

**TURK EKONOMI BANKASI  
ANONIM SIRKETI AND ITS FINANCIAL  
SUBSIDIARIES**

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

*Translated into English from the  
Original Turkish Report*

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

**TURK EKONOMI BANKASI A.S. AND ITS FINANCIAL SUBSIDIARIES**  
**INDEPENDENT ACCOUNTANTS' LIMITED REVIEW REPORT**  
**FOR THE PERIOD 1 JANUARY 2006 – 31 MARCH 2006**

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

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

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

Hasan Kilic  
Partner

Istanbul, May 3, 2006

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

Address : Meclis-i Mebusan Caddesi No : 35  
Findikli 34427 - ISTANBUL

Telephone : (0 212) 251 21 21  
Fax : (0 212) 249 65 68

Web Site : [www.teb.com.tr](http://www.teb.com.tr)

E-mail Address : [yatirimciiliskileri@teb.com.tr](mailto:yatirimciiliskileri@teb.com.tr)

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

The subsidiaries, financial statements of which are consolidated within the framework of the reporting package are as follows:

**Subsidiaries**

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

May 3, 2006

Yavuz Canevi	Alain Pierre André Bailly	Ismail Yanik	Varol Civil	E. Sevinc Ozsen	B. Ilgaz Dogan
Head of Board of Directors	Head of Audit Committee	Vice Chairman of the Audit Committee	General Manager	Assistant General Manager Responsible of Financial Reporting	Manager Responsible of Financial Reporting

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

## INDEX

<b>SECTION ONE</b>	<b>Page No.</b>
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	2
VI. Explanations Regarding Consolidated Interim Financial Statements	3
<b>SECTION TWO</b>	
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
<b>SECTION THREE</b>	
Accounting Principles	
I. Explanations and Footnotes Related to the Basis of Presentation	10
II. Information about the Parent Bank and the Subsidiaries subject to Consolidation	10
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	12
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	17
XIX. Paid-in Capital and Share Certificates	17
XX. Acceptances	18
XXI. Government Incentives	18
XXII. Securities at Custody	18
XXIII. Other Matters	18
<b>SECTION FOUR</b>	
Information on Consolidated Financial Structure	
I. Explanations and Footnotes Related to the Consolidated Capital Adequacy Standard Ratio	19
II. Explanations and Footnotes Related to the Consolidated Market Risk	22
III. Explanations and Footnotes Related to the Consolidated Foreign Currency Risk	22
IV. Explanations and Footnotes Related to the Consolidated Interest Rate Risk	24
V. Explanations and Footnotes Related to the Consolidated Liquidity Risk	26
<b>SECTION FIVE</b>	
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	44
IV. Footnotes and Explanations Related to the Consolidated Off-balance Sheet Contingencies and Commitments	48
V. Footnotes and Explanations Related to the Statements of Cash Flows	50
VI. Footnotes and Explanations on the Risk Group of the Bank	51
VII. Explanations Related to Subsequent Events	52
<b>SECTION SIX</b>	
Other Explanations and Footnotes	
I. Other Explanations Related to the Operations of the Bank	53
<b>SECTION SEVEN</b>	
Independent Limited Review report	
I. Explanations on the Independent Limited Review Report	53
II. Footnotes and Explanations Prepared by the Independent Auditors	53

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

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

**SECTION ONE**

**GENERAL INFORMATION**

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

Turk Ekonomi Bankasi Anonim Sirketi ("the bank"), which had been a local bank incorporated in Kocaeli in 1927 under the name of Kocaeli Halk Bankasi T.A.S., was acquired by the Colakoglu Group in 1982. Its name was changed as Turk Ekonomi Bankasi A.S. and its headquarters 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 March, 31 2006 and December 31, 2005, 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
Other Shareholders	335	0.58
	57,800	100.00

As of March 31, 2006 and December 31, 2005, the Parent Bank's paid-in-capital consists of 115,600 million shares at the historical value of 0.0005 TRY nominal. In accordance with the notification made on February 10, 2005 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 NP Paribas on November 22, 2004.

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

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

**III- Explanations Regarding the Chairman of Board of Directors and Members of Board of Directors, Audit Committee, General Manager and Assistants and Their Shares in 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 André Bailly (Head of Audit Committee) Ismail Yanik (Vice Chairman of Audit Committee) Jean-Jacques Marie Santini Metin Togay Michel Roger Chevalier Refael Taranto Varol Civil (General Manager)
Chairman of Inspection Committee	: Hakan Tirasin
General Manager Assistants	: Emine Sevinc Ozsen Izzet Cemal Kismir Levent Celebioglu Nilsen Altintas Nuri Tuncali Saniye Telci Turgut Boz Turgut Guney Umit Leblebici Unsal Aysun
Auditors	: Ayse Asardag Cihat Madanoglu

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

**IV- The 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 March 31, 2006, Bank has 114 local branches and 1 foreign branch (December 31, 2005 - 112 local branches, 1 foreign branch).

**V- Other Explanations**

Commercial name of the Bank	: 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 – March 31, 2006
Reporting monetary unit	: Thousands of New Turkish Lira

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

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

**VI. Explanations on the Interim Consolidated Financial Statements**

- a) Accounting policies that are applied in the preparation of consolidated year-end financials for interim financial statements are used without any change.
- b) There are no non-recurring transactions or fundamental accounting errors.
- c) There are no items that affect assets, liabilities, equity, net income and cash flows, and that falls outside the scope of the ordinary operations in terms of their nature, amounts and constitution.
- d) Prior period interim 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.
- e) There are no convertible bonds or any other debt securities issued during the current period.
- f) In the General Assembly meeting, dated March 23, 2006, it was decided to distribute the profit on the financial statements of the Parent Bank dated December 31, 2005. The amounts that will be distributed to the shareholders who are subject to and not subject to withholding tax are TRY 0.3242670 and TRY 0.2918403 (Nominal full TRY) respectively. Dividends amounting to TRY 18,742 were paid to the shareholders on 6 April, 2006.
- g) 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.
- h) There are no transactions that may result in a structural change for the Bank such as restructuring, mergers and acquisitions, or discontinued operations.
- i) There are no subsequent changes in the commitments and contingencies of the Bank that have arisen after the year-end balance sheet date.

## **SECTION TWO**

### **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



**TURK EKONOMI BANKASI ANONIM SIRKETI**  
**CONSOLIDATED BALANCE SHEET FOR THE PERIOD FROM**  
**1 JANUARY TO 31 MARCH 2006**

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

**I- CONSOLIDATED BALANCE SHEET - ASSETS**

	Note Ref. (Section 5)	Reviewed			Audited		
		Current Period			Prior Period		
		30.03.2006			31.12.2005		
		TRY	FC	Total	TRY	FC	Total
<b>I. CASH AND BALANCES WITH THE CENTRAL BANK OF TURKEY</b>		<b>64,439</b>	<b>358,831</b>	<b>423,270</b>	<b>118,087</b>	<b>235,431</b>	<b>353,518</b>
1.1 Cash		26,252	-	26,252	25,856	11	25,867
1.2 Foreign currency		-	64,957	64,957	-	60,028	60,028
1.3 Balances with the Central Bank of Turkey	I-1	37,862	291,914	329,776	92,213	173,945	266,158
1.4 Other		325	1,960	2,285	18	1,447	1,465
<b>II. TRADING SECURITIES (Net)</b>		<b>51,246</b>	<b>8,602</b>	<b>59,848</b>	<b>97,693</b>	<b>12,760</b>	<b>110,453</b>
2.1 Public sector debt securities	I-2	50,860	7,884	58,744	97,693	12,162	109,855
2.1.1 Government bonds	I-2	47,685	7,847	55,532	88,042	12,161	100,203
2.1.2 Treasury bills	I-2	3,175	-	3,175	9,651	-	9,651
2.1.3 Other public sector debt securities	I-2	-	37	37	-	1	1
2.2 Share certificates		386	-	386	-	-	-
2.3 Other marketable securities		-	718	718	-	598	598
<b>III. BANKS AND OTHER FINANCIAL INSTITUTIONS</b>		<b>64,449</b>	<b>659,711</b>	<b>724,160</b>	<b>284,480</b>	<b>695,908</b>	<b>980,388</b>
3.1 Due from banks		64,449	659,711	724,160	284,480	695,908	980,388
3.1.1 Domestic banks		62,014	22,854	84,868	81,033	47,101	128,134
3.1.2 Foreign banks		2,435	636,857	639,292	203,447	648,807	852,254
3.1.3 Branches and head office abroad		-	-	-	-	-	-
3.2 Other financial institutions		-	-	-	-	-	-
<b>IV. MONEY MARKET PLACEMENTS</b>		<b>433,596</b>	<b>-</b>	<b>433,596</b>	<b>156,533</b>	<b>-</b>	<b>156,533</b>
4.1 Interbank money market placements		430,000	-	430,000	150,000	-	150,000
4.2 Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3 Receivables from reverse repurchase agreements		3,596	-	3,596	6,533	-	6,533
<b>V. SECURITIES AVAILABLE FOR SALE (Net)</b>		<b>663,858</b>	<b>257,104</b>	<b>920,962</b>	<b>831,323</b>	<b>235,456</b>	<b>1,066,779</b>
5.1 Share certificates	I-3	9	-	9	9	-	9
5.2 Other marketable securities	I-3	663,849	257,104	920,953	831,314	235,456	1,066,770
<b>VI. LOANS</b>		<b>2,036,066</b>	<b>1,757,245</b>	<b>3,793,311</b>	<b>1,802,971</b>	<b>1,656,340</b>	<b>3,459,311</b>
6.1 Short term	I-4	1,301,812	1,206,626	2,508,438	1,216,278	1,149,940	2,366,218
6.2 Medium and long term	I-4	719,698	550,619	1,270,317	569,863	506,400	1,076,263
6.3 Loans under follow-up	I-4	34,723	-	34,723	33,679	-	33,679
6.4 Specific provisions (-)	I-4	(20,167)	-	(20,167)	(16,849)	-	(16,849)
<b>VII. FACTORING RECEIVABLES</b>		<b>161,491</b>	<b>44,280</b>	<b>205,771</b>	<b>137,332</b>	<b>30,967</b>	<b>168,299</b>
<b>VIII. SECURITIES HELD TO MATURITY (Net)</b>		<b>1,963</b>	<b>9,595</b>	<b>11,558</b>	<b>2,059</b>	<b>9,584</b>	<b>11,643</b>
8.1 Public sector debt securities	I-5	1,963	9,595	11,558	2,059	9,584	11,643
8.1.1 Government bonds	I-5	-	9,595	9,595	100	9,584	9,684
8.1.2 Treasury bills	I-5	1,963	-	1,963	1,959	-	1,959
8.1.3 Other public sector debt securities	I-5	-	-	-	-	-	-
8.2 Other marketable securities	I-5	-	-	-	-	-	-
<b>IX. UNCONSOLIDATED INVESTMENTS IN ASSOCIATES (Net)</b>		<b>1,690</b>	<b>-</b>	<b>1,690</b>	<b>1,535</b>	<b>-</b>	<b>1,535</b>
9.1 Financial associates	I-6	1,690	-	1,690	1,535	-	1,535
9.2 Non-Financial associates		-	-	-	-	-	-
<b>X. UNCONSOLIDATED INVESTMENTS IN SUBSIDIARIES (Net)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
10.1 Financial subsidiaries	I-7	-	-	-	-	-	-
10.2 Non-Financial subsidiaries		-	-	-	-	-	-
<b>XI. UNCONSOLIDATED OTHER INVESTMENTS (Net)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XII. FINANCE LEASE RECEIVABLES (Net)</b>		<b>26,216</b>	<b>197,575</b>	<b>223,791</b>	<b>19,564</b>	<b>194,432</b>	<b>213,996</b>
12.1 Gross finance lease receivables	I-9	31,989	222,054	254,043	23,645	218,559	242,204
12.2 Unearned income (-)	I-9	(5,773)	(24,479)	(30,252)	(4,081)	(24,127)	(28,208)
<b>XIII. RESERVE DEPOSITS</b>		<b>-</b>	<b>206,201</b>	<b>206,201</b>	<b>-</b>	<b>211,383</b>	<b>211,383</b>
<b>XIV. SUNDRY DEBTORS</b>		<b>15,966</b>	<b>2,003</b>	<b>17,969</b>	<b>8,350</b>	<b>1,073</b>	<b>9,423</b>
<b>XV. ACCRUED INTEREST AND INCOME RECEIVABLES</b>		<b>42,217</b>	<b>31,205</b>	<b>73,422</b>	<b>49,215</b>	<b>32,448</b>	<b>81,663</b>
15.1 Loans	I-10	19,904	18,713	38,617	14,716	17,707	32,423
15.2 Marketable securities	I-10	13,063	4,850	17,913	26,883	6,089	32,972
15.3 Other	I-10	9,250	7,642	16,892	7,616	8,652	16,268
<b>XVI. PROPERTY AND EQUIPMENT (Net)</b>		<b>54,642</b>	<b>6,673</b>	<b>61,315</b>	<b>55,592</b>	<b>6,600</b>	<b>62,192</b>
16.1 Book value		147,196	8,377	155,573	144,785	8,176	152,961
16.2 Accumulated depreciation (-)		(92,554)	(1,704)	(94,258)	(89,193)	(1,576)	(90,769)
<b>XVII. INTANGIBLE ASSETS (Net)</b>		<b>4,915</b>	<b>243</b>	<b>5,158</b>	<b>5,360</b>	<b>265</b>	<b>5,625</b>
17.1 Goodwill		1,686	-	1,686	1,686	-	1,686
17.2 Other		15,021	980	16,001	14,932	957	15,889
17.3 Accumulated amortization (-)		(11,792)	(737)	(12,529)	(11,258)	(692)	(11,950)
<b>XVIII. DEFERRED TAX ASSET</b>	I-11	<b>5,715</b>	<b>-</b>	<b>5,715</b>	<b>7,977</b>	<b>-</b>	<b>7,977</b>
<b>XIX. OTHER ASSETS</b>	I-12	<b>65,009</b>	<b>21,407</b>	<b>86,416</b>	<b>51,267</b>	<b>10,759</b>	<b>62,026</b>
<b>TOTAL ASSETS</b>		<b>3,693,478</b>	<b>3,560,675</b>	<b>7,254,153</b>	<b>3,629,338</b>	<b>3,333,406</b>	<b>6,962,744</b>

