.2) Share of joint ventures in their own contingent liabilities: None.
- a.3) The Group's contingent liabilities resulting from the obligations of other venturers in joint ventures: None.

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

- b.1) For contingent assets, if realization probability is close to certain, then it is accounted. If realization probability is high, then it is explained in the footnotes. As of September 30, 2005 there are no contingent assets that needed to be explained.
- b.2) For contingent liabilities, if realization is probable and the amount can reliably be determined then provision is set. If realization is remote or the amount cannot be determined reliably, then it is explained in the footnotes: None.

2. Information on off-balance sheet commitments:

- a) Nature and amount of irrevocable loan commitments: Credit card spending limit commitments are YTL 145,226 and YTL 123,660, payment commitments for checks are 164,844 YTL and 131,835 YTL as of September 30, 2005 and December 31, 2004 respectively.
- b) Nature and amount of contingent loss and commitments from off-balance sheet items including those described below:

The Group, within the context of banking activities, undertakes certain commitments, consisting of loan commitments, letters of guarantee, acceptance credits and letters of credit.

b.1) Non-cash loans including guarantees, acceptances, financial collaterals and other letters of credits:

As of September 30, 2005 total guarantees and commitments consist of letter of guarantees amounting to YTL 1,199,425 (December 31, 2004 - YTL 951,320), acceptances amounting to YTL 52,780 (December 31, 2004 - YTL 45,697) and letters of credit amounting to YTL 597,087 (December 31, 2004 -YTL 515,191).

- b.2) Guarantees, surety ships and similar transactions: The Group has other commitments and contingencies amounting YTL 25,721 (December 31, 2004 - YTL 18,354) other than the ones explained in item b.1).

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)

TURK EKONOMI BANKASI A.S.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED AS OF SEPTEMBER 30, 2005 (Continued)
(Currency - Thousands of New Turkish Lira)

3.a) Non-cash loans:

	Current Period	Prior Period
Guarantees Given Against Cash Loans	180,137	102,809
With Maturity of 1 Year or Less than 1 Year	48,052	58,639
With Maturity of More than 1 Year	132,085	44,170
Other Non-Cash Loans	1,694,876	1,427,753
Total	1,875,013	1,530,562

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

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

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

Moody's Investor Services: February 2005

Bank Financial Strength	D+
Foreign Currency Deposits	B2

Fitch Ratings: March 2005

Foreign Currency Commitments

Long Term	BB-
Short Term	B
View	Stable

Turkish Lira Commitments

Long Term	BB+
Short Term	B
View	Stable
National	AA-(tur)
View	Stable

Individual Rating	C/D
Support Points	3

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)

**TURK EKONOMI BANKASI A.S.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED AS OF SEPTEMBER 30, 2005 (Continued)
(Currency - Thousands of New Turkish Lira)**

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

1. Cash and cash equivalents at beginning and end of periods:

The reconciliation of the components of cash and cash equivalents, accounting policies used to determine these components, the effect of any change made in accounting principle in the current period, the recorded amounts of the cash and cash equivalent assets at the balance sheet and the recorded amounts in the cash flow statement:

Beginning of the period	Current Period	Prior Period
Cash	80,060	74,877
Cash equivalents	1,685,510	2,006,881

End of the period	Current Period	Prior Period
Cash	92,314	85,008
Cash equivalents	1,427,443	1,880,323

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

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)

TURK EKONOMI BANKASI A.S.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED AS OF SEPTEMBER 30, 2005 (Continued)
(Currency - Thousands of New Turkish Lira)

VI- Footnotes and Explanations Related to the Risk Group of the Parent Bank**1. Volume of Parent Bank's risk group transactions, income and expense amounts involved and outstanding loan and deposit balances:**

(Prior period balance sheet items are disclosed as of December 31, 2004, income/expense items are disclosed as of September 30, 2004.)

a) Current Period:

Bank's Risk Group (*)	Associates and subsidiaries		Direct and indirect shareholders of the Group		Other entities included in the risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
Balance at Beginning of Period	-	-	31	13,024	547	3,687
Balance at end of Period	-	-	2,033	14,936	19,744	80,373
Interest and Commission Income	-	-	247	88	865	405

b) Prior Period:

