

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

**INDEPENDENT ACCOUNTANTS' LIMITED REVIEW
REPORT, CONSOLIDATED FINANCIAL
STATEMENTS AND NOTES FOR THE PERIOD
ENDED JUNE 30, 2006**

*Translated into English from the
Original Turkish Report*

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

TURK EKONOMI BANKASI A.S. AND ITS FINANCIAL SUBSIDIARIES
INDEPENDENT ACCOUNTANTS' LIMITED REVIEW REPORT
FOR THE PERIOD JANUARY 1, 2006 – JUNE 30, 2006

- 1) We have performed a limited scope review of the accompanying consolidated balance sheet of Türk Ekonomi Bankasi A.S. ("The Bank") and its subsidiaries (together the "Group") as at June 30, 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 February 9, 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 position, the results of its operations and its cash flows of the Group for the period ended June 30, 2006 for them to be in conformity with the prevailing accounting principles and standards set out as per the Article no. 37 and 38 of the Banking Act No: 5411 and the provisional Article 1 of this Banking Act.
- 4) Additional paragraph for English translation:

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

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

Hasan Kilic
Partner

Istanbul, July 28, 2006

THE CONSOLIDATED FINANCIAL REPORT OF TURK EKONOMI BANKASI A.S. FOR THE THREE MONTHS PERIOD ENDED JUNE 30, 2006

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The Reporting Package designed by the Banking Regulation and Supervision Agency in line with "Regulation on Accounting Practice numbered 17, Financial Statements 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.

June 28, 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: Güzin Ustün / Investor Relations Director

Telephone Number: (0212) 251 21 21

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TURK EKONOMI BANKASI ANONIM SIRKETI
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD FROM
JANUARY 1 TO JUNE 30, 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

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

II- Explanations Regarding 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 June 30, 2006 and December 31, 2005, the shareholders and their respective percentages of ownership are summarized as follows:

Name of shareholders	Current Period		Previous Period	
	Paid in capital	%	Paid in capital	%
TEB Mali Yatirimlar A.S.	64,454	84.40	48,699	84.25
Publicly Traded	11,818	15.48	8,766	15.17
Other Shareholders	90	0.12	335	0.58
	76,362	100.00	57,800	100.00

Based on the resolution of Board of Directors no. 3840/28 on March 31, 2006, the Bank increased its paid in capital of TRY 57,800 within the registered capital ceiling of TRY 100,000 by TRY 18,700, to TRY 76,500. TRY 18,700 that constitutes the capital increase has been decided to be used as pre-emptive rights to the shareholders and the unused pre-emptive rights to be traded on the Stock Exchange, and accordingly the whole amount to be paid in cash. The unused preemptive rights amounted to TRY 138 as of June 30, 2006.

As of June 30, 2006 Bank's paid-in-capital consists of 76,362 million shares at the historical value of 0.001 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 BNP Paribas on November 22, 2004.

TURK EKONOMI BANKASI ANONIM SIRKETI
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD FROM
JANUARY 1 TO JUNE 30, 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 Raphael 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 Güney Umit Leblebici Unsal Aysun
Auditors	: Ayse Asardag Cihat Madanoglu

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

IV- The 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 June 30, 2006, Bank has 129 local branches and 1 foreign branch (December 31, 2005 - 112 local branches, 1 foreign branch).

V- Other Explanations

Commercial name of the Bank	: Türk Ekonomi Bankasi Anonim Sirketi (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 – June 30, 2006
Reporting monetary unit	: Thousands of New Turkish Lira

TURK EKONOMI BANKASI ANONIM SIRKETI
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD FROM
JANUARY 1 TO JUNE 30, 2006

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

VI. Explanations on the Interim Consolidated Financial Statements

- a) There are no transactions realized in the interim period that display a seasonal or a periodical nature.
- b) There are no non-recurring transactions or fundamental accounting errors.
- c) There are no items that affect assets, liabilities, equity, net income and cash flows, and that falls outside the scope of the ordinary operations in terms of their nature, amounts and constitution.
- d) Prior period interim 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 of the Bank, dated March 23, 2006, it was decided to distribute the profit on the financial statements dated December 31, 2005. The amounts that will be distributed to the shareholders who are subject to and not subject to withholding tax are TRY 0.3242670 and TRY 0.2918403 (Nominal full TRY) respectively. Dividends amounting to TRY 18,742 were paid to the shareholders commencing on April 6, 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 Sheet
- II. Consolidated Statement of Off Balance Sheet Contingencies and Commitments
- III. Consolidated Income Statement
- IV. Consolidated Statement of Changes in Shareholders' Equity
- V. Consolidated Cash Flow Statement