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

**TURK EKONOMI BANKASI ANONIM SIRKETI**  
**CONSOLIDATED BALANCE SHEET FOR THE PERIOD FROM**  
**1 JANUARY TO 31 MARCH 2006**

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

**I- CONSOLIDATED BALANCE SHEET - LIABILITIES**

		Reviewed			Audited		
		Current Period			Prior Period		
		31.03.2006			31.12.2005		
	Note Ref. (Section 5)	TRY	FC	Total	TRY	FC	Total
<b>I. DEPOSITS</b>		<b>1,547,142</b>	<b>3,240,901</b>	<b>4,788,043</b>	<b>1,195,330</b>	<b>3,110,346</b>	<b>4,305,676</b>
1.1	Bank deposits	35,561	65,385	100,946	78,655	39,720	118,375
1.2	Saving deposits	834,784	-	834,784	513,536	-	513,536
1.3	Public sector deposits	12,829	-	12,829	684	-	684
1.4	Commercial deposits	563,063	-	563,063	572,269	-	572,269
1.5	Other institutions deposits	100,905	-	100,905	30,186	-	30,186
1.6	Foreign currency deposits	-	3,169,314	3,169,314	-	3,069,297	3,069,297
1.7	Precious metals deposit accounts	-	6,202	6,202	-	1,329	1,329
<b>II. MONEY MARKET BALANCES</b>		<b>375,973</b>	<b>-</b>	<b>375,973</b>	<b>756,614</b>	<b>-</b>	<b>756,614</b>
2.1	Interbank money market borrowings	7,003	-	7,003	-	-	-
2.2	Istanbul Stock Exchange money market borrowings	-	-	-	2,152	-	2,152
2.3	Funds provided under repurchase agreements	368,970	-	368,970	754,462	-	754,462
<b>III. FUNDS BORROWED</b>		<b>318,324</b>	<b>795,474</b>	<b>1,113,798</b>	<b>281,436</b>	<b>705,954</b>	<b>987,390</b>
3.1	Funds borrowed from the Central Bank of Turkey	-	-	-	-	-	-
3.2	Other funds borrowed	318,324	795,474	1,113,798	281,436	705,954	987,390
3.2.1	Domestic banks and institutions	64,474	90,257	154,731	94,511	79,071	173,582
3.2.2	Foreign banks, institutions and funds	253,850	705,217	959,067	186,925	626,883	813,808
<b>IV. MARKETABLE SECURITIES ISSUED (Net)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.1	Bills	-	-	-	-	-	-
4.2	Asset backed securities	-	-	-	-	-	-
4.3	Bonds	-	-	-	-	-	-
<b>V. FUNDS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VI. SUNDRY CREDITORS</b>		<b>60,295</b>	<b>21,873</b>	<b>82,168</b>	<b>50,702</b>	<b>13,494</b>	<b>64,196</b>
<b>VII. OTHER LIABILITIES</b>		<b>50,965</b>	<b>4,406</b>	<b>55,371</b>	<b>40,199</b>	<b>4,252</b>	<b>44,451</b>
<b>VIII. TAXES AND OTHER DUTIES PAYABLE</b>		<b>13,792</b>	<b>3,535</b>	<b>17,327</b>	<b>16,004</b>	<b>400</b>	<b>16,404</b>
<b>IX. FACTORING PAYABLES</b>		<b>60,012</b>	<b>18,142</b>	<b>78,154</b>	<b>43,633</b>	<b>17,294</b>	<b>60,927</b>
<b>X. FINANCE LEASE PAYABLES (Net)</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
10.1	Finance Lease Payables	-	-	-	-	-	-
10.2	Deferred finance lease expenses ( - )	-	-	-	-	-	-
<b>XI. ACCRUED INTEREST AND EXPENSES PAYABLE</b>		<b>26,239</b>	<b>24,398</b>	<b>50,637</b>	<b>30,947</b>	<b>23,094</b>	<b>54,041</b>
11.1	Deposits	8,417	9,634	18,051	7,089	7,717	14,806
11.2	Borrowings	6,579	10,843	17,422	5,858	8,423	14,281
11.3	Repurchase agreements	137	-	137	630	-	630
11.4	Other	11,106	3,921	15,027	17,370	6,954	24,324
<b>XII. PROVISIONS</b>		<b>71,840</b>	<b>8,760</b>	<b>80,600</b>	<b>74,626</b>	<b>3,424</b>	<b>78,050</b>
12.1	General loan loss provisions	10,997	7,887	18,884	18,300	-	18,300
12.2	Reserve for employee termination benefits	2,597	-	2,597	2,945	-	2,945
12.3	Provisions for income taxes	55,260	844	56,104	49,510	3,424	52,934
12.4	Insurance technical reserves (Net)	-	-	-	-	-	-
12.5	Other provisions	2,986	29	3,015	3,871	-	3,871
<b>XIII. SUBORDINATED LOANS</b>		<b>-</b>	<b>87,211</b>	<b>87,211</b>	<b>-</b>	<b>87,217</b>	<b>87,217</b>
<b>XIV. MINORITY INTERESTS</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XV. DEFERRED TAX LIABILITY</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>14</b>	<b>-</b>	<b>14</b>
<b>XVI. SHAREHOLDERS' EQUITY</b>		<b>477,350</b>	<b>47,521</b>	<b>524,871</b>	<b>462,124</b>	<b>45,640</b>	<b>507,764</b>
16.1	Paid-in capital	57,800	-	57,800	57,800	-	57,800
16.2	Supplementary capital	255,702	853	256,555	260,037	2,062	262,099
16.2.1	Share premium	69	-	69	69	-	69
16.2.2	Share cancellation profits	-	-	-	-	-	-
16.2.3	Marketable securities value increase fund	2,957	853	3,810	7,292	2,062	9,354
16.2.4	Revaluation fund	-	-	-	-	-	-
16.2.5	Value increase in revaluation fund	-	-	-	-	-	-
16.2.6	Other capital reserves	252,676	-	252,676	252,676	-	252,676
16.2.7	Effect of inflation accounting on share capital	-	-	-	-	-	-
16.3	Profit reserves	125,484	44,662	170,146	49,517	36,109	85,626
16.3.1	Legal reserves	28,756	-	28,756	19,955	-	19,955
16.3.2	Status reserves	-	-	-	-	-	-
16.3.3	Extraordinary reserves	96,728	43,638	140,366	29,562	44,742	74,304
16.3.4	Other profit reserves	-	1,024	1,024	-	(8,633)	(8,633)
16.4	Profit or loss	38,364	2,006	40,370	94,770	7,469	102,239
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	38,364	2,006	40,370	94,770	7,469	102,239
16.4.2.1	Group's share	38,364	2,006	40,370	94,770	7,469	102,239
16.4.2.2	Minority shares	-	-	-	-	-	-
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>3,001,932</b>	<b>4,252,221</b>	<b>7,254,153</b>	<b>2,951,629</b>	<b>4,011,115</b>	<b>6,962,744</b>

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

**TURK EKONOMI BANKASI ANONIM SIRKETI**  
**CONSOLIDATED STATEMENT OF OFF BALANCE SHEET COMMITMENTS**  
**FOR THE PERIOD FROM 1 JANUARY TO 31 MARCH 2006**

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

**II- CONSOLIDATED STATEMENT OF OFF-BALANCE SHEET COMMITMENTS**

	Note Ref. (Section 5)	Reviewed			Audited		
		Current Period			Prior Period		
		TRY	FC	TOTAL	TRY	FC	TOTAL
<b>A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)</b>		<b>1,867,349</b>	<b>3,974,865</b>	<b>5,842,214</b>	<b>1,689,993</b>	<b>4,101,427</b>	<b>5,791,420</b>
<b>I. GUARANTEES</b>	IV-2,3	681,855	1,499,004	2,180,859	632,887	1,405,697	2,038,584
1.1 Letters of guarantee		652,144	651,701	1,303,845	611,554	571,714	1,183,268
1.1.1 Guarantees subject to State Tender Law		33,917	104,421	138,338	29,271	48,899	78,170
1.1.2 Guarantees given for foreign trade operations		92,495	32,993	125,488	102,202	34,849	137,051
1.1.3 Other letters of guarantee		525,732	514,287	1,040,019	480,081	487,966	968,047
1.2 Bank acceptances		33	49,285	49,318	23	52,662	52,685
1.2.1 Import acceptances		33	49,285	49,318	23	52,662	52,685
1.2.2 Other bank acceptances		-	-	-	-	-	-
1.3 Letters of credit		125	711,204	711,329	62	696,268	696,330
1.3.1 Documentary letters of credit		125	653,506	653,631	62	662,504	662,566
1.3.2 Other letters of credit		-	57,698	57,698	-	33,764	33,764
1.4 Guaranteed prefinancing		-	-	-	-	-	-
1.5 Endorsements		-	-	-	-	-	-
1.5.1 Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2 Other endorsements		-	-	-	-	-	-
1.6 Securities issue purchase guarantees		-	-	-	-	-	-
1.7 Factoring guarantees		-	-	-	-	-	-
1.8 Other guarantees		28,220	71,635	99,855	20,465	73,981	94,446
1.9 Other suretyships		1,333	15,179	16,512	783	11,072	11,855
<b>II. COMMITMENTS</b>		<b>468,136</b>	<b>539,830</b>	<b>1,007,966</b>	<b>452,333</b>	<b>270,587</b>	<b>722,920</b>
2.1 Irrevocable commitments		468,136	517,963	986,099	452,333	246,386	698,719
2.1.1 Forward asset purchase commitments		-	248,770	248,770	-	138,188	138,188
2.1.2 Forward deposit purchase and sales commitments		-	268,340	268,340	-	107,344	107,344
2.1.3 Share capital commitment to associates and subsidiaries		-	-	-	-	-	-
2.1.4 Loan granting commitments		105,453	-	105,453	104,337	-	104,337
2.1.5 Securities issue brokerage commitments		-	-	-	-	-	-
2.1.6 Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7 Payment commitment for checks	IV-2	196,307	-	196,307	175,952	-	175,952
2.1.8 Tax and fund liabilities from export commitments		7,405	-	7,405	10,242	-	10,242
2.1.9 Commitments for credit card expenditure limits	IV-2	158,872	853	159,725	161,196	854	162,050
2.1.10 Receivables from short sale commitments		-	-	-	-	-	-
2.1.11 Payables for short sale commitments		-	-	-	-	-	-
2.1.12 Other irrevocable commitments		99	-	99	606	-	606
2.2 Revocable commitments		-	21,867	21,867	-	24,201	24,201
2.2.1 Revocable loan granting commitments		-	-	-	-	-	-
2.2.2 Other revocable commitments		-	21,867	21,867	-	24,201	24,201
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>		<b>717,358</b>	<b>1,936,031</b>	<b>2,653,389</b>	<b>604,773</b>	<b>2,425,143</b>	<b>3,029,916</b>
3.1 Forward foreign currency buy/sell transactions		194,327	1,111,010	1,305,337	113,268	1,640,899	1,754,167
3.1.1 Forward foreign currency transactions-buy		40,843	609,875	650,718	21,639	851,968	873,607
3.1.2 Forward foreign currency transactions-sell		153,484	501,135	654,619	91,629	788,931	880,560
3.2 Swap transactions related to f.c. and interest rates		193,204	413,654	606,858	249,633	420,844	670,477
3.2.1 Foreign currency swap-buy		-	291,501	291,501	-	256,918	256,918
3.2.2 Foreign currency swap-sell		180,742	117,010	297,752	182,013	91,551	273,564
3.2.3 Interest rate swaps-buy		6,876	2,700	9,576	-	69,650	69,650
3.2.4 Interest rate swaps-sell		5,586	2,443	8,029	67,620	2,725	70,345
3.3 Foreign currency, interest rate and securities options		325,978	342,069	668,047	241,711	306,390	548,101
3.3.1 Foreign currency options-buy		170,927	164,148	335,075	121,681	153,071	274,752
3.3.2 Foreign currency options-sell		155,051	177,921	332,972	120,030	153,319	273,349
3.3.3 Interest rate options-buy		-	-	-	-	-	-
3.3.4 Interest rate options-sell		-	-	-	-	-	-
3.3.5 Securities options-buy		-	-	-	-	-	-
3.3.6 Securities options-sell		-	-	-	-	-	-
3.4 Foreign currency futures		3,849	34,135	37,984	161	28,207	28,368
3.4.1 Foreign currency futures-buy		-	34,135	34,135	161	28,053	28,214
3.4.2 Foreign currency futures-sell		3,849	-	3,849	-	154	154
3.5 Interest rate futures		-	-	-	-	-	-
3.5.1 Interest rate futures-buy		-	-	-	-	-	-
3.5.2 Interest rate futures-sell		-	-	-	-	-	-
3.6 Other		-	35,163	35,163	-	28,803	28,803
<b>B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)</b>		<b>32,242,707</b>	<b>1,411,990</b>	<b>33,654,697</b>	<b>30,374,447</b>	<b>1,349,584</b>	<b>31,724,031</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>30,269,400</b>	<b>459,747</b>	<b>30,729,147</b>	<b>28,859,125</b>	<b>448,286</b>	<b>29,307,411</b>
4.1 Assets under management		4,734,932	-	4,734,932	3,149,606	-	3,149,606
4.2 Investment securities held in custody		23,691,688	155,800	23,847,488	23,855,521	156,779	24,012,300
4.3 Checks received for collection		1,654,624	141,255	1,795,879	1,695,786	146,001	1,841,787
4.4 Commercial notes received for collection		188,050	102,734	290,784	158,116	84,964	243,080
4.5 Other assets received for collection		33	59,835	59,868	23	60,422	60,445
4.6 Assets received for public offering		-	-	-	-	-	-
4.7 Other items under custody		73	123	196	73	120	193
4.8 Custodians		-	-	0	-	-	-
<b>V. PLEDGED ITEMS</b>		<b>1,973,215</b>	<b>952,243</b>	<b>2,925,458</b>	<b>1,515,230</b>	<b>901,298</b>	<b>2,416,528</b>
5.1 Marketable securities		308,390	24,210	332,600	307,785	21,613	329,398
5.2 Guarantee notes		4,786	3,419	8,205	4,865	3,635	8,500
5.3 Commodity		19	63,574	63,593	19	105,405	105,424
5.4 Warranty		-	-	-	-	-	-
5.5 Properties		1,117,126	547,406	1,664,532	791,907	510,311	1,302,218
5.6 Other pledged items		542,894	313,634	856,528	410,654	260,334	670,988
5.7 Pledged items-depository		-	-	-	-	-	-
<b>VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		<b>92</b>	<b>-</b>	<b>92</b>	<b>92</b>	<b>-</b>	<b>92</b>
<b>TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)</b>		<b>34,110,056</b>	<b>5,386,855</b>	<b>39,496,911</b>	<b>32,064,440</b>	<b>5,451,011</b>	<b>37,515,451</b>