Bank's Risk Group (*)	Associates and subsidiaries		Direct and indirect shareholders of the Group		Other entities included in the risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
Balance at Beginning of Period	-	-	73,891	1,532	3,093	5,249
Balance at end of Period	-	-	31	13,024	547	3,687
Interest and Commission Income	-	-	3,220	10	19	18

c.1) Information on Bank's Risk Group deposits balances:

Bank's Risk Group (*)	Associates and subsidiaries		Direct and indirect shareholders of the Group		Other entities included in the risk Group	
	Current period	Prior period	Current period	Prior period	Current period	Prior period
Deposits						
Balance at Beginning of Period	-	-	237,410	188,691	676,675	773,038
Balance at end of Period	-	-	575,651	237,410	710,467	676,675
Interest on Deposits	-	-	16,831	5,524	18,263	10,549

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

Bank's Risk Group (*)	Associates and subsidiaries		Direct and indirect shareholders of the Group		Other entities included in the risk Group	
	Current period	Prior period	Current period	Prior period	Current period	Prior period
Trading Transactions						
Beginning of Period	-	-	5,282	25,656	-	38,525
End of Period	-	-	268,820	5,282	3,149	-
Total Income/Loss	-	-	2,377	62	458	-
Hedging Transactions Purposes						
Beginning of Period	-	-	-	-	-	-
End of Period	-	-	-	-	-	-
Total Income/Loss	-	-	-	-	-	-

(*) The scope of the related parties is defined in the Article 20-2 of the "Regulation on the Establishment and Operations of Banks".

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)

**TURK EKONOMI BANKASI A.S.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED AS OF SEPTEMBER 30, 2005 (Continued)
(Currency - Thousands of New Turkish Lira)**

2. Information about the risk group of the Parent Bank

- a) The relations of the Group with the entities controlled by the Group and its related parties, regardless of whether there are any transactions or not:

The Parent Bank enters into banking transactions with group companies in accordance with the Banking Law. These are commercial transactions and realized at market prices.

- b) Besides the structure of relationship, nature of the transaction, amount and ratio to the total volume of transactions, amount of major items and ratio to all items, pricing policies and other factors:

	Amount	% According to the Amounts Reflected in the Financial Statements
Cash Loans	21,777	0.70
Non-cash Loans	95,309	5.08
Deposits	1,286,118	31.68
Forward Transactions and Option Agreements	271,969	12.22

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

- c) Sum of similar items, except for the cases that require separate disclosures to assess impact on financial statements: Explained in item b above.
- d) Investments accounted for under the equity method: Varlik Yatirim Ortakligi A.S., the Group's associate, is accounted for under equity method.
- e) Disclosures related to purchase and sale of real estate and other assets, trading of services, agency contracts, leasing contracts, transferring information as a result of research and development, license contracts, financing (loans and cash or real capital supports included), guarantees, and management contracts :

The Group has financial lease agreements with TEB Leasing. Total leasing obligations related to these agreements amounted to YTL 3,715 are eliminated in the accompanying consolidated financial statements. Additionally; the Group provides agency services for TEB Sigorta and TEB Yatirim.

Within the limits of the Banking Law, the Group renders cash and non-cash loans to its related parties and the ratio of these to the Group's total cash and non-cash loan portfolio is 2.35 %. Amounts of these loans are explained in the Note VI-1a.

As of September 30, 2005 the Group has no purchases and sale of real estate and other assets, transfer of information as a result of research and development, license and management contracts with the related parties.

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)

**TURK EKONOMI BANKASI A.S.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED AS OF SEPTEMBER 30, 2005 (Continued)
(Currency - Thousands of New Turkish Lira)**

VII- Footnotes and Explanations Related to Inflation Accounting

Inflation Accounting

In accordance with the declaration of the Banking Regulation and Supervision Agency (BRSA) numbered 1623 and dated April 21, 2005 and the circular dated April 28, 2005, banks are not required to apply the "Accounting Standard on Financial Statements at Hyperinflation Periods", Communiqué No:14 of "Accounting Application Regulations" (AAR) in their financial statements as the indicators defined in Article 5 of the Communiqué are not deemed to be applicable. Accordingly, starting from January 1, 2005 inflation accounting has not been applied, and prior period consolidated financials are expressed in purchasing power of December 31, 2004 for comparative presentation purposes.