TURK EKONOMI BANKASI ANONIM SIRKETI
CONSOLIDATED BALANCE SHEET FOR THE PERIOD FROM
JANUARY 1 TO JUNE 30, 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		
		30.06.2006			31.12.2005		
		TRY	FC	Total	TRY	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK OF TURKEY		353,361	613,120	966,481	118,087	235,431	353,518
1.1 Cash		37,794	6	37,800	25,856	11	25,867
1.2 Foreign currency		-	98,295	98,295	-	60,028	60,028
1.3 Balances with the Central Bank of Turkey	I-1	315,073	508,866	823,939	92,213	173,945	266,158
1.4 Other		494	5,953	6,447	18	1,447	1,465
II. TRADING SECURITIES (Net)		6,597	1,112	7,709	97,693	12,760	110,453
2.1 Public sector debt securities	I-2	6,462	336	6,798	97,693	12,162	109,855
2.1.1 Government bonds	I-2	2,952	289	3,241	88,042	12,161	100,203
2.1.2 Treasury bills	I-2	3,510	-	3,510	9,651	-	9,651
2.1.3 Other public sector debt securities	I-2	-	47	47	-	1	1
2.2 Share certificates		135	-	135	-	-	-
2.3 Other marketable securities		-	776	776	-	598	598
III. BANKS AND OTHER FINANCIAL INSTITUTIONS		58,327	807,309	865,636	284,480	695,908	980,388
3.1 Due from banks		58,327	807,309	865,636	284,480	695,908	980,388
3.1.1 Domestic banks		58,327	112,796	171,123	81,033	47,101	128,134
3.1.2 Foreign banks		-	694,513	694,513	203,447	648,807	852,254
3.1.3 Branches and head office abroad		-	-	-	-	-	-
3.2 Other financial institutions		-	-	-	-	-	-
IV. MONEY MARKET PLACEMENTS		202,628	-	202,628	156,533	-	156,533
4.1 Interbank money market placements		198,300	-	198,300	150,000	-	150,000
4.2 Istanbul Stock Exchange money market placements		300	-	300	-	-	-
4.3 Receivables from reverse repurchase agreements		4,028	-	4,028	6,533	-	6,533
V. SECURITIES AVAILABLE FOR SALE (Net)		859,859	296,439	1,156,298	831,323	235,456	1,066,779
5.1 Share certificates	I-3	9	63	72	9	-	9
5.2 Other marketable securities	I-3	859,850	296,376	1,156,226	831,314	235,456	1,066,770
VI. LOANS		2,460,884	2,267,066	4,727,950	1,802,971	1,656,340	3,459,311
6.1 Short term	I-4	1,543,452	3,184,122	4,727,574	1,216,278	1,149,940	2,366,218
6.2 Medium and long term	I-4	905,351	626,396	1,531,747	569,863	506,400	1,076,263
6.3 Loans under follow-up	I-4	34,743	-	34,743	33,679	-	33,679
6.4 Specific provisions (-)	I-4	(22,662)	-	(22,662)	(16,849)	-	(16,849)
VII. FACTORING RECEIVABLES		177,498	75,803	253,301	137,332	30,967	168,299
VIII. SECURITIES HELD TO MATURITY (Net)		1,955	10,762	12,717	2,059	9,584	11,643
8.1 Public sector debt securities	I-5	1,955	10,762	12,717	2,059	9,584	11,643
8.1.1 Government bonds	I-5	-	10,762	10,762	100	9,584	9,684
8.1.2 Treasury bills	I-5	1,955	-	1,955	1,959	-	1,959
8.1.3 Other public sector debt securities	I-5	-	-	-	-	-	-
8.2 Other marketable securities	I-5	-	-	-	-	-	-
IX. UNCONSOLIDATED INVESTMENTS IN ASSOCIATES (Net)		1,468	-	1,468	1,535	-	1,535
9.1 Financial associates	I-6	1,468	-	1,468	1,535	-	1,535
9.2 Non-Financial associates		-	-	-	-	-	-
X. UNCONSOLIDATED INVESTMENTS IN SUBSIDIARIES (Net)		-	-	-	-	-	-
10.1 Financial subsidiaries	I-7	-	-	-	-	-	-
10.2 Non-Financial subsidiaries		-	-	-	-	-	-
XI. UNCONSOLIDATED OTHER INVESTMENTS (Net)	I-8	-	-	-	-	-	-
XII. FINANCE LEASE RECEIVABLES (Net)		44,088	262,265	306,353	19,564	194,432	213,996
12.1 Gross finance lease receivables	I-9	54,178	294,431	348,609	23,645	218,559	242,204
12.2 Unearned income (-)	I-9	(10,090)	(32,166)	(42,256)	(4,081)	(24,127)	(28,208)
XIII. RESERVE DEPOSITS		-	274,098	274,098	-	211,383	211,383
XIV. SUNDRY DEBTORS		15,924	3,397	19,321	8,350	1,073	9,423
XV. ACCRUED INTEREST AND INCOME RECEIVABLES		154,042	43,095	197,137	49,215	32,448	81,663
15.1 Loans	I-10	84,577	23,783	108,360	14,716	17,707	32,423
15.2 Marketable securities	I-10	4,317	6,489	10,806	26,883	6,089	32,972
15.3 Other	I-10	65,148	12,823	77,971	7,616	8,652	16,268
XVI. PROPERTY AND EQUIPMENT (Net)		58,385	8,085	66,470	55,592	6,600	62,192
16.1 Book value		154,686	10,043	164,729	144,785	8,176	152,961
16.2 Accumulated depreciation (-)		(96,301)	(1,958)	(98,259)	(89,193)	(1,576)	(90,769)
XVII. INTANGIBLE ASSETS (Net)		4,831	258	5,089	5,360	265	5,625
17.1 Goodwill		1,686	-	1,686	1,686	-	1,686
17.2 Other		15,478	1,186	16,664	14,932	957	15,889
17.3 Accumulated amortization (-)		(12,333)	(928)	(13,261)	(11,258)	(692)	(11,950)
XVIII. DEFERRED TAX ASSET	I-11	7,130	-	7,130	7,977	-	7,977
XIX. OTHER ASSETS	I-12	33,448	31,292	64,740	51,267	10,759	62,026
TOTAL ASSETS		4,440,425	4,694,101	9,134,526	3,629,338	3,333,406	6,962,744