The accompanying notes are an integral part of these statements.

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

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

**III- CONSOLIDATED STATEMENT OF INCOME**

		Reviewed	Reviewed
		Current Period	Prior Period
		31.03.2006	31.03.2005
		Total	Total
	Note Ref. (Section 5)		
<b>I.</b>	<b>INTEREST INCOME</b>	<b>192,709</b>	<b>129,063</b>
1.1	Interest on loans	109,260	75,262
1.1.1	Interest on TL loans	83,560	60,031
1.1.1.1	Short term loans	60,346	52,907
1.1.1.2	Medium and long term loans	23,214	7,124
1.1.2	Interest on foreign currency loans	25,420	15,065
1.1.2.1	Short term loans	17,872	11,197
1.1.2.2	Medium and long term loans	7,548	3,868
1.1.3	Interest on loans under follow-up	280	166
1.1.4	Premiums received from Resource Utilization Support Fund	-	-
1.2	Interest received from reserve deposits	3,389	1,718
1.3	Interest received from banks	16,275	13,024
1.3.1	The Central Bank of Turkey	648	1,483
1.3.2	Domestic banks	3,822	5,914
1.3.3	Foreign banks	11,805	5,627
1.3.4	Branches and head office abroad	-	-
1.4	Interest received from money market placements	7,933	2,434
1.5	Interest received from marketable securities portfolio	35,845	27,065
1.5.1	Trading securities	3,935	3,118
1.5.2	Available-for-sale securities	31,710	19,797
1.5.3	Held to maturity securities	200	4,150
1.6	Other interest income	20,007	9,560
<b>II.</b>	<b>INTEREST EXPENSES</b>	<b>108,983</b>	<b>64,680</b>
2.1	Interest on deposits	72,383	43,020
2.1.1	Bank deposits	2,730	3,096
2.1.2	Saving deposits	26,818	19,863
2.1.3	Public sector deposits	30	-
2.1.4	Commercial deposits	24,962	12,295
2.1.5	Other institutions deposits	1,733	1,028
2.1.6	Foreign currency deposits	16,098	6,738
2.1.7	Precious metals vault accounts	12	-
2.2	Interest on money market borrowings	16,620	9,987
2.3	Interest on funds borrowed	19,821	11,335
2.3.1	The Central Bank of Turkey	-	-
2.3.2	Domestic banks	3,021	3,032
2.3.3	Foreign banks	14,919	7,273
2.3.4	Branches and head office abroad	-	-
2.3.5	Other financial institutions	1,881	1,030
2.4	Interest on securities issued	-	-
2.5	Other interest expense	159	338
<b>III.</b>	<b>NET INTEREST INCOME (I - II)</b>	<b>83,726</b>	<b>64,383</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME</b>	<b>25,575</b>	<b>17,853</b>
4.1	Fees and commissions received	30,140	26,046
4.1.1	Cash loans	3,571	2,093
4.1.2	Non-cash loans	6,255	4,943
4.1.3	Other	20,314	19,010
4.2	Fees and commissions paid	4,565	8,193
4.2.1	Cash loans	319	2,559
4.2.2	Non-cash loans	22	8
4.2.3	Other	4,224	5,626
<b>V.</b>	<b>DIVIDEND INCOME</b>	<b>-</b>	<b>-</b>
5.1	Trading securities	-	-
5.2	Available-for-sale securities	-	-
<b>VI.</b>	<b>NET TRADING INCOME/LOSS</b>	<b>2,679</b>	<b>10,214</b>
6.1	Profit/losses on trading transactions (Net)	10,091	15,644
6.1.1	Profit on trading transactions	40,676	38,183
6.1.1.1	Profit on derivative financial instruments	22,469	26,826
6.1.1.2	Other	18,207	11,357
6.1.2	Losses on trading transactions (-)	(30,585)	(22,539)
6.1.2.1	Losses on derivative financial instruments	(25,581)	(18,698)
6.1.2.2	Other	(5,004)	(3,841)
6.2	Foreign exchange gains/losses (Net)	(7,412)	(5,430)
6.2.1	Foreign exchange gains	114,565	87,415
6.2.2	Foreign exchange losses (-)	(121,977)	(92,845)
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	<b>11,473</b>	<b>2,679</b>
<b>VIII.</b>	<b>TOTAL OPERATING INCOME (III+IV+V+VI+VII)</b>	<b>123,453</b>	<b>95,129</b>
<b>IX.</b>	<b>PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)</b>	<b>6,726</b>	<b>8,738</b>
<b>X.</b>	<b>OTHER OPERATING EXPENSES (-)</b>	<b>62,681</b>	<b>44,967</b>
<b>XI.</b>	<b>NET OPERATING INCOME (IX-X-XI)</b>	<b>54,046</b>	<b>41,424</b>
<b>XII.</b>	<b>PROFIT/LOSS FROM ASSOCIATES AND SUBSIDIARIES</b>	<b>150</b>	<b>23</b>
<b>XIII.</b>	<b>NET MONETARY GAIN/(LOSS)</b>	<b>-</b>	<b>-</b>
<b>XIV.</b>	<b>INCOME BEFORE TAXES</b>	<b>54,196</b>	<b>41,447</b>
<b>XV.</b>	<b>PROVISION FOR TAXES ON INCOME (-)</b>	<b>15,430</b>	<b>13,389</b>
15.1	Provision for current income taxes	10,815	12,681
15.2	Provision for deferred taxes	4,615	708
<b>XVI.</b>	<b>NET OPERATING INCOME/EXPENSE AFTER TAXES</b>	<b>38,766</b>	<b>28,058</b>
<b>XVII.</b>	<b>EXTRAORDINARY INCOME/EXPENSE AFTER TAXES</b>	<b>1,604</b>	<b>-</b>
17.1	Extraordinary net income/expense before taxes	1,604	-
17.1.1	Extraordinary income	1,604	-
17.1.2	Extraordinary expense (-)	-	-
17.2	Provision for taxes on extraordinary income	-	-
<b>XVIII.</b>	<b>PROFIT/LOSS ON UNCONSOLIDATED INVESTMENTS (-)</b>	<b>-</b>	<b>-</b>
<b>XIX.</b>	<b>NET PROFIT/LOSS FOR THE PERIOD (XVI+XVII+XVIII)</b>	<b>40,370</b>	<b>28,058</b>
19.1	Group's profit/loss	40,370	28,058
19.2	Minority Profit/Loss	-	-
	Earnings/Losses per share (Full amount)	0.00035	0.00024

The accompanying notes are an integral part of these statements.

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

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

**IV. CONSOLIDATED STATEMENT 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	Marketable Securities Value Increase Fund	Total Equity
<b>Prior Period - 31.03.2005</b>														
<b>I. Balances at the end of prior period</b>	57,800	252,676	69	-	52,483	-	(1,523)	(3,250)	-	53,496	-	-	3,995	415,746
<b>II. Changes in Accounting Policies</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>III. New balance (I+II)</b>	57,800	252,676	69	-	52,483	-	(1,523)	(3,250)	-	53,496	-	-	3,995	415,746
<b>IV. Net Profit or Loss</b>	-	-	-	-	-	-	-	-	28,058	-	-	-	-	28,058
<b>V. Profit Distribution</b>	-	-	-	-	12,253	-	31,829	-	-	(53,496)	-	-	-	(9,414)
5.1 Dividends distributed	-	-	-	-	-	-	-	-	-	(9,414)	-	-	-	(9,414)
5.2 Transfers to reserves	-	-	-	-	12,253	-	31,829	-	-	(44,082)	-	-	-	-
5.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VI. Increase in capital</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1 Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2 Revaluation Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.3 Revaluation Increase Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.4 Marketable Securities Value Increase Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.5 Inflation adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.6 Issuance of share certificates	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.7 Foreign exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.8 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VII. Convertible bonds</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII. Others</b>	-	-	-	-	(17)	-	(769)	(1,806)	-	-	-	-	(1,518)	4,110
<b>Closing Balances (I+II+IV+V+VI+VII+VIII)</b>	57,800	252,676	69	-	64,719	-	29,537	(5,056)	28,058	-	-	-	2,447	430,280
<b>Current Period - 31.03.2006</b>														
<b>I. Balances at the end of prior period</b>	57,800	252,676	69	-	19,955	-	74,304	(8,633)	-	102,238	-	-	9,354	507,763
Increases in the period:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>II. Investments securities available for sale</b>	-	-	-	-	-	-	-	-	-	-	-	-	(5,544)	(5,544)
2.1 Net fair value gains/losses	-	-	-	-	-	-	-	-	-	-	-	-	(5,544)	(5,544)
<b>III. Cash flow hedge</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.1 Net fair value gains/losses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred Amounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IV. Investments securities available for sale</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Transferred to net income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>V. Cash flow hedge</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5.1 Transferred to net income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5.2 Transferred to assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VI. Net Profit or Loss</b>	-	-	-	-	-	-	-	-	40,370	-	-	-	-	40,370
<b>VII. Profit Distribution</b>	-	-	-	-	8,801	-	66,062	8,633	-	(102,238)	-	-	-	(18,742)
7.1 Dividends distributed	-	-	-	-	-	-	-	-	-	(18,742)	-	-	-	(18,742)
7.2 Transfers to reserves	-	-	-	-	8,801	-	66,062	8,633	-	(83,496)	-	-	-	-
7.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII. Increase in capital</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.1 Cash	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.2 Revaluation Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.3 Revaluation Increase Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.4 Marketable Securities Value Increase Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.5 Adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.6 Issuance of share certificates	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.7 Foreign exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.8 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX. Convertible bonds</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>X. Others</b>	-	-	-	-	-	-	-	1,024	-	-	-	-	-	(1,024)
<b>Closing Balances (I+II+III+IV+V+VI+VII+VIII+IX)</b>	57,800	252,676	69	-	28,756	-	140,366	1,024	40,370	-	-	-	3,810	524,871

The accompanying notes are an integral part of these statements.