The main guidelines for inflation accounting on prior period financials presented for comparison purposes only (balance sheet as of December 31, 2004 and income statement as of September 30, 2004) are as follows:

Cash and monetary assets and liabilities, which maintain their nominal balances but experience a decline in purchasing power were not restated because they were already expressed in terms of the monetary unit current at that balance sheet date.

Non-monetary asset and liabilities and components of which were not expressed in terms of the measuring unit current at the balance sheet dates were restated by applying a general price index. Cash proceeds in share capital increases were restated based on collection dates whereas increases through revaluation fund were eliminated. Share capital increases made through the transfer of retained earnings, income generated through the sales of properties and of associates and subsidiaries and unappropriated profits were considered as cash injections made by the shareholders and were restated based on the date of transfer to the share capital.

Non-monetary items which were subject to depreciation were restated after eliminating the related revaluation effects. Since depreciation was computed over restated amounts, the charge in the income statements was not subject to restatement.

Non-monetary items reflected at current values were not restated since they were already stated in the current purchasing power.

Participations and subsidiaries denominated in New Turkish Lira were reflected at restated costs by converting historical acquisition costs, excluding free shares from revaluation fund, with the relevant conversion factors. Transfers to share capital from general reserves, gain on sale of property and investments and unappropriated profits were considered as cash contributions and were restated from the date of contribution.

All items in the income statement were restated by applying the relevant monthly average conversion factors on accrual dates.

The gain or loss on net monetary position was included in the income statement as gain/loss on net monetary position. Restatement effect of paid-in capital was stated as a separate line item under equity.

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)

**TURK EKONOMI BANKASI A.S.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED AS OF SEPTEMBER 30, 2005 (Continued)
(Currency - Thousands of New Turkish Lira)**

Wholesale prices indices and conversion factors announced by the State Institute of Statistics that were used to restate the accompanying the financial statements as of December 31, 2004, are as follows;

Dates	Indices	Conversion Factors
December 31, 2004	8,403.8	1.000
September 30, 2004	8,069.7	1.041
December 31, 2003	7,382.1	1.138
December 31, 2002	6,478.8	1.297

Restatement of balance sheet and income statement items through the use of a general price index and relevant conversion factors does not necessarily mean that the Group could realize or settle the same values of assets and liabilities as indicated in the balance sheets. Similarly, it does not necessarily mean that the Group could return or settle the same values of equity to its shareholders.

Information regarding the assets subject to depreciation, the information on the depreciation computations made in line with related regulations and the inflation adjusted amounts, the useful lives of the assets and the expertise values for the determination of fair values:

The Parent Bank has obtained expertise reports to determine fair value of its property.

Financial statements for the period ended September 30, 2005 and 2004 are reviewed and for the year ended December 31, 2004 are audited.

Income statement items do not have seasonality. However, restatement of prior period income statement items were made with monthly indices.

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)

**TURK EKONOMI BANKASI A.S.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED AS OF SEPTEMBER 30, 2005 (Continued)
(Currency - Thousands of New Turkish Lira)**

VIII- Explanations Related To Subsequent Events

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

An agency service agreement signed between Anadolu Hayat Emeklilik A.S. and the Bank on October 14, 2005, for marketing of retirement and life insurance contracts of Anadolu Hayat Emeklilik A.S.

(CONVENIENCE TRANSLATION OF A REPORT AND CONSOLIDATED FINANCIAL STATEMENTS ORIGINALLY ISSUED IN TURKISH - SEE SECTION III, NOTE XXIII)

**TURK EKONOMI BANKASI A.S.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE INTERIM PERIOD ENDED AS OF SEPTEMBER 30, 2005 (Continued)
(Currency - Thousands of New Turkish Lira)**

SECTION SIX

INDEPENDENT LIMITED REVIEW REPORT

I- Explanations on the Independent Limited Review Report

The consolidated interim financial statements of the Bank were reviewed by Guney Serbest Muhasebeci Mali Musavirlik A.S. (An Affiliated Firm of Ernst &Young International) and the independent limited review report dated November 17, 2005 is presented preceding the financial statements.

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