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

TURK EKONOMI BANKASI ANONIM SIRKETI
CONSOLIDATED BALANCE SHEET FOR THE PERIOD FROM
JANUARY 1 TO JUNE 30, 2006

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

I- CONSOLIDATED BALANCE SHEET - LIABILITIES

	Note Ref. (Section 5)	Reviewed			Audited		
		Current Period			Prior Period		
		30.06.2006			31.12.2005		
		TRY	FC	Total	TRY	FC	Total
I. DEPOSITS		1,824,610	4,244,203	6,068,813	1,195,330	3,110,346	4,305,676
1.1 Bank deposits	II-1	81,888	59,148	141,036	78,655	39,720	118,375
1.2 Saving deposits	II-1	1,053,559	-	1,053,559	513,536	-	513,536
1.3 Public sector deposits	II-1	3,559	-	3,559	684	-	684
1.4 Commercial deposits	II-1	605,023	-	605,023	572,269	-	572,269
1.5 Other institutions deposits	II-1	80,581	-	80,581	30,186	-	30,186
1.6 Foreign currency deposits	II-1	-	4,170,363	4,170,363	-	3,069,297	3,069,297
1.7 Precious metals deposit accounts	II-1	-	14,692	14,692	-	1,329	1,329
II. MONEY MARKET BALANCES		453,136	-	453,136	756,614	-	756,614
2.1 Interbank money market borrowings		6,368	-	6,368	-	-	-
2.2 Istanbul Stock Exchange money market borrowings		-	-	-	2,152	-	2,152
2.3 Funds provided under repurchase agreements	II-2	446,768	-	446,768	754,462	-	754,462
III. FUNDS BORROWED		372,554	1,037,358	1,409,912	281,436	705,954	987,390
3.1 Funds borrowed from the Central Bank of Turkey		-	-	-	-	-	-
3.2 Other funds borrowed	II-3	372,554	1,037,358	1,409,912	281,436	705,954	987,390
3.2.1 Domestic banks and institutions	II-3	79,854	114,956	194,810	94,511	79,071	173,582
3.2.2 Foreign banks, institutions and funds	II-3	292,700	922,402	1,215,102	186,925	626,883	813,808
IV. MARKETABLE SECURITIES ISSUED (Net)		-	-	-	-	-	-
4.1 Bills	II-4	-	-	-	-	-	-
4.2 Asset backed securities	II-4	-	-	-	-	-	-
4.3 Bonds	II-4	-	-	-	-	-	-
V. FUNDS	II-5	-	-	-	-	-	-
VI. SUNDRY CREDITORS	II-6	46,991	29,539	76,530	50,702	13,494	64,196
VII. OTHER LIABILITIES	II-7	67,538	2,725	70,263	40,199	4,252	44,451
VIII. TAXES AND OTHER DUTIES PAYABLE		18,533	4,342	22,875	16,004	400	16,404
IX. FACTORING PAYABLES		64,907	41,836	106,743	43,633	17,294	60,927
X. FINANCE LEASE PAYABLES (Net)		-	-	-	-	-	-
10.1 Finance Lease Payables	II-8	-	-	-	-	-	-
10.2 Deferred finance lease expenses (-)	II-8	-	-	-	-	-	-
XI. ACCRUED INTEREST AND EXPENSES PAYABLE		37,436	29,328	66,764	30,947	23,094	54,041
11.1 Deposits	II-9	9,523	9,373	18,896	7,089	7,717	14,806
11.2 Borrowings	II-9	6,249	14,036	20,285	5,858	8,423	14,281
11.3 Repurchase agreements	II-9	243	-	243	630	-	630
11.4 Other	II-9	21,421	5,919	27,340	17,370	6,954	24,324
XII. PROVISIONS		22,001	11,803	33,804	74,626	3,424	78,050
12.1 General loan loss provisions	II-10	13,051	9,785	22,836	18,300	-	18,300
12.2 Reserve for employee termination benefits		2,233	-	2,233	2,945	-	2,945
12.3 Provisions for income taxes		2,700	2,018	4,718	49,510	3,424	52,934
12.4 Insurance technical reserves (Net)		-	-	-	-	-	-
12.5 Other provisions	II-10	4,017	-	4,017	3,871	-	3,871
XIII. SUBORDINATED LOANS	II-10	-	281,698	281,698	-	87,217	87,217
XIV. MINORITY INTERESTS		-	-	-	-	-	-
XV. DEFERRED TAX LIABILITY		-	-	-	14	-	14
XVI. SHAREHOLDERS' EQUITY		487,534	56,454	543,988	462,124	45,640	507,764
16.1 Paid-in capital	II-11, 13	76,362	-	76,362	57,800	-	57,800
16.2 Supplementary capital		226,259	(3,188)	223,071	260,037	2,062	262,099
16.2.1 Share premium	II-12	69	-	69	69	-	69
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Marketable securities value increase fund		(26,486)	(3,188)	(29,674)	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	55,533	181,017	49,517	36,109	85,626
16.3.1 Legal reserves		28,756	-	28,756	19,955	-	19,955
16.3.2 Statutory reserves		-	-	-	-	-	-
16.3.3 Extraordinary reserves		96,728	43,638	140,366	29,562	44,742	74,304
16.3.4 Other profit reserves		-	11,895	11,895	-	(8,633)	(8,633)
16.4 Profit or loss		59,429	4,109	63,538	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		59,429	4,109	63,538	94,770	7,469	102,239
16.4.2.1 Group's share		59,429	4,109	63,538	94,770	7,469	102,239
16.4.2.2 Minority shares		-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY		3,395,240	5,739,286	9,134,526	2,951,629	4,011,115	6,962,744