**TURK EKONOMI BANKASI ANONIM SIRKETI**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD FROM**  
**1 JANUARY TO 31 MARCH 2006**

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

**V. CONSOLIDATED STATEMENTS OF CASH FLOWS**

		Reviewed	Not Reviewed (*)
	Note Ref. Section 5	Current Period 31.03.2006	Prior Period 31.03.2005
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
<b>1.1</b>	<b>Operating profit before changes in operating assets and liabilities</b>	<b>54,638</b>	<b>12,063</b>
1.1.1	Interest received	199,514	125,643
1.1.2	Interest paid	(103,090)	(63,987)
1.1.3	Dividend received	150	23
1.1.4	Fees and commissions received	30,140	26,046
1.1.5	Other income	8,508	16,398
1.1.6	Collections from previously written off loans and other receivables	2,946	1,528
1.1.7	Payments to personnel and service suppliers	(33,254)	(24,942)
1.1.8	Taxes paid	(52,934)	(31,189)
1.1.9	Others	2,658	(37,457)
<b>1.2</b>	<b>Changes in operating assets and liabilities</b>	<b>23,404</b>	<b>(324,778)</b>
1.2.1	Net (increase) decrease in trading securities	50,605	(41,796)
1.2.2	Net (increase) decrease in due from banks and other financial institutions	111,059	(143,511)
1.2.3	Net (increase) decrease in loans	(338,180)	(418,650)
1.2.4	Net (increase) decrease in other assets	(71,590)	(48,990)
1.2.5	Net increase (decrease) in bank deposits	(398,070)	142,584
1.2.6	Net increase (decrease) in other deposits	499,796	213,333
1.2.7	Net increase (decrease) in funds borrowed	126,408	(28,688)
1.2.8	Net increase (decrease) in matured payables	-	-
1.2.9	Net increase (decrease) in other liabilities	43,376	940
<b>I.</b>	<b>Net cash provided from banking operations</b>	<b>78,042</b>	<b>(312,715)</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II.</b>	<b>Net cash provided from investing activities</b>	<b>140,610</b>	<b>(97,433)</b>
2.1	Cash paid for purchase of investments, associates and subsidiaries	-	-
2.2	Cash obtained from sale of investments, associates and subsidiaries	-	-
2.3	Fixed assets purchases	(2,801)	(4,413)
2.4	Fixed assets sales	(2,491)	(1,185)
2.5	Cash paid for purchase of securities available for sale	(774,247)	(306,920)
2.6	Cash obtained from sale of securities available for sale	920,064	219,074
2.7	Cash paid for purchase of investment securities	-	(3,989)
2.8	Cash obtained from sale of investment securities	85	-
2.9	Extraordinary items	-	-
2.10	Others	-	-
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III.</b>	<b>Net cash provided from financing activities</b>	<b>(17,725)</b>	<b>(11,858)</b>
3.1	Cash obtained from funds borrowed and securities issued	-	148
3.2	Cash used for repayment of funds borrowed and securities issued	(6)	-
3.3	Capital increase	1,023	6,736
3.4	Dividends paid	(18,742)	(18,742)
3.5	Payments for finance leases	-	-
3.6	Extraordinary items	-	-
3.7	Others	-	-
<b>IV.</b>	<b>Effect of change in foreign exchange rate on cash and cash equivalents</b>	<b>(73)</b>	<b>29,679</b>
<b>V.</b>	<b>Net increase / (decrease) in cash and cash equivalents(I+II+III)</b>	<b>200,854</b>	<b>(392,327)</b>
<b>VI.</b>	<b>Cash and cash equivalents at beginning of the period</b>	<b>1,355,152</b>	<b>1,765,570</b>
<b>VII.</b>	<b>Cash and cash equivalents at end of the period</b>	<b>1,556,006</b>	<b>1,373,243</b>

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

The accompanying notes are an integral part of these statements.

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

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

**SECTION THREE**

**ACCOUNTING PRINCIPLES**

**I- Basis of Presentation**

Parent Bank and its subsidiaries that are subject to consolidation will be denominated as “Group”. The Group prepares its financial statements in accordance with the “Accounting Application Regulations” (AAR) based on “Accounting and Recording System”, Articles 37 and 38, and the provisional Article 1, of the Banking Law 5411 and related communiqués and related explanations and further communiqués that add or cause a change on the content of the relevant communiqués.

**Preparation of Financial Statements at the Current Purchasing Power Parity**

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

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

**Other Basis of Valuation**

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

**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), 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 on a line by line basis. 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”.

Certain adjustments were made on the financial statements of the subsidiaries, which were prepared in accordance with the principles and rules regarding preparation and reporting of financial statements as defined in the Turkish Commercial Code and/or Financial Leasing Law and communiqués of the Capital Markets Board, in order to present their financial statements in accordance with AAR.

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

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

**II- Information about the Parent Bank and the Subsidiaries subject to Consolidation (cont'd)**

**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
Stitching	Netherlands
Kronenburg	Netherlands
TEB Yatirim	Turkey
TEB Leasing	Turkey
TEB Factoring	Turkey
TEB Portfoy	Turkey

Line by line consolidation method is used for all of 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 March 31, 2006 and December 31, 2005.

The transactions and balances between the Parent company and 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 to the income statement as they are realized during the year. Foreign currency assets and liabilities at each period-end are translated into Turkish lira at the period-end foreign exchange buying rates announced by the Parent Bank and the resulting foreign exchange gains or losses are recorded in the income statement as foreign exchange gain or loss. The USD exchange rate used for translating foreign currency transactions into New Turkish Lira and reflecting these to consolidated financial statements as of March 31, 2006, is TRY 1.3417 (December 31, 2005 - TRY 1.3418 (in full TRY)).

There are no capitalized foreign exchange differences.

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

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 3 months average exchange rate for their income statement items. The currency translation gain derived from the translation of shareholders' equity items amounting to TRY 1,024 (December 31, 2005- TRY 8,633 currency translation loss) has been reflected in "Other Profit Reserves" under shareholders' equity.



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

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

**III- Explanations 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 date 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 an accrual basis using Internal Rate of Return (IRR) method. The Parent Bank also enters into future agreements. Future transactions are valued daily by the primary market prices and related gains or losses are reflected to 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 offset the assets and liabilities simultaneously.

**V- Interest Income and Expenses**

Interest income and expenses 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 Expenses**

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

Fees and commissions for funds borrowed paid to other financial institutions, 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 when the profit distribution is realized by the associates and the subsidiaries.

**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 with a pattern of short-term profit taking.

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

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

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

**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, available for sale and held to maturity depending on the portfolio they are originally included in, and are valued according to the valuation principles of the related portfolios 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 domestic public sector debt securities.

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

Securities purchased with resale commitments (reverse repo) are separately disclosed under 'Money Market Placements' 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 March 31, 2006, the Group does not have any marketable securities lending (December 31, 2005 – 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 an intention of holding till maturity and the relevant conditions for fulfillment of such intention, including the funding ability. This portfolio excludes bank originated loans and receivables.

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

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

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

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

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

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

There are no dividends related with any marketable securities that are held to maturity.

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

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

**IX- Securities Held to Maturity, Securities Available for Sale and Bank Originated Loans and Receivables (cont'd)**

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 their securities according to the above-mentioned portfolios at the acquisition date of the related security.

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

**X- Unconsolidated Participations and Subsidiaries**

New 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. The investment in associate in which the Group's effective share holding is below 50% but in which the Group has no controlling power is accounted for at cost.

**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 entered into accounts at amortized cost by using effective interest rate method.

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

Provision is set for the loans that may be doubtful and the amount is expensed at the current period. The provisioning criteria for the non-performing loans are determined by the 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 amended by Law Number 4672 and the Banking Law No. 5411, Article 3, Sub Article 11 and Article 11, Sub Article 12 published on the Official Gazette No. 24448 dated June 30, 2001 on "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" amended by Communiqués published on the Official Gazette No:34657 date January 31, 2002. These provisions are reflected in the income statement under "Provision and Impairment Expenses - Special Provision Expense". The collections made regarding these loans are first deducted from the principal amount of the loan and the remaining collections are deducted from interest receivables.

The collections made related to loans for which provision is made in the current period are deducted from the "Provision for Loans and Other Receivables" account in the income statement. The collections made related to loans written off or for which provisioned was made in prior years are recorded to "Collections Related to the Prior Period Expenses" 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 credited in the "Provision and Impairment Expenses - Special Provision Expense" account.

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

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

**XI- Originated Loans and Receivables and Provisions for Loan Impairment (cont'd)**

Other than the specific provisions, the Parent Bank sets general loan reserve for its loans and other receivables, within the framework of the above regulations. The general loan reserve is 0.5 % for the cash loans and other receivables and 0.1% for non-cash loans. The Economy Bank NV which is operating abroad, is subject to the legislation of the country that it is established.

**XII- Goodwill and Other Intangible Fixed Assets**

The positive difference of TRY 1,686 (December 31, 2005 - TRY 1,686), 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. Until December 31 2004, 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 mainly comprise of 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 widely used in the Parent Bank is mainly developed within the 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. Depreciation of assets held less than one year as of the balance sheet date is accounted for proportionately. The leasehold improvements are depreciated in accordance with the lease period by straight-line method. The depreciation method that is used in the current period has not been modified. 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.

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

There 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.

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

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

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

**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 of 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 create a constant rate of return over the lessor's net investment on the leased item.

Operating lease payments are recognized as expense in equal amounts 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 immediately recognized for present obligations as a result of past events at the estimated amounts.

**XVI- Liabilities Regarding Employee Benefits**

In accordance with the prevailing laws in Turkey, 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 temporary periods.

As of March 31, 2006 and December 31, 2005 the arithmetical average of the actual payments realized for the previous five years are 4.50% and 8.35% respectively and this forms the base of the provision amount that is set for the retirement and notice pay liabilities for the Parent Bank. The Parent Bank's consolidated subsidiaries provided reserve for retirement pay for the eligible personnel as of March 31, 2006 and December 31, 2005, at estimated amounts.

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.

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

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

**XVII- Taxation**

***Corporate Tax***

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

The tax legislation requires advance tax of 30% (2005-30 %) to be calculated and paid based on earnings generated for each quarter. The amounts thus calculated and paid are offset against the final tax liability for the year.

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

Current tax related with items that are credited or charged directly to equity are charged or credited to equity. As of March 31, 2006, TRY 1,925 of current tax liability, relating to items classified under equity is charged to "Marketable securities value increase fund".

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

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 29.6%.

***Deferred Tax Liability / Asset***

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 March 31, 2006 and December 31, 2005, in accordance with Communiqué Number 18 of AAR published on August 12, 2004 and effective from July 1, 2004 and the 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 reserves, if sufficient taxable profit in future periods to recover such amounts is probable; as well as deferred tax liability on all taxable temporary differences. The net deferred tax assets and liabilities of the Bank and its subsidiaries are presented on the financial statements separately. However, deferred tax amounts are not netted off in the consolidation.

The net deferred tax asset is included in other assets and the net deferred tax liability is reflected under other liabilities on the balance sheet. TRY 4,615 of deferred tax provision credit is stated under the tax provision in the income statement. TRY 1,632 of deferred tax asset resulting from differences related to items that are credited or charged directly to equity is netted with these accounts.

Furthermore, as per the above mentioned circular of BRSA, deferred tax benefit balance resulting from netting off 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.

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

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

**XX- Acceptances**

Acceptances are realized simultaneously with the payment dates of the customers and they are presented as probable liabilities and commitments 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 March 31, 2006, securities at custody in the off-balance sheet include investment funds denominated as thousand share units (December 31, 2005 – thousand share units).

**XXIII- Other Matters**

***Explanation for convenience translation to English:***

The accounting principles used in the preparation of the accompanying consolidated 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.

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

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

**SECTION FOUR**

**INFORMATION ON CONSOLIDATED FINANCIAL STRUCTURE OF THE GROUP**

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

The method used for risk measurement in determining capital adequacy standard ratio: Capital Adequacy Standard Ratio is calculated in accordance with the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks ", which was published on January 31, 2002 in the Official Gazette numbered 24657. As of March 31, 2006, the Parent Bank's consolidated capital adequacy ratio, which is prepared in a consolidated basis and calculated according to the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks", is 13.21% (December 31, 2005 - %13.76).

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

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

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

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



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

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

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

**Information related to the capital adequacy ratio:**

	Consolidated				Parent Bank			
	Risk Weight				Risk Weight			
	0%	20%	50%	100%	0%	20%	50%	100%
<b>Risk Weighted Assets, Liabilities and Non</b>								
<b>Cash Loans</b>								
Balance Sheet items (Net)	1,356,407	746,293	830,831	3,223,300	1,235,353	186,895	607,040	2,421,314
Cash	93,488	6	-	-	93,482	6	-	-
Due from banks	329,776	722,436	-	1,724	329,776	163,038	-	273
Interbank money market placements	430,000	-	-	-	430,000	-	-	-
Receivables from reverse repo transactions	3,596	-	-	-	-	-	-	-
Reserve deposits	206,201	-	-	-	206,201	-	-	-
Special finance houses	-	-	-	-	-	-	-	-
Loans	247,334	23,851	600,149	3,113,192	132,931	23,851	600,149	2,361,867
Loans under follow-up (Net)	-	-	-	14,556	-	-	-	14,556
Subsidiaries, associates and investments held to maturity	-	-	-	-	-	-	-	-
Sundry debtors	-	-	-	17,969	-	-	-	2,809
Marketable securities held to maturity (Net)	-	-	-	-	-	-	-	-
Advances for assets acquired by financial leasing	-	-	-	-	-	-	-	-
Financial lease receivables	-	-	223,791	-	-	-	-	-
Leased assets (Net)	-	-	6,891	-	-	-	6,891	-
Fixed assets (Net)	-	-	-	40,020	-	-	-	31,933
Other assets	46,012	-	-	35,839	42,963	-	-	9,876
Off balance sheet items	351,125	878,021	523,588	186,100	317,254	759,235	510,672	176,712
Guarantees and suretyships	56,833	865,409	140,301	116,885	22,961	749,852	129,042	115,060
Commitments	290,207	-	382,582	-	290,208	-	381,630	-
Other off balance sheet items	-	-	-	-	-	-	-	-
Transactions related with derivative	-	-	-	-	-	-	-	-
Financial instruments	-	-	-	30,464	-	-	-	26,119
Interest and income accruals	4,085	6,897	705	38,751	4,085	5,793	-	35,533
Non risk weighted accounts	-	5,715	-	-	-	3,590	-	-
<b>Total Assets Subject to Risk</b>	<b>1,707,532</b>	<b>1,624,314</b>	<b>1,354,419</b>	<b>3,409,400</b>	<b>1,552,607</b>	<b>946,130</b>	<b>1,117,712</b>	<b>2,598,026</b>
<b>Total Risk Weighted Assets</b>	<b>-</b>	<b>324,863</b>	<b>677,210</b>	<b>3,409,400</b>	<b>-</b>	<b>189,226</b>	<b>558,856</b>	<b>2,598,026</b>

**Summary information related to the capital adequacy ratio:**

	Consolidated		Parent Bank	
	Current Period	Prior Period	Current Period	Prior Period
Total Risk Weighted Assets (*)	4,411,473	4,118,386	3,346,108	3,196,838
Amount Subject to Market Risk	147,938	145,788	143,800	142,000
Shareholders' Equity	602,417	586,808	434,610	411,722
Shareholders' Equity / (TRWA + ASMR) *100	13.21	13.76	12.45	12.33

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

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

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

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

**Information related to the components of shareholders' equity:**

	Consolidated		Parent Bank	
	Current Period	Prior Period	Current Period	Prior Period
<b>CORE CAPITAL</b>				
Paid-in Capital	57,800	57,800	57,800	57,800
Nominal capital	57,800	57,800	57,800	57,800
Capital commitments (-)	-	-	-	-
Other Equity Reserves	252,676	252,676	252,676	252,676
Share Premium	69	69	-	-
Legal Reserves	29,780	11,322	14,950	9,253
First legal reserve (Turkish Commercial Code 466/1)	19,036	15,243	9,414	5,479
Second legal reserve (Turkish Commercial Code 466/2)	9,720	4,712	5,536	3,774
Other legal reserve per special legislation	1,024	(8,633)	-	-
Statute Reserves	-	-	-	-
Extraordinary reserves	140,366	74,304	115,496	61,218
Reserves allocated by the General Assembly	140,366	74,304	115,496	61,218
Retained earnings	-	-	-	-
Accumulated losses	-	-	-	-
Foreign currency share capital exchange difference	-	-	-	-
Minority Rights	-	-	-	-
Profit	40,370	102,239	48,322	78,717
Current period profit	40,370	102,239	48,322	78,717
Prior period profit	-	-	-	-
Loss (-)	-	-	-	-
Current period loss	-	-	-	-
Prior period losses	-	-	-	-
<b>Total Core Capital</b>	<b>521,061</b>	<b>498,410</b>	<b>489,244</b>	<b>459,664</b>
<b>SUPPLEMENTARY CAPITAL</b>				
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 Loan Loss Reserves	18,884	18,300	18,884	18,300
Provisions for Possible Losses	-	-	-	-
Subordinated Loans	83,991	83,997	83,991	83,997
Marketable Securities and Investment Securities Value Increase Fund	3,810	9,354	3,625	9,147
Associates and subsidiaries	-	-	-	-
Available for sale securities	3,810	9,354	3,625	9,147
Increase in the value of marketable securities subject to structured positions	-	-	-	-
<b>Total Supplementary Capital</b>	<b>106,685</b>	<b>111,651</b>	<b>106,500</b>	<b>111,444</b>
<b>TIER III CAPITAL</b>				
<b>CAPITAL</b>	<b>627,746</b>	<b>610,061</b>	<b>595,744</b>	<b>571,108</b>
<b>DEDUCTIONS FROM THE CAPITAL</b>	<b>25,329</b>	<b>23,253</b>	<b>161,134</b>	<b>159,386</b>
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 and economic interests related to the financial partnerships that apply Equity Capital Method but, assets and liabilities of which have not been consolidated	1,690	1,535	139,716	139,230
Leasehold improvements	14,404	15,480	14,202	15,287
Start-up costs	-	-	-	-
Prepaid expenses	8,029	5,032	7,216	4,869
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	1,206	-	-
Capitalized expenses	-	-	-	-
<b>Total Shareholder's Equity</b>	<b>602,417</b>	<b>586,808</b>	<b>434,610</b>	<b>411,722</b>

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

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

**II- Explanations and Footnotes Related to 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 market conditions and 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 originating from the fluctuations of the financial positions taken by the Parent Bank in the financial markets, related to balance sheet and off-balance sheet accounts are measured and while calculating the capital requirement, 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 requirement to be Employed For Interest Rate Risk – Standard Method	7,149	6,864
Capital Requirement to be Employed For General Market Risk	7,149	6,864
Capital Requirement to be Employed For Specific Risk	-	-
Capital Requirement to be Employed For Options Subject To Interest Rate Risk	-	-
Capital Requirement to be Employed For Common Stock Position Risk – Standard Method	39	-
Capital Requirement to be Employed For General Market Risk	31	-
Capital Requirement to be Employed For Specific Risk	8	-
Capital Requirement to be Employed For Options Subject To Common Stock Position Risk	-	-
Capital Requirement to be Employed For Currency Risk – Standard Method	4,647	4,640
Capital Requirement	4,457	4,450
Capital Requirement to be Employed For Options Subject To Currency Risk	190	190
Total Value-At-Risk (VAR)-Internal Model	-	-
Total Capital Requirement to be Employed For Market Risk	11,835	11,504
Amount Subject to Market Risk	147,938	143,800

**III- Explanations and Footnotes Related to 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 subject to foreign exchange risk, 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 values of 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 Parent Bank 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.

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

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

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

As of March 31, 2006, the Group's net short position is TRY 8,375 (December 31, 2005 - TRY 3,998 net short) resulting from short position amounting to TRY 277,065 (December 31, 2005 - TRY 298,220) on the balance sheet and long position amounting to TRY 268,690 (December 31, 2005 - TRY 294,222) from off-balance sheet position.

The announced current foreign exchange buying rates of the Parent Bank as of March 31, 2006 and the previous five working days are as follows:

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

The simple arithmetical average of the major current foreign exchange buying rates of the Parent Bank for the thirty days before March 31, 2006, is as follows:

	Monthly Average FX rates
USD	1.3253
CHF	1.0209
GBP	2.3203
JPY	1.1322
EUR	1.5940

**Information on the foreign currency risk of the Group:**

Current Period	EUR	USD	YEN	OTHER FC	TOTAL
<b>Assets</b>					
Cash (cash in vault, foreign currency cash, money in transit, cheques purchased, precious materials) and balances with the Central Bank of Turkey	47,761	513,081	60	4,130	565,032
Due from other banks and financial institutions	80,706	564,143	742	14,121	659,711
Trading securities	7,647	237	-	718	8,602
Money market placements	-	-	-	-	-
Investment securities available-for-sale	-	257,104	-	-	257,104
Loans (**)	838,885	1,190,295	11,487	75,902	2,116,569
Investments in associates and subsidiaries	-	-	-	-	-
Investment securities held-to-maturity	-	9,595	-	-	9,595
Property and equipment	6,673	-	-	-	6,673
Goodwill	-	-	-	-	-
Other assets (***)	190,793	92,958	48	11,656	295,455
<b>Total Assets</b>	<b>1,172,464</b>	<b>2,627,413</b>	<b>12,337</b>	<b>106,527</b>	<b>3,918,741</b>
<b>Liabilities</b>					
Bank deposits	5,247	39,708	220	20,210	65,385
Foreign currency deposits (*)	590,235	2,519,507	6,968	58,806	3,175,516
Money market borrowings	-	-	-	-	-
Funds provided from other financial institutions	553,517	294,031	-	35,137	882,685
Marketable securities issued	-	-	-	-	-
Sundry creditors	8,666	10,195	2,889	123	21,873
Other liabilities (***)	27,073	19,710	257	3,307	50,347
<b>Total liabilities</b>	<b>1,184,738</b>	<b>2,883,151</b>	<b>10,334</b>	<b>117,583</b>	<b>4,195,806</b>
<b>Net Balance Sheet Position</b>	<b>(12,274)</b>	<b>(255,738)</b>	<b>2,003</b>	<b>(11,056)</b>	<b>(277,065)</b>
<b>Net Off-Balance Sheet Position</b>	<b>89,311</b>	<b>172,212</b>	<b>(5,589)</b>	<b>12,756</b>	<b>268,690</b>
Financial derivative assets	392,958	634,060	3,999	71,342	1,102,359
Financial derivative liabilities	303,647	461,848	9,588	58,586	833,670
Non-cash loans (****)	514,364	932,809	8,570	43,261	1,499,004
<b>Prior Period</b>					
Total Assets	1,039,611	2,525,119	11,829	85,292	3,661,851
Total Liabilities	601,350	2,621,901	1,707	135,163	3,360,121
Net Balance Sheet Position	(17,549)	(259,502)	182	(21,351)	(298,220)
Net Off-Balance Sheet Position	59,815	216,285	(3,023)	21,145	294,222
Non-cash loans (****)	446,262	907,481	8,175	43,779	1,405,697

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

(\*\*) FX-indexed loans amounting to TRY 359,324 (December 31, 2005 - TRY 334,434) are included in loans.

(\*\*\*) TRY 438 Prepaid Expenses and TRY 820 Accrual Income from Derivative Financial Instruments are deducted from Other Assets, and TRY 1,361 Accrual Expense from Derivative Financial Instruments and TRY 7,887 General Loan Loss Provision are deducted from Other Liabilities.

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

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

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

**IV- Explanations and Footnotes Related to 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 requirement amount in the market risk.

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 in the Parent Bank 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 expectations 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.

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

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

	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Non-interest bearing	Total
<b>Current Period</b>							
Assets							
Cash (cash in vault, foreign currency cash, money in transit, cheques purchased, precious materials) and balances with the Central Bank of Turkey	498,115	-	-	-	-	131,356	629,471
Due from banks and other financial institutions	572,828	102,651	10,000	12,735	-	25,946	724,160
Trading securities	170	497	2,876	5,718	49,483	1,104	59,848
Money market placements	433,596	-	-	-	-	-	433,596
Securities available-for-sale	-	74,729	685,111	14,417	146,696	9	920,962
Loans	1,319,112	544,019	584,891	413,304	917,429	-	3,778,755
Securities held-to-maturity	-	-	1,963	273	9,322	-	11,558
Other assets	102,130	126,408	62,142	52,462	105,121	247,540	695,803
<b>Total Assets</b>	<b>2,925,951</b>	<b>848,304</b>	<b>1,346,983</b>	<b>498,909</b>	<b>1,228,051</b>	<b>405,955</b>	<b>7,254,153</b>
Liabilities							
Bank deposits	94,273	4,357	-	169	-	2,147	100,946
Other deposits	3,858,101	579,082	72,447	27,421	12,477	137,569	4,687,097
Money market borrowings	375,973	-	-	-	-	-	375,973
Sundry creditors	-	-	-	-	-	82,168	82,168
Marketable securities issued	-	-	-	-	-	-	-
Funds provided from other financial institutions	621,909	282,467	193,161	41,882	61,590	-	1,201,009
Other liabilities	50,743	27,185	3,326	6	-	725,700	806,960
<b>Total Liabilities</b>	<b>5,000,999</b>	<b>893,091</b>	<b>268,934</b>	<b>69,478</b>	<b>74,067</b>	<b>947,584</b>	<b>7,254,153</b>
Balance Sheet Interest Sensitivity Gap	(2,075,048)	(44,787)	1,078,049	429,431	1,153,984	(541,629)	-
Off Balance Sheet Interest Sensitivity Gap	1,547	-	-	-	-	-	1,547
<b>Total Interest Sensitivity Gap</b>	<b>(2,073,501)</b>	<b>(44,787)</b>	<b>1,078,049</b>	<b>429,431</b>	<b>1,153,984</b>	<b>(541,629)</b>	<b>1,547</b>

Other assets line in the non-interest bearing column includes TRY 61,315 of tangible fixed assets, TRY 5,158 of intangible fixed assets, TRY 73,422 of accrued interest and income receivables, TRY 1,690 of unconsolidated participations and TRY 5,715 of deferred tax assets and TRY 86,416 other assets and the other liabilities line includes the shareholders' equity of TRY 524,871.