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 JANUARY 1 TO JUNE 30, 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		
		30.06.2006	FC	TOTAL	31.12.2005	FC	TOTAL
A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)		2,313,479	4,831,241	7,144,720	1,689,993	4,101,427	5,791,420
I. GUARANTEES	IV-2,3	819,091	2,105,658	2,924,749	632,887	1,405,697	2,038,584
1.1 Letters of guarantee		768,518	836,864	1,605,382	611,554	571,714	1,183,268
1.1.1 Guarantees subject to State Tender Law		36,583	157,385	193,968	29,271	48,899	78,170
1.1.2 Guarantees given for foreign trade operations		98,270	46,271	144,541	102,202	34,849	137,051
1.1.3 Other letters of guarantee		633,665	633,208	1,266,873	480,081	487,966	968,047
1.2 Bank acceptances		-	65,448	65,448	23	52,662	52,685
1.2.1 Import acceptances		-	65,448	65,448	23	52,662	52,685
1.2.2 Other bank acceptances		-	-	-	-	-	-
1.3 Letters of credit		159	1,060,066	1,060,225	62	696,268	696,330
1.3.1 Documentary letters of credit		159	952,724	952,883	62	662,504	662,566
1.3.2 Other letters of credit		-	107,342	107,342	-	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		47,410	72,997	120,407	20,465	73,981	94,446
1.9 Other suretyships		3,004	70,283	73,287	783	11,072	11,855
II. COMMITMENTS		501,772	216,351	718,123	452,333	270,587	722,920
2.1 Irrevocable commitments		501,772	196,000	697,772	452,333	246,386	698,719
2.1.1 Forward asset purchase commitments		490	194,831	195,321	-	138,188	138,188
2.1.2 Forward deposit purchase and sales commitments		4,000	141	4,141	-	107,344	107,344
2.1.3 Share capital commitment to associates and subsidiaries		-	-	-	-	-	-
2.1.4 Loan granting commitments		117,199	-	117,199	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	215,192	-	215,192	175,952	-	175,952
2.1.8 Tax and fund liabilities from export commitments		11,619	-	11,619	10,242	-	10,242
2.1.9 Commitments for credit card expenditure limits	IV-2	153,013	1,028	154,041	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		259	-	259	606	-	606
2.2 Revocable commitments		-	20,351	20,351	-	24,201	24,201
2.2.1 Revocable loan granting commitments		-	-	-	-	-	-
2.2.2 Other revocable commitments		-	20,351	20,351	-	24,201	24,201
III. DERIVATIVE FINANCIAL INSTRUMENTS		992,616	2,509,232	3,501,848	604,773	2,425,143	3,029,916
3.1 Forward foreign currency buy/sell transactions		439,282	1,354,963	1,794,245	113,268	1,640,899	1,754,167
3.1.1 Forward foreign currency transactions-buy		110,566	790,296	900,862	21,639	851,968	873,607
3.1.2 Forward foreign currency transactions-sell		328,716	564,667	893,383	91,629	788,931	880,560
3.2 Swap transactions related to f.c. and interest rates		324,942	706,811	1,031,753	249,633	420,844	670,477
3.2.1 Foreign currency swap-buy		-	519,405	519,405	-	256,918	256,918
3.2.2 Foreign currency swap-sell		311,305	181,494	492,799	182,013	91,551	273,564
3.2.3 Interest rate swaps-buy		8,333	3,232	11,565	-	69,650	69,650
3.2.4 Interest rate swaps-sell		5,304	2,680	7,984	67,620	2,725	70,345
3.3 Foreign currency, interest rate and securities options		228,392	360,959	589,351	241,711	306,390	548,101
3.3.1 Foreign currency options-buy		106,933	188,580	295,513	121,681	153,071	274,752
3.3.2 Foreign currency options-sell		121,459	172,379	293,838	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		-	43,795	43,795	161	28,207	28,368
3.4.1 Foreign currency futures-buy		-	43,795	43,795	161	28,053	28,214
3.4.2 Foreign currency futures-sell		-	-	-	-	154	154
3.5 Interest rate futures		-	-	-	-	-	-
3.5.1 Interest rate futures-buy		-	-	-	-	-	-
3.5.2 Interest rate futures-sell		-	-	-	-	-	-
3.6 Other		-	42,704	42,704	-	28,803	28,803
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		29,354,032	1,900,845	31,254,877	30,374,447	1,349,584	31,724,031
IV. ITEMS HELD IN CUSTODY		26,885,867	603,510	27,489,377	28,859,125	448,286	29,307,411
4.1 Assets under management		4,001,084	-	4,001,084	3,149,606	-	3,149,606
4.2 Investment securities held in custody		20,609,201	182,613	20,791,814	23,855,521	156,779	24,012,300
4.3 Checks received for collection		2,044,287	198,405	2,242,692	1,695,786	146,001	1,841,787
4.4 Commercial notes received for collection		231,222	143,681	374,903	158,116	84,964	243,080
4.5 Other assets received for collection		-	78,660	78,660	23	60,422	60,445
4.6 Assets received for public offering		-	-	-	-	-	-
4.7 Other items under custody		73	151	224	73	120	193
4.8 Custodians		-	-	-	-	-	-
V. PLEDGED ITEMS		2,468,073	1,296,569	3,764,642	1,515,230	901,298	2,416,528
5.1 Marketable securities		281,283	28,058	309,341	307,785	21,613	329,398
5.2 Guarantee notes		4,472	3,725	8,197	4,865	3,635	8,500
5.3 Commodity		19	198,622	198,641	19	105,405	105,424
5.4 Warranty		-	-	-	-	-	-
5.5 Properties		1,530,657	707,333	2,237,990	791,907	510,311	1,302,218
5.6 Other pledged items		651,642	358,831	1,010,473	410,654	260,334	670,988
5.7 Pledged items-depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		92	766	858	92	-	92
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		31,667,511	6,732,086	38,399,597	32,064,440	5,451,011	37,515,451