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

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

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

	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Non-interest bearing	Total
<b>Prior Period</b>							
Assets							
Cash (cash in vault, foreign currency cash, money in transit, cheques purchased, precious materials) and balances with the Central Bank of Turkey	385,329	-	-	-	-	179,572	564,901
Due from Banks and other financial institutions	821,025	84,936	32,000	16,000	-	26,427	980,388
Trading securities	21,601	18,664	13,651	462	55,477	598	110,453
Money market placements	156,533	-	-	-	-	-	156,533
Securities available-for-sale	33,537	577,672	79,262	64,131	312,168	9	1,066,779
Loans	1,090,200	601,312	594,210	429,916	726,843	-	3,442,481
Securities held-to-maturity	-	100	-	684	10,859	-	11,643
Other assets	116,227	67,112	53,783	56,217	99,081	237,146	629,566
<b>Total Assets</b>	<b>2,624,452</b>	<b>1,349,796</b>	<b>772,906</b>	<b>567,410</b>	<b>1,204,428</b>	<b>443,752</b>	<b>6,962,744</b>
Liabilities							
Bank deposits	103,749	12,722	-	170	-	1,734	118,375
Other deposits	2,820,802	406,682	118,968	32,039	144	808,666	4,187,301
Money market borrowings	756,614	-	-	-	-	-	756,614
Sundry creditors	-	-	-	-	-	64,196	64,196
Marketable securities issued	-	-	-	-	-	-	-
Funds provided from other financial institutions	226,586	196,346	547,451	38,779	65,445	-	1,074,607
Other liabilities	52,540	7,352	3,552	15	-	698,192	761,651
<b>Total Liabilities</b>	<b>3,960,291</b>	<b>623,102</b>	<b>669,971</b>	<b>71,003</b>	<b>65,589</b>	<b>1,572,788</b>	<b>6,962,744</b>
Balance Sheet Interest Sensitivity Gap	(1,335,839)	726,694	102,935	496,407	1,138,839	(1,129,036)	-
Off Balance Sheet Interest Sensitivity Gap	(695)	-	-	-	-	-	(695)
<b>Total Interest Sensitivity Gap</b>	<b>(1,336,534)</b>	<b>726,694</b>	<b>102,935</b>	<b>496,407</b>	<b>1,138,839</b>	<b>(1,129,036)</b>	<b>(695)</b>

Other assets line at the non-interest bearing column includes TRY 62,192 of tangible fixed assets, TRY 5,625 of intangible fixed assets, TRY 81,663 of accrued interest and income receivables, TRY 1,535 of unconsolidated participations and TRY 70,003 of deferred tax assets and other assets, and the other liabilities line includes the shareholders' equity of TRY 507,764.

**Average interest rates applied to monetary financial instruments:**

	EURO %	USD %	YEN %	TRY %
<b>Current Period</b>				
Assets				
Cash (cash in vault, foreign currency cash, money in transit, cheques purchased, precious materials) and balances with the Central Bank of Turkey	2.31	-	-	-
Due from banks and other financial institutions	2.52	4.68	-	11.50
Trading securities	6.21	3.28	-	12.07
Money market placements	-	-	-	13.75
Securities available-for-sale	-	6.30	-	16.34
Leasing receivables	10.06	10.28	-	25.04
Factoring receivables	5.91	7.48	-	20.20
Loans	4.88	5.99	3.65	16.84
Securities held-to-maturity	-	10.97	-	14.42
Liabilities				
Bank deposits	2.00	4.86	-	13.34
Other deposits	2.64	4.50	-	13.75
Money market placements	2.60	-	-	13.65
Sundry creditors	-	-	-	-
Marketable securities issued	-	-	-	-
Funds provided from other financial institutions	3.96	6.21	-	20.22

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

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

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

	EURO %	USD %	YEN %	TRY %
<b>Prior Period</b>				
Assets				
Cash (cash in vault, foreign currency cash, money in transit, cheques purchased, precious materials) and balances with the Central Bank of Turkey	1.61	2.05	-	10.65
Due from banks and other financial institutions	2.23	4.03	-	15.96
Trading securities	6.77	8.80	-	16.30
Money market placements	-	-	-	14.87
Securities available-for-sale	-	5.70	-	15.14
Leasing receivables	9.26	10.33	-	22.04
Factoring receivables	6.06	7.16	-	19.84
Loans	5.21	5.95	4.06	19.84
Securities held-to-maturity	-	10.97	-	15.83
Liabilities				
Bank deposits	2.55	4.00	-	17.61
Other deposits	2.47	4.00	-	14.80
Money market placements	-	4.59	-	14.61
Sundry creditors	-	-	-	-
Marketable securities issued	-	-	-	-
Funds provided from other financial institutions	4.08	7.55	-	21.33

**V- Explanations and Footnotes Related to 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 has not been faced in any period. In order to maintain this, the Board of Directors of the Group continuously determines standards for the liquidity ratios, and monitors them.

According to the general policies of the Group, the matching of the maturity and interest rate structure of assets, and liabilities is always established within the asset liability management strategies. A positive difference is managed to be established between the yields of TRY and foreign currency assets and liabilities on the balance sheet and their costs. According to this strategy, 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. Generally, the Parent Bank is in a lender position.

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

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

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

**Presentation of assets and liabilities according to their remaining maturities :**

<b>Current Period</b>	<b>Demand</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-6 Months</b>	<b>6-12 Months</b>	<b>1 Year and Over</b>	<b>Undistributed (* )</b>	<b>Total</b>
<b>Assets</b>								
Cash (cash in vault, foreign currency cash, money in transit, cheques purchased, precious materials) and Balances with the Central Bank of Turkey	131,356	498,115	-	-	-	-	-	629,471
Due from banks and other financial institutions	127,141	471,633	102,651	10,000	12,735	-	-	724,160
Trading securities	1,104	10,282	389	850	651	46,572	-	59,848
Money market placements	-	433,596	-	-	-	-	-	433,596
Securities available-for-sale	9	-	9,475	10,176	8,330	892,972	-	920,962
Loans	60,505	1,247,676	486,517	583,055	454,426	946,576	-	3,778,755
Securities held-to-maturity	-	-	-	413	271	10,874	-	11,558
Other assets	6,595	167,691	136,689	70,725	62,323	134,179	117,601	695,803
<b>Total Assets</b>	<b>326,710</b>	<b>2,828,993</b>	<b>735,721</b>	<b>675,219</b>	<b>538,736</b>	<b>2,031,173</b>	<b>117,601</b>	<b>7,254,153</b>
<b>Liabilities</b>								
Bank deposits	15,575	80,845	4,357	-	169	-	-	100,946
Other deposits	798,813	3,111,422	522,665	70,293	130,787	53,117	-	4,687,097
Money market borrowings	-	375,973	-	-	-	-	-	375,973
Funds provided from other financial institutions	-	179,942	191,657	69,799	407,823	351,788	-	1,201,009
Marketable securities issued	-	-	-	-	-	-	-	-
Sundry creditors	64,475	1,700	-	-	-	-	15,993	82,168
Other liabilities	2,821	139,578	34,773	5,826	61,087	7,721	555,154	806,960
<b>Total Liabilities</b>	<b>881,684</b>	<b>3,889,460</b>	<b>753,452</b>	<b>145,918</b>	<b>599,866</b>	<b>412,626</b>	<b>571,147</b>	<b>7,254,153</b>
<b>Net Liquidity Gap</b>	<b>(554,974)</b>	<b>(1,060,467)</b>	<b>(17,731)</b>	<b>529,301</b>	<b>(61,130)</b>	<b>1,618,547</b>	<b>(453,546)</b>	<b>-</b>
<b>Prior Period</b>								
Total Assets	292,588	2,555,693	722,251	676,206	719,039	1,884,979	111,988	6,962,744
Total Liabilities	878,975	3,490,323	875,690	239,984	633,850	298,071	545,851	6,962,744
<b>Net Liquidity Gap</b>	<b>(586,387)</b>	<b>(934,630)</b>	<b>(153,439)</b>	<b>436,222</b>	<b>85,189</b>	<b>1,586,908</b>	<b>(433,863)</b>	<b>-</b>

(\*) 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.



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

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

**SECTION 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	
	TRY	FC	TRY	FC
Unrestricted demand deposit	37,862	-	92,213	-
Unrestricted time deposit	-	291,914	-	173,945
<b>Total</b>	<b>37,862</b>	<b>291,914</b>	<b>92,213</b>	<b>173,945</b>

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

a) Trading securities given as collateral or blocked:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Share Certificates	-	-	-	-
Bond, Treasury Bill and Similar Investment Securities	318	-	318	-
Other	-	-	-	-
<b>Total</b>	<b>318</b>	<b>-</b>	<b>318</b>	<b>-</b>

b) Trading securities subject to repurchase agreements:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Government Bonds	44,768	-	62,526	-
Treasury Bills	196	-	71	-
Other Debt Securities	-	-	-	-
Bank Bonds and Bank Guaranteed Bonds	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>44,964</b>	<b>-</b>	<b>62,597</b>	<b>-</b>

As of March 31, 2006, trading securities which are not given as collateral amount to TRY 14,566 (December 31, 2005 - TRY 47,358).

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

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

**I. Footnotes and Explanations Related to the Consolidated Assets (cont'd)**

**3. Information on available for sale portfolio:**

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

b) Information on available for sale portfolio:

	Current Period	Prior Period
Debt Securities	926,875	1,070,066
Quoted on a Stock Exchange	646,669	999,168
Not Quoted	280,206	70,898
Share Certificates	9	9
Quoted on a Stock Exchange	-	-
Not Quoted	9	9
Provision for Impairment (-)	(5,922)	(3,296)
<b>Total</b>	<b>920,962</b>	<b>1,066,779</b>

c) Available for sale securities given as collateral or blocked: Available for sale securities given as collateral consist of public sector debt securities, followed with their book values, of TRY 201,055 (December 31, 2005 – TRY 216,931) given as collateral for regulatory requirements.

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

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Share Certificates	-	-	-	-
Bond, Treasury Bill and Similar Investment Securities	33,574	167,481	49,437	167,494
Other	-	-	-	-
<b>Total</b>	<b>33,574</b>	<b>167,481</b>	<b>49,437</b>	<b>167,494</b>

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

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

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

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

**I. Footnotes and Explanations Related to the Consolidated Assets (cont'd)**

**4. Information on loans:**

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

	Current Period		Prior Period	
	Cash Loans	Non-Cash Loans	Cash Loans	Non-Cash Loans
Direct loans Granted to Shareholders	<b>1,090</b>	<b>20,418</b>	-	<b>16,179</b>
Corporate Shareholders	1,090	20,418	-	16,179
Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees	3,050	-	2,915	-
<b>Total</b>	<b>4,140</b>	<b>20,418</b>	<b>2,915</b>	<b>16,179</b>

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	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Cash Loans				
Non-Specialized Loans	3,771,386	-	-	7,368
Discount Notes	97,376	-	-	-
Export Loans	774,948	-	-	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	208,500	-	-	-
Foreign Loans	310,605	-	-	-
Consumer Loans	470,970	-	-	-
Credit Cards	25,495	-	-	-
Precious Metals Loans	56,445	-	-	-
Other	1,827,048	-	-	7,368
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
<b>Total</b>	<b>3,771,387</b>	<b>-</b>	<b>-</b>	<b>7,368</b>

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

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

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

**4. Information on loans: (cont'd)**

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

	Short Term	Medium and Long Term	Total	Interest Income Accrual
<b>Consumer Loans-TRY</b>	<b>26,241</b>	<b>385,738</b>	<b>411,979</b>	<b>3,220</b>
Real Estate Loans	713	193,150	193,863	1,275
Automotive Loans	4,851	143,941	148,792	1,227
General Purpose Loans	12,333	48,647	60,980	718
Other	8,344	-	8,344	-
<b>Consumer Loans -Indexed to FC</b>	<b>1,515</b>	<b>47,872</b>	<b>49,387</b>	-
Real Estate Loans	347	22,305	22,652	-
Automotive Loans	1,057	23,703	24,760	-
General Purpose Loans	111	1,864	1,975	-
Other	-	-	-	-
<b>Consumer Loans-FC</b>	<b>5,104</b>	<b>2,266</b>	<b>7,370</b>	<b>16</b>
Real Estate Loans	-	-	-	-
Automotive Loans	-	-	-	-
General Purpose Loans	-	-	-	-
Other	5,104	2,266	7,370	16
<b>Individual Credit Cards-TRY</b>	<b>21,689</b>	-	<b>21,689</b>	-
With Installments	137	-	137	-
Without Installments	21,552	-	21,552	-
<b>Individual Credit Cards-FC</b>	<b>1,233</b>	-	<b>1,233</b>	-
With Installments	-	-	-	-
Without Installments	1,233	-	1,233	-
<b>Personnel Loans-TRY</b>	<b>914</b>	<b>1,217</b>	<b>2,131</b>	<b>23</b>
Real Estate Loans	-	-	-	-
Automotive Loans	-	6	6	-
General Purpose Loans	805	1,211	2,016	23
Other	109	-	109	-
<b>Personnel Loans- Indexed to FC</b>	-	-	-	-
Real Estate Loans	-	-	-	-
Automotive Loans	-	-	-	-
General Purpose Loans	-	-	-	-
Other	-	-	-	-
<b>Personnel Loans-FC</b>	-	<b>103</b>	<b>103</b>	-
Real Estate Loans	-	-	-	-
Automotive Loans	-	-	-	-
General Purpose Loans	-	103	103	-
Other	-	-	-	-
<b>Personnel Credit Cards-TRY</b>	<b>779</b>	-	<b>779</b>	-
With Installments	16	-	16	-
Without Installments	763	-	763	-
<b>Personnel Credit Cards-FC</b>	<b>37</b>	-	<b>37</b>	-
With Installments	-	-	-	-
Without Installments	37	-	37	-
<b>Total</b>	<b>57,512</b>	<b>437,195</b>	<b>494,707</b>	<b>3,259</b>

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

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

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

**4. Information on loans: (cont'd)**

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

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

e) Domestic and foreign loans:

	Current Period	Prior Period
Domestic Loans	3,468,148	3,199,040
Foreign Loans	310,607	243,441
<b>Total</b>	<b>3,778,755</b>	<b>3,442,481</b>

f) Loans granted to subsidiaries and associates: None.

g) Specific provisions provided against loans:

	Current Period	Prior Period
Specific Provisions		
Loans and Receivables With Limited Collectibility	622	1,950
Loans and Receivables With Doubtful Collectibility	5,110	1,716
Uncollectible Loans and Receivables	14,435	13,183
<b>Total</b>	<b>20,167</b>	<b>16,849</b>

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.