The accompanying notes are an integral part of these statements.

TURK EKONOMI BANKASI ANONIM SIRKETI
CONSOLIDATED INCOME STATEMENT FOR THE PERIOD FROM
JANUARY 1 TO JUNE 30, 2006

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

III- CONSOLIDATED STATEMENT OF INCOME

	Note Ref. (Section 5)	Reviewed	Reviewed	Reviewed	Reviewed
		Current Period 01.01-30.06.2006	Prior Period 01.01-30.06.2005	Current Period 01.04-30.06.2006	Prior Period 01.04-30.06.2005
		Total	Total	Total	Total
I. INTEREST INCOME	III-1	396,198	263,577	203,489	134,514
1.1 Interest on loans		242,607	153,415	133,347	78,153
1.1.1 Interest on TL loans		183,781	120,226	100,221	60,195
1.1.1.1 Short term loans		130,936	104,562	70,590	51,655
1.1.1.2 Medium and long term loans		52,845	15,664	29,631	8,540
1.1.2 Interest on foreign currency loans		58,255	32,802	32,835	17,737
1.1.2.1 Short term loans		40,917	24,153	23,045	12,956
1.1.2.2 Medium and long term loans		17,338	8,649	9,790	4,781
1.1.3 Interest on loans under follow-up		571	387	291	221
1.1.4 Premiums received from Resource Utilization Support Fund		-	-	-	-
1.2 Interest received from reserve deposits		8,223	3,774	4,834	2,056
1.3 Interest received from banks		29,348	29,767	13,073	16,743
1.3.1 The Central Bank of Turkey		1,163	2,302	515	819
1.3.2 Domestic banks		7,146	10,042	3,324	4,128
1.3.3 Foreign banks		21,039	17,423	9,234	11,796
1.3.4 Branches and head office abroad		-	-	220	-
1.4 Interest received from money market placements		20,710	6,426	12,777	3,992
1.5 Interest received from marketable securities portfolio		69,927	51,651	34,082	24,586
1.5.1 Trading securities		5,783	7,131	1,848	4,013
1.5.2 Available-for-sale securities		63,724	36,510	32,014	16,713
1.5.3 Held to maturity securities		420	8,010	-	3,860
1.6 Other interest income		25,383	18,544	5,376	8,984
II. INTEREST EXPENSES	III-2	245,134	137,419	136,151	72,739
2.1 Interest on deposits		170,512	93,431	98,129	50,411
2.1.1 Bank deposits		4,980	5,414	2,250	2,318
2.1.2 Saving deposits		65,362	37,261	38,544	17,398
2.1.3 Public sector deposits		44	-	14	-
2.1.4 Commercial deposits		56,249	32,672	31,285	20,377
2.1.5 Other institutions deposits		4,187	1,450	2,456	422
2.1.6 Foreign currency deposits		39,679	16,634	23,581	9,896
2.1.7 Precious metals vault accounts		11	-	(1)	-
2.2 Interest on money market borrowings		28,566	19,835	11,946	9,848
2.3 Interest on funds borrowed		46,056	23,801	26,235	12,466
2.3.1 The Central Bank of Turkey		-	-	-	-
2.3.2 Domestic banks		7,052	4,970	4,031	1,938
2.3.3 Foreign banks		34,654	16,649	19,735	9,376
2.3.4 Branches and head office abroad		-	-	-	-
2.3.5 Other financial institutions		4,350	2,182	2,469	1,152
2.4 Interest on securities issued		-	-	-	-
2.5 Other interest expense		-	352	(159)	14
III. NET INTEREST INCOME (I - II)		151,064	126,158	67,338	61,775
IV. NET FEES AND COMMISSIONS INCOME		55,913	33,838	30,338	15,985
4.1 Fees and commissions received		66,537	44,767	36,397	18,721
4.1.1 Cash loans		7,903	4,433	4,332	2,340
4.1.2 Non-cash loans		13,268	8,553	7,013	3,610
4.1.3 Other		45,366	31,781	25,052	12,771
4.2 Fees and commissions paid		10,624	10,929	6,059	2,736
4.2.1 Cash loans		746	3,113	427	554
4.2.2 Non-cash loans		51	52	29	44
4.2.3 Other		9,827	7,764	5,603	2,138
V. DIVIDEND INCOME		5	5	5	5
5.1 Trading securities		-	-	-	-
5.2 Available-for-sale securities		5	5	5	5
VI. NET TRADING INCOME/LOSS		(64,744)	25,476	(67,423)	15,262
6.1 Profit/losses on trading transactions (Net)		67,039	30,570	56,948	14,926
6.1.1 Profit on trading transactions		182,191	71,600	141,515	33,417
6.1.1.1 Profit on derivative financial instruments		156,403	49,844	133,934	23,018
6.1.1.2 Other		25,788	21,756	7,581	10,399
6.1.2 Losses on trading transactions (-)		(115,152)	(41,030)	(84,567)	(18,491)
6.1.2.1 Losses on derivative financial instruments		(102,272)	(33,679)	(76,691)	(14,981)
6.1.2.2 Other		(12,880)	(7,351)	(7,876)	(3,510)
6.2 Foreign exchange gains/losses (Net)		(131,783)	(5,094)	(124,371)	336
6.2.1 Foreign exchange gains		479,637	193,621	365,072	106,206
6.2.2 Foreign exchange losses (-)		(611,420)	(198,715)	(489,443)	(105,870)
VII. OTHER OPERATING INCOME	III-3	94,177	5,623	82,704	2,944
VIII. TOTAL OPERATING INCOME (III+IV+V+VI+VII)		236,415	191,100	112,962	95,971
IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	III-4	12,980	17,717	6,254	8,979
X. OTHER OPERATING EXPENSES (-)		143,583	100,544	80,902	55,579
XI. NET OPERATING INCOME (VIII-IX-X)		79,852	72,839	25,806	31,413
XII. PROFIT/LOSS FROM ASSOCIATES AND SUBSIDIARIES	III-5	(72)	50	(222)	29
XIII. NET MONETARY GAIN/(LOSS)		-	-	-	-
XIV. INCOME BEFORE TAXES		79,780	72,889	25,584	31,442
XV. PROVISION FOR TAXES ON INCOME (-)	III-6	17,846	24,052	2,416	10,663
15.1 Provision for current income taxes		5,751	27,498	(5,064)	14,668
15.2 Provision for deferred taxes		12,095	(3,446)	7,480	(4,005)
XVI. NET OPERATING INCOME/EXPENSE AFTER TAXES		61,934	48,837	23,168	20,779
XVII. EXTRAORDINARY INCOME/EXPENSE AFTER TAXES		1,604	-	-	-
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		-	-	-	-
XVIII. PROFIT/LOSS ON UNCONSOLIDATED INVESTMENTS		-	-	-	-
XIX. NET PROFIT/LOSS FOR THE PERIOD (XVI+XVII+XVIII)	III-7	63,538	48,837	23,168	20,779
19.1 Group's profit/loss		63,538	48,837	23,168	20,779
19.2 Minority Rights Profit/Loss		-	-	-	-
Earnings/Losses per share (Full amount)		0.000832	0.00042	0.000482	0.00018

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
JANUARY 1 TO JUNE 30, 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	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/(Loss)	Prior Period Net Income/(Loss)	Revaluation Fund	Value Increase Fund	Revaluation Fund	Marketable Securities Value Increase Fund	Total Equity
Prior Period – 01.01.-30.06.2005															
I. Balances at the end of prior period	57,800	252,676	69	-	52,483	-	(1,523)	(3,250)	-	53,496	-	-	-	3,995	415,746
II. Changes in Accounting Policies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III. New balance (I+II)	57,800	252,676	69	-	52,483	-	(1,523)	(3,250)	-	53,496	-	-	-	3,995	415,746
IV. Net Profit or Loss	-	-	-	-	-	-	-	-	48,837	-	-	-	-	-	48,837
V. Profit Distribution	-	-	-	-	12,236	-	31,846	-	-	(53,496)	-	-	-	-	(9,414)
5.1 Dividends distributed	-	-	-	-	-	-	-	-	-	(9,414)	-	-	-	-	(9,414)
5.2 Transfers to reserves	-	-	-	-	12,236	-	31,846	-	-	(44,082)	-	-	-	-	-
5.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Increase in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII. Convertible bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Others	-	-	-	-	-	-	(786)	(4,850)	-	-	-	-	-	(1,250)	(6,886)
Closing Balances	57,800	252,676	69	-	64,719	-	29,537	(8,100)	48,837	-	-	-	-	2,745	448,283
Current Period – 01.01.-30.06.2006															
I. Balances at the end of prior period	57,800	252,676	69	-	19,955	-	74,304	(8,633)	-	102,239	-	-	-	9,354	507,764
Increases in the period:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II. Investments securities available for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	(39,028)	(39,028)
2.1 Net fair value gains/losses	-	-	-	-	-	-	-	-	-	-	-	-	-	(39,028)	(39,028)
III. Cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.1 Net fair value gains/losses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transferred Amounts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV. Investments securities available for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 Transferred to net income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V. Cash flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5.1 Transferred to net income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5.2 Transferred to assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI. Net Profit or Loss	-	-	-	-	-	-	-	-	63,538	-	-	-	-	-	63,538
VII. Profit Distribution	-	-	-	-	8,801	-	66,062	8,633	-	(102,239)	-	-	-	-	(18,743)
7.1 Dividends distributed	-	-	-	-	-	-	-	-	-	(18,743)	-	-	-	-	(18,743)
7.2 Transfers to reserves	-	-	-	-	8,801	-	66,062	8,633	-	(83,496)	-	-	-	-	-
7.3 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII. Increase in capital	18,562	-	-	-	-	-	-	-	-	-	-	-	-	-	18,562
8.1 Cash	18,562	-	-	-	-	-	-	-	-	-	-	-	-	-	18,562
8.2 Revaluation Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.3 Revaluation Increase Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.4 Marketable Securities Value Increase Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.5 Issuance of share certificates	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.6 Adjustment to paid-in capital	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.7 Foreign exchange differences	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.8 Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX. Convertible bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X. Others	-	-	-	-	-	-	-	11,895	-	-	-	-	-	-	11,895
Closing Balances	76,362	252,676	69	-	28,756	-	140,366	11,895	63,538	-	-	-	-	(29,674)	543,988

The accompanying notes are an integral part of these statements.