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

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

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

**4. Information on loans: (cont'd)**

h.2) 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	<b>11,866</b>	<b>4,068</b>	<b>17,745</b>
Additions within the period (+)	3,807	140	43
Transfers from Other Categories of Loans Under Follow-up (+)	-	11,417	1,399
Transfers to Other Categories of Loans Under Follow-up (-)	11,417	1,399	-
Collections within the period (-)	832	1,188	926
Write-offs (-)	-	-	-
Effect of inflation(-)	-	-	-
Current Period End Balance	<b>3,424</b>	<b>13,038</b>	<b>18,261</b>
Specific Provisions (-)	622	5,110	14,435
<b>Net Balances on Balance Sheet</b>	<b>2,802</b>	<b>7,928</b>	<b>3,826</b>

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	11,558	11,643
Quoted in a Stock Exchange	11,558	11,643
Not Quoted	-	-
Provision for Impairment (-)	-	-
<b>Total</b>	<b>11,558</b>	<b>11,643</b>

b) Movement of Held to Maturity Portfolio:

	Current Period	Prior Period
Beginning Balance	11,643	73,043
Effect of Inflation (-)	-	-
Foreign Currency Differences on Monetary Assets	15	(982)
Purchases During Year	-	12,441
Disposals Through Sales and Redemptions	(100)	(72,859)
Provision for Impairment (-)	-	-
<b>Closing Balances</b>	<b>11,558</b>	<b>11,643</b>

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

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

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

**5. Information on Held to Maturity Portfolio (Net) (cont'd)**

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

	Current Period				Prior Period			
	Cost		Amortized Cost		Cost		Amortized Cost	
	TRY	FC	TRY	FC	TRY	FC	TRY	FC
<b>Held to Maturity Portfolio</b>								
Given as Collateral or Blocked	-	-	-	-	100	-	101	-
Subject to Repo Transactions	-	-	-	-	-	-	-	-
Held for Structural Position	-	-	-	-	-	-	-	-
Receivables from Securities Lending	-	-	-	-	-	-	-	-
Collaterals on Securities Lending	-	-	-	-	-	-	-	-
Other (*)	1,963	9,595	2,035	9,492	1,959	9,584	2,094	9,614
<b>Closing Balances</b>	<b>1,963</b>	<b>9,595</b>	<b>2,035</b>	<b>9,492</b>	<b>2,059</b>	<b>9,584</b>	<b>2,195</b>	<b>9,614</b>

(\*) The unrestricted marketable securities held by the Group.

c.2) There are no public sector debt securities for marketable securities held to maturity given as collateral for regulatory requirements. (December 31, 2005 – TRY 100).

Securities held to maturity given as collateral or blocked:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Bonds	-	-	-	-
Bills and similar investment securities	-	-	100	-
Other	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>-</b>

c.3) Securities held to maturity subject to repurchase agreements given as collateral: None.

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

**6. Information on associates (Net):**

a.1) Information on the unconsolidated associates:

	Current Period	Prior Period
Participations		
Other Financial Associates / Gelisen Isletmeler Piyasasi A.S.	6	-
<b>Total</b>	<b>6</b>	<b>-</b>

a.2) Gelisen Isletmeler Piyasasi A.S. commenced its operations as of December 30, 2005.

a.3) Out of group members/shareholders who have 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 associates and accounting policy of the Bank for participations: None.

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

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

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

**6. Information on associates (Net) (cont'd)**

b.1) Information on the consolidated associates:

	Current Period	Prior Period
Balance at the Beginning of the Period	1,535	656
Movements During the Period	149	879
Purchases (*)	149	660
Free Shares Obtained Profit from Current Year's Share	-	-
Dividends from Current Year Income	-	279
Sales	-	-
Revaluation Increase	-	-
Provision for Impairment	-	-
<b>Balance at the End of the Period</b>	<b>1,684</b>	<b>1,535</b>
Capital Commitments	-	-
Share Percentage at the End of the Period (%)	-	-

(\*) The "purchases" above is due to accounting of Varlik Yatirim Ortakligi A.S. on an equity basis.

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

	Current Period	Prior Period
Valuation With Cost	-	-
Valuation With Fair Value	-	-
Valuation With Equity Method	1,684	1,535
<b>Total</b>	<b>1,684</b>	<b>1,535</b>

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

Participations	Current Period	Prior Period
Other Financial associates / Varlik Yatirim Ortakligi A.S.	1,684	1,535
<b>Total</b>	<b>1,684</b>	<b>1,535</b>

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

b.5) Information related to associates 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) 559	4,950	6	-	623	436	615	1,527

(\*) Represents profit/loss for the year ended December 31, 2005.

(i) Represents amounts reflected on the financial statements prepared based on the regulations of Capital Markets Board as of March 31, 2006.



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

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

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

**6. Information on associates (Net) (cont'd)**

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

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

**7. Information on Subsidiaries (Net):**

a) Information on the unconsolidated subsidiaries: None.

b) Information on the consolidated subsidiaries:

b.1) Information on the consolidated subsidiaries:

	Current Period	Prior Period
Balance at the Beginning of the Period	151,141	156,783
Movements During the Period	522	(5,642)
Purchases (*)	-	1,636
Bonus shares obtained	-	-
Share in current year income	-	-
Sales (**)	(651)	-
Revaluation Increase (***)	1,173	(7,278)
Provision for Impairment	-	-
<b>Balance at the end of the Period</b>	<b>151,633</b>	<b>151,141</b>
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.

(\*\*) The Board of Directors of Petek International Holdings B.V. passed a resolution on October 10, 2004 to liquidate the company.

(\*\*\*) Represents the effects of change in exchange rates of foreign operations.

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 in the consolidated subsidiaries in the unconsolidated financial statements:

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

	Current Period	Prior Period
Valuation With Cost	139,716	139,230
Valuation With Fair Value	-	-
Valuation With Equity Method	-	-

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

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

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

**7. Information on Subsidiaries (Net): (cont'd)**

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

		Current Period	Prior Period
Banks	/ The Economy Bank N.V.	48,762	47,624
Leasing Companies	/ TEB Finansal Kiralama A.S.	40,191	40,191
Factoring Companies	/ TEB Factoring A.S.	22,324	22,324
Other Financial Subs	/ TEB Yatirim Men.Deg. A.S.	34,770	34,770
	TEB Portfoy Yonetimi A.S.	5,354	5,354
	Petek International Holdings B.V.	-	651
	Stichting Custody Services TEB	203	198
	Kronenburg Vastgoed B.V.	29	29
<b>Total</b>		<b>151,633</b>	<b>151,141</b>

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
Stichting Custody Services TEB	Netherlands	-	100.00	Full
Kronenburg Vastgoed B.V.	Netherlands	-	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 Yatirim Menkul Degerler A.S.	Istanbul/Turkey	74.94	100.00	Full
TEB Portfoy Yonetimi A.S.	Istanbul/Turkey	46.77	100.00	Full

Information on the consolidated subsidiaries with the order 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)	1,240,777	95,383	6,916	17,050	(39)	1,972	7,661	-
(v)	-	-	-	-	-	-	-	-
(v)	-	-	-	-	-	-	-	-
(ii)	357,278	76,961	70,200	9,756	305	(6,198)	8,906	-
(ii)	149,525	13,495	176	4,311	-	1,506	1,410	-
(iii)	44,645	32,241	806	4,012	1,491	8,376	1,720	-
(iv)	12,802	11,855	442	646	1,441	5,739	4,272	-

(\*) Represents December 31, 2004 figures.

- (i) Represents financial figures of foreign currency subsidiaries translated at March 31, 2006 foreign exchange rates for balance sheet and profit and loss.
- (ii) Represents statutory financial figures based on tax procedural law as of March 31, 2006.
- (iii) Represents consolidated financial figures of TEB Yatirim A.S. and TEB Portfoy A.S. based on Capital Markets Board regulations as of December 31, 2005.
- (iv) Represents financial figures based on Capital Markets Board regulations as of December 31, 2005.
- (v) Related information is disclosed in the consolidated financial statements of The Economy Bank N.V.

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.

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

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

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

**8. Information on other investments (Net):** There are no unconsolidated jointly controlled subsidiaries.

**9. Information on financial lease receivables (Net):**

a) Aging of leasing receivables:

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 year	136,613	118,670	132,432	115,385
Between 1-4 years	115,952	103,731	108,884	97,793
Over 4 years	1,478	1,390	888	818
<b>Total</b>	<b>254,043</b>	<b>223,791</b>	<b>242,204</b>	<b>213,996</b>

**10. Explanations related to interest and income accruals:**

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

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Accrued Interest and Income Receivables				
Interest Accruals – Due	208	6	172	22
Interest Accruals – Not Due	19,557	18,679	13,790	17,655
Loan Commissions and Other Income Accruals – Due	-	-	-	-
Loan Commissions and Other Income Accruals – Not Due	139	28	754	30
<b>Total</b>	<b>19,904</b>	<b>18,713</b>	<b>14,716</b>	<b>17,707</b>

b) Information on other interest and income accruals:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Other Interest and Income Accruals				
Trading Securities	80	32	389	2
Securities Available for Sale	12,912	4,921	26,358	6,057
Securities Held to Maturity	72	(102)	136	30
Interest Accruals of Reverse Repo Transactions	1	-	5	-
Interest Accruals of Reserve Deposits	2,228	1,048	1,998	923
Income Accruals of Financial Derivative Instruments	1,176	3,615	377	5,850
Interest and Income Accruals	13	840	-	318
Income Accrual of Foreign Exchange Gains	1,163	2,775	377	5,532
Income Accruals from Factoring Income	125	9	118	6
Income Accruals from Leasing Receivables	(143)	1,126	141	522
Other	5,862	1,843	4,977	1,351
<b>Total</b>	<b>22,313</b>	<b>12,492</b>	<b>34,499</b>	<b>14,741</b>

**11. Information on deferred tax assets:**

a) As of March 31, 2006, deferred tax asset computed on the temporary differences is amounting to TRY 5,715 (December 31, 2005 – TRY 7,977). There are no carried forward tax losses or tax exemptions or deductions over which deferred tax asset is computed.

b) Temporary differences over which deferred tax asset are not computed and recorded in the balance sheet in prior periods: None.

c) Allowance for deferred tax and deferred tax assets from reversal of allowance: The Group has made an allowance of TRY 63,529 (December 31, 2005 – TRY 61,973) for the deferred tax asset arising from financial lease operations.