TURK EKONOMI BANKASI ANONIM SIRKETI
CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD FROM
JANUARY 1 TO JUNE 30, 2006

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

V. CONSOLIDATED STATEMENTS OF CASH FLOWS

		Reviewed	Reviewed
	Note Ref. Section 5	Current Period 30.06.2006	Prior Period 30.06.2005
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		(237,380)	71,665
1.1.1 Interest received		339,744	254,863
1.1.2 Interest paid		(235,427)	(134,730)
1.1.3 Dividend received		(67)	5
1.1.4 Fees and commissions received		66,537	44,767
1.1.5 Other income		99,436	40,838
1.1.6 Collections from previously written off loans and other receivables		5,356	3,013
1.1.7 Payments to personnel and service suppliers		(77,490)	(63,722)
1.1.8 Taxes paid		(52,934)	(26,291)
1.1.9 Others		(382,535)	(47,078)
1.2 Changes in operating assets and liabilities		402,305	(94,916)
1.2.1 Net (increase) decrease in trading securities		102,744	(68,755)
1.2.2 Net (increase) decrease in due from banks and other financial institutions		116,434	(7,011)
1.2.3 Net (increase) decrease in loans		(1,276,324)	(580,568)
1.2.4 Net (increase) decrease in other assets		(510,692)	(42,126)
1.2.5 Net increase (decrease) in bank deposits		(280,817)	128,279
1.2.6 Net increase (decrease) in other deposits		1,740,476	380,881
1.2.7 Net increase (decrease) in funds borrowed		422,522	70,927
1.2.8 Net increase (decrease) in matured payables		-	-
1.2.9 Net increase (decrease) in other liabilities		87,962	23,457
I. Net cash provided from banking operations		164,925	(23,251)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from investing activities		102,460	(168,335)
2.1 Cash paid for purchase of investments, associates and subsidiaries		-	(2,842)
2.2 Cash obtained from sale of investments, associates and subsidiaries		214,063	-
2.3 Fixed assets purchases		(14,996)	(9,296)
2.4 Fixed assets sales		(6,014)	423
2.5 Cash paid for purchase of securities available for sale		(1,013,938)	(533,039)
2.6 Cash obtained from sale of securities available for sale		924,419	380,162
2.7 Cash paid for purchase of investment securities		(1,074)	(5,654)
2.8 Cash obtained from sale of investment securities		-	1,911
2.9 Extraordinary items		-	-
2.10 Others		-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash provided from financing activities		206,195	(9,414)
3.1 Cash obtained from funds borrowed and securities issued		194,481	-
3.2 Cash used for repayment of funds borrowed and securities issued		-	-
3.3 Capital increase		30,456	-
3.4 Dividends paid		(18,742)	(9,414)
3.5 Payments for finance leases		-	-
3.6 Extraordinary items		-	-
3.7 Others		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents		182,206	(2,887)
V. Net increase / (decrease) in cash and cash equivalents		655,786	(203,887)
VI. Cash and cash equivalents at beginning of the period	V-1	1,355,152	1,765,570
VII. Cash and cash equivalents at end of the period	V-1	2,010,938	1,561,683

The accompanying notes are an integral part of these statements.

TURK EKONOMI BANKASI ANONIM SIRKETI
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD FROM
JANUARY 1 TO JUNE 30, 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.

Preperation of Financial Statements at the Current Purchasing Power Parity

The indicators which are explained in Banking Regulation and Supervision Agency’s (BRSA) 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 – “Preperation 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.

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:

Türk 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
JANUARY 1 TO JUNE 30, 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 June 30, 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 June 30, 2006, is TRY 1.5697 (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 6 months average exchange rate for their income statement items. The currency translation gain derived from the translation of shareholders' equity items amounting to TRY 11,895 (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
JANUARY 1 TO JUNE 30, 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 a 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
JANUARY 1 TO JUNE 30, 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 June 30, 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 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.

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.

TURK EKONOMI BANKASI ANONIM SIRKETI
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD FROM
JANUARY 1 TO JUNE 30, 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)

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- Bank 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
JANUARY 1 TO JUNE 30, 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 amortised with straight-line method. Until December 31 2004, the cost of assets subject to amortisation is restated after deducting the exchange differences, capitalized financial expenses and revaluation increases, if any, from the cost of the assets.

Other 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 for depreciation method 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
JANUARY 1 TO JUNE 30, 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 the interest expense, the Group records depreciation expense for the leased assets in each period. The depreciation rate is determined in accordance with Communiqué No. 2 "Accounting Standard for Tangible Fixed Assets" and the depreciation rate used is 20% for the leased assets obtained before July 31, 2003 and %5-%50 for leased assets obtained after July 31, 2003 which is in line with Turkish Tax Legislation.

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

Operating lease payments related to the operational activities 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 June 30, 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 June 30, 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 only for one time.