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

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

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

**12. Information on other assets:**

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

	Current Period	Prior Period
Prepaid Taxes	46,473	40,889
Financial Lease Agreements in Progress	18,050	4,755
Advances Given	4,168	2,791
Transaction Cost Related to Financial Liabilities	2,408	1,097
Prepaid Rent	1,711	1,571
Receivables from Fund Participation Certificates	-	4,097
Other	13,606	6,826
<b>Total</b>	<b>86,416</b>	<b>62,026</b>

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

**II- Footnotes and Explanations Related to the 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	74,769	-	327,667	418,302	10,022	3,797	227
Foreign Currency Deposits	504,335	-	1,424,827	553,430	469,223	212,262	5,237
Residents in Turkey	395,221	-	893,257	455,483	449,209	71,726	4,167
Residents Abroad	109,114	-	531,570	97,947	20,014	140,536	1,070
Public Sector Deposits	12,434	-	345	50	-	-	-
Commercial Deposits	164,660	-	317,269	78,789	761	1,586	-
Other Institutions Deposits	40,558	-	4,680	55,637	17	13	-
Precious Metals Deposits	2,057	-	-	-	4,093	50	-
Interbank Deposits	16,253	26,155	41,645	15,368	1,356	169	-
Central Bank of Turkey	-	-	-	-	-	-	-
Domestic Banks	62	26,155	25,707	-	-	169	-
Foreign Banks	7,986	-	15,938	15,368	1,356	-	-
Special Finance Houses	8,205	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total</b>	<b>815,066</b>	<b>26,155</b>	<b>2,116,433</b>	<b>1,121,576</b>	<b>485,472</b>	<b>217,877</b>	<b>5,464</b>

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

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

**II- Footnotes And Explanations Related to the Consolidated Liabilities (cont'd)**

1. a) Information on maturity structure of deposits:

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	77,254	-	216,855	201,567	15,045	1,209	1,606
Foreign Currency Deposits	565,572	-	1,075,746	1,041,564	154,121	103,266	129,028
Residents in Turkey	478,022	-	901,715	614,396	133,740	67,495	10,067
Residents Abroad	87,550	-	174,031	427,168	20,381	35,771	118,961
Public Sector Deposits	332	-	200	152	-	-	-
Commercial Deposits	153,542	-	376,762	39,277	1,105	589	994
Other Institutions Deposits	10,637	-	6,790	12,732	17	10	-
Precious Metals Deposits	1,329	-	-	-	-	-	-
Interbank Deposits	16,562	-	52,252	47,052	1,341	1,168	-
Central Bank of Turkey	-	-	-	-	-	-	-
Domestic Banks	70	-	15,102	-	-	168	-
Foreign Banks	10,811	-	37,150	47,052	1,341	1,000	-
Special Finance Houses	5,681	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total</b>	<b>825,228</b>	<b>-</b>	<b>1,728,605</b>	<b>1,342,344</b>	<b>171,629</b>	<b>106,242</b>	<b>131,628</b>

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

Saving Deposits	Under the guarantee of saving deposit insurance		Exceeding the limit of saving deposit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	297,645	207,662	471,183	224,120
Foreign Currency Saving Deposits	243,676	243,997	878,535	982,966
Other Deposits in the form of Saving Deposits	590	263	5,722	1,033
Foreign Branches' Deposits Under Foreign Authorities' Insurance	-	-	-	-
Off-shore Banking Regions' Deposits Under Foreign Authorities' Insurance	-	-	-	-
<b>Total</b>	<b>541,911</b>	<b>451,922</b>	<b>1,355,440</b>	<b>1,208,119</b>

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

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

	Current Period(*)	Prior Period(*)
Foreign Branches' Saving Deposits	-	-
Off-shore Banking Regions' Saving Deposits	1,551	8,730
<b>Total</b>	<b>1,551</b>	<b>8,730</b>

(\*) In addition to the amount disclosed above, there are also saving deposits amounting to TRY 232,583 (December 31, 2005 – TRY 263,590) in The Economy Bank N.V., the consolidated subsidiary of the parent Bank incorporated in The Netherlands that are not subject to the guarantee of savings deposit insurance fund.

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

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

**II- Footnotes And Explanations Related to the Consolidated Liabilities (cont'd)**

**2. Information on funds provided from repurchase agreement transactions:**

	Current Period		Prior Period	
	TRY	FC	TRY	FC
<b>From Domestic Transactions</b>	<b>368,958</b>	-	<b>754,452</b>	-
Financial Institutions and Organizations	360,000	-	745,000	-
Other Institutions and Organizations	1,937	-	1,681	-
Real Persons	7,021	-	7,771	-
<b>From Foreign Transactions</b>	<b>12</b>	-	<b>10</b>	-
Financial Institutions and Organizations	-	-	-	-
Other Institutions and Organizations	-	-	-	-
Real Persons	12	-	10	-
<b>Total</b>	<b>368,970</b>	-	<b>754,462</b>	-

**3. a) Information on funds borrowed:**

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Short-term	318,324	453,285	280,971	400,920
Medium and Long-term	-	342,189	465	305,034
<b>Total</b>	<b>318,324</b>	<b>795,474</b>	<b>281,436</b>	<b>705,954</b>

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

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

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

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

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

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

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

**6. Explanation on sundry creditors:**

	Current Period	Prior Period
Total Amount of Cash Collateral Obtained	781	628

The cash collaterals obtained comprise 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.**

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

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

**II- Footnotes And Explanations Related to the Consolidated Liabilities (cont'd)**

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

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Accrued Interest on Deposits	8,417	9,634	7,089	7,717
Accrued Interest on Funds Borrowed	6,579	10,843	5,858	8,423
Accrued Interest on Bonds	-	-	-	-
Accrued Interest on Repurchase Agreement Transactions	137	-	630	-
Accrued Interest on Derivative Financial Instruments	7,897	2,283	16,402	6,928
Accrued Interest and Expense	1,546	145	357	1,524
Foreign Exchange Losses Accrued	6,351	2,138	16,045	5,404
Accrued Interest on Factoring Payables	-	-	-	-
Other Interest and Expense Accruals	3,209	1,638	968	26
<b>Total</b>	<b>26,239</b>	<b>24,398</b>	<b>30,947</b>	<b>23,094</b>

**10. Provisions and subordinated loans:**

a) Information on general loan loss provisions:

	Current Period	Prior Period
General Loan Loss Provisions	18,884	18,300
Provisions for First Group Loans and Receivables	14,961	14,043
Provisions for Second Group Loans and Receivables	-	-
Provisions for Non Cash Loans	2,418	2,210
Other	1,505	2,047
<b>Total</b>	<b>18,884</b>	<b>18,300</b>

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	
	TRY	FC	TRY	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	-	-	-	-
From Other Foreign Institutions	-	87,211	-	87,217
<b>Total</b>	<b>-</b>	<b>87,211</b>	<b>-</b>	<b>87,217</b>

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

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

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

**II- Footnotes And Explanations Related to the Consolidated Liabilities (cont'd)**

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

- g) Information on privileged shares :

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

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

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

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

Name/Commerical Name	Amounts	Share Percentage	Paid-in Capital	Unpaid Portion
TEB Mali Yatirimlar	48,699	84.25%	48,699	-



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

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

**III- 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.

	Current Period	Prior Period
<u>Other Interest Income</u>		
Financial Lease Interest Income	15,162	5,798
Factoring Interest Income	4,311	3,455
Other	534	307
<b>Total</b>	<b>20,007</b>	<b>9,560</b>

	Current Period	Prior Period
<u>Other Fees and Commissions Received</u>		
Brokerage Commissions	4,889	4,329
Credit Card Fees and Commissions	2,115	1,480
Import Letters of Credit Commissions	1,360	1,509
Other	11,950	11,692
<b>Total</b>	<b>20,314</b>	<b>19,010</b>

	Current Period	Prior Period
<u>Other Fees and Commission Expense</u>		
Fees and Commissions Paid for the Credit Cards	1,955	1,399
Brokerage Commission Returns	420	882
Other	1,849	3,345
<b>Total</b>	<b>4,224</b>	<b>5,626</b>

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

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

**III- Footnotes and Explanations Related to the Consolidated Income Statement (cont'd)**

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

b) Information on financial lease income:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Financial Lease Income		15,162		5,798

c) Interest received from reverse repurchase agreement transactions:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Interest Received from Reverse Repurchase Agreement Transactions	178	-	129	-

2. a) Information on interest expense to associates 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	
<b>TRY</b>							
Bank deposits	-	1,946	5	-	-	8	1,959
Saving deposits	817	9,023	14,521	555	123	23	25,062
Public sector deposits	-	28	2	-	-	-	30
Commercial deposits	15	14,052	2,330	42	22	42	16,503
Other deposits	-	464	1,268	1	-	-	1,733
7 days call accounts	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-
<b>Total</b>	<b>832</b>	<b>25,513</b>	<b>18,126</b>	<b>598</b>	<b>145</b>	<b>73</b>	<b>45,287</b>
<b>Foreign Currency</b>							
Foreign currency deposits	395	9,903	8,557	4,492	736	2,230	26,313
Bank deposits	11	745	1	-	14	-	771
7 days call accounts	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	12	-	-	12
<b>Total</b>	<b>406</b>	<b>10,648</b>	<b>8,558</b>	<b>4,504</b>	<b>750</b>	<b>2,230</b>	<b>27,096</b>
<b>Total</b>	<b>1,238</b>	<b>36,161</b>	<b>26,684</b>	<b>5,102</b>	<b>895</b>	<b>2,303</b>	<b>72,383</b>

d) Interest expense on repurchase agreements:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Interest Expense on Repurchase Agreements	16,620	-	9,987	-

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

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

**III- Footnotes and Explanations Related to the Consolidated Income Statement (cont'd)**

**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	4,177	1,600
III. Group	628	597
IV. Group	2,671	373
V. Group	878	630
General loan loss provision expenses	792	1,996
Provision expenses for possible losses	-	-
Foreign exchange differences on foreign currency losses	-	3,504
Marketable securities impairment losses	1,721	1,575
Trading securities	-	-
Investment securities available for sale	1,721	1,575
Provision for impairment	-	-
Associates	-	-
Subsidiaries	-	-
Joint ventures	-	-
Investment securities held to maturity	-	-
Other	36	63
<b>Total</b>	<b>6,726</b>	<b>8,738</b>

**5.a) Income and expenses relating to associates and subsidiaries:**

	Current Period	Prior Period
Income and loss from subsidiaries (+/-)	-	-
Income and loss from associates (+/-)	150	23
<b>Total</b>	<b>150</b>	<b>23</b>

b) Income / Loss from associates, which are accounted under equity method: TRY 150 (March 31, 2005 – TRY 23).

c) The information on the income / loss relating to the transactions within the risk group of the Bank:

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

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

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

**III- Footnotes and Explanations Related to the Consolidated Income Statement (cont'd),**

6. a) As of March 31, 2006, current tax expense is TRY 10,815 (March 31, 2005 – TRY 12,681) and deferred tax charge is TRY 4,615 (March 31, 2005 – TRY 708 deferred tax charge).
- b) Deferred tax charge on temporary differences is TRY 4,615 (March 31, 2005 – TRY 708 deferred tax charge).
- c) Deferred tax benefit or charge 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	-	-

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.

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

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

**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 March 31, 2006 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: As of March 31, 2006 there are no contingent liabilities that need to be explained.

**2. Information on off-balance sheet commitments:**

- a) Nature and amount of irrevocable loan commitments: Credit card spending limit commitments are TRY 159,725 and TRY 162,050, payment commitments for checks are TRY 196,307 and TRY 175,952 as of March 31, 2006 and December 31, 2005 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 March 31, 2006 total guarantees and commitments consist of letter of guarantees amounting to TRY 1,303,845 (December 31, 2005 - TRY 1,183,268), acceptances amounting to TRY 49,318 (December 31, 2005 - TRY 52,685) and letters of credit amounting to TRY 711,329 (December 31, 2005 -TRY 696,330).

b.2) Guarantees, surety ships and similar transactions: The Group has other commitments and contingencies amounting TRY 116,367 (December 31, 2005 - TRY 106,301) other than the ones explained in item b.1).

3. a) Non-cash Loans:

	Current Period	Prior Period
Guarantees Given Against Cash Loans	214,011	151,241
With Maturity of 1 Year or Less than 1 Year	66,564	53,901
With Maturity of More than 1 Year	147,447	97,340
Other Non-Cash Loans	1,966,848	1,887,343
<b>Total</b>	<b>2,180,859</b>	<b>2,038,584</b>

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

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

**IV- Footnotes and Explanations Related to the Consolidated Off-balance Sheet Contingencies**  
**Commitments (cont'd)**

3.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: December 2005**

<b>Bank Financial Strength</b>	D+
<b>Foreign Currency Deposits</b>	B1

**Fitch Ratings: December 2005**

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

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

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

**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:

<u>Beginning of the Period</u>	<u>Current Period</u>	<u>Prior Period</u>
Cash	85,895	80,060
Cash Equivalents	1,269,257	1,685,510

<u>End of the Period</u>	<u>Current Period</u>	<u>Prior Period</u>
Cash	91,209	71,211
Cash Equivalents	1,464,797	1,302,032

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

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

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

**VI- 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, 2005, income/expense items are disclosed as of March 31, 2005.)

a) Current Period:

Bank's Risk Group (*)	Subsidiaries and associates		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	-	-	-	16,179	29,353	78,444
Balance at end of Period	-	-	1,090	20,418	23,751	69,654
Interest and Commission Income	-	-	34	1	827	118

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

b) Prior Period:

Bank's Risk Group (*)	Subsidiaries and associates		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	-	-	-	16,179	29,353	78,444
Interest and Commission Income			113	2	158	17

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

Bank's Risk Group (*)	Subsidiaries and associates		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	-	-	580,396	237,410	715,008	676,675
Balance at end of Period	-	-	432,259	580,396	756,967	715,008
Interest on Deposits	-	-	2,769	3,302	7,913	4,226

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

Bank's Risk Group (*)	Subsidiaries and associates		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	-	-	177,256	5,282	2,867	-
End of Period	-	-	181,264	177,256	4,312	2,867
Total Income/Loss	-	-	1,549	(127)	-	73
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".



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

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

**VI- Footnotes and Explanations Related to the Risk Group of the Parent Bank (cont'd)**

**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	24,841	0.65
Non-cash Loans	90,072	4.13
Deposits	1,189,226	24.84
Forward Transactions and Option Agreements	185,576	6.99
Banks and Other Financial Institutions	1,498	0.21

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 asses 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 TRY 3,714 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 1.92%. Amounts of these loans are explained in the Note VI-1a.

As of March 31, 2006 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.

**VII- Explanations Related to Subsequent Events**

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

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

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

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

**SECTION SIX**

**OTHER EXPLANATIONS AND FOOTNOTES**

**I- Other Explanations Related to the Operations of the Bank**

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

**SECTION SEVEN**

**INDEPENDENT LIMITED REVIEW REPORT**

**I- Explanations on the Independent Limited Review Report**

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

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