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

TURK EKONOMI BANKASI ANONIM SIRKETI
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD FROM
JANUARY 1 TO JUNE 30, 2006

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

XVII- Taxation

Corporate Tax

According to the Article 31 of the Corporate Tax Law No. 5520, accepted in the general assembly meeting of Grand National Assembly of Turkey (TBMM) on June 13, 2006 and announced by the Official Gazette dated June 21, 2006, the corporate tax rate has been reduced to 20%, effective from January 1, 2006.

The tax legislation requires advance tax of 20% (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 June 30, 2006, TRY 7,340 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 June 30, 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 12,095 of deferred tax provision credit is stated under the tax provision in the income statement. TRY 7,340 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
JANUARY 1 TO JUNE 30, 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.

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
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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 June 30, 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 14.26% (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.

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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%
Risk Weighted Assets, Liabilities and Non								
Cash Loans								
Balance Sheet items (Net)	1,755,753	986,292	1,093,833	3,892,197	1,630,836	340,142	787,480	2,884,066
Cash	136,869	402	-	-	136,853	402	-	-
Due from banks	823,939	865,379	-	257	823,939	219,229	-	257
Interbank money market placements	198,600	-	-	-	198,300	-	-	-
Receivables from reverse repo transactions	4,028	-	-	-	-	-	-	-
Reserve deposits	274,098	-	-	-	274,098	-	-	-
Special finance houses	-	-	-	-	-	-	-	-
Loans	301,931	120,511	778,496	3,768,232	184,567	120,511	778,496	2,818,789
Loans under follow-up (Net)	-	-	-	12,081	-	-	-	12,081
Subsidiaries, associates and investments held to maturity	-	-	-	-	-	-	-	-
Sundry debtors	-	-	-	19,321	-	-	-	6,609
Marketable securities held to maturity (Net)	-	-	-	-	-	-	-	-
Advances for assets acquired by financial leasing	-	-	-	-	-	-	-	-
Financial lease receivables	-	-	306,353	-	-	-	-	-
Leased assets (Net)	-	-	8,984	-	-	-	8,984	-
Fixed assets (Net)	-	-	-	44,024	-	-	-	33,858
Other assets	16,288	-	-	48,282	13,079	-	-	12,472
Off balance sheet items	93,033	1,236,118	515,241	310,577	63,012	1,028,493	505,997	302,766
Guarantees and suretyships	65,830	1,192,775	165,565	167,775	37,059	987,248	159,509	169,450
Commitments	20,351	-	347,775	-	20,351	-	346,488	-
Other off balance sheet items	-	-	-	-	-	-	-	-
Transactions related with derivative financial instruments	-	32,094	-	34,317	-	32,094	-	28,380
Interest and income accruals	6,852	4,119	1,901	108,485	5,602	4,119	-	104,936
Non risk weighted accounts	-	7,130	-	-	-	5,032	-	-
Total Assets Subject to Risk	1,848,786	2,222,410	1,609,074	4,202,774	1,693,848	1,368,635	1,293,477	3,186,832
Total Risk Weighted Assets	-	444,482	804,537	4,202,774	-	273,727	646,739	3,186,832

Summary information related to the capital adequacy ratio:

	Consolidated		Parent Bank	
	Current Period	Prior Period	Current Period	Prior Period
Total Risk Weighted Assets (*)	5,451,793	4,118,386	4,107,298	3,196,838
Amount Subject to Market Risk	132,400	145,788	129,725	142,000
Shareholders' Equity	796,199	586,808	598,824	411,722
Shareholders' Equity / (TRWA + ASMR) *100	14.26	13.76	14.13	12.33

TRWA: Total Risk Weighted Assets

ASMR: Amount Subject to Market Risk

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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
CORE CAPITAL				
Paid-in Capital	76,362	57,800	76,362	57,800
Nominal capital	76,362	57,800	76,362	57,800
Capital commitments (-)	-	-	-	-
Other Equity Reserves	252,676	252,676	252,676	252,676
Share Premium and Cancellation Profits	69	69	-	-
Legal Reserves	40,651	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	11,895	(8,633)	-	-
Statutory 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	63,538	102,239	63,329	78,717
Current period profit	63,538	102,239	63,329	78,717
Prior period profit	-	-	-	-
Loss (-)	-	-	-	-
Current period loss	-	-	-	-
Prior period losses	-	-	-	-
Total Core Capital	573,662	498,410	522,813	459,664
SUPPLEMENTARY CAPITAL				
Revaluation Fund	-	-	-	-
Furniture, fixture and vehicles	-	-	-	-
Buildings	-	-	-	-
Profit on sale of associates, subsidiaries and buildings to be transferred to share capital	-	-	-	-
Revaluation fund of leasehold improvement	-	-	-	-
Increase in the Value of Revaluation Fund	-	-	-	-
Foreign Exchange Differences	-	-	-	-
General Loan Loss Reserves	22,836	18,300	22,836	18,300
Provisions for Possible Losses	-	-	-	-
Subordinated Loans	254,834	83,997	254,834	83,997
Marketable Securities and Investment Securities Value Increase Fund	(29,674)	9,354	(29,246)	9,147
Associates and subsidiaries	-	-	-	-
Available for sale securities	(29,674)	9,354	(29,246)	9,147
Increase in the value of marketable securities subject to structured positions	-	-	-	-
Total Supplementary Capital	247,996	111,651	248,424	111,444
TIER III CAPITAL				
CAPITAL	821,658	610,061	771,237	571,108
DEDUCTIONS FROM THE CAPITAL	25,459	23,253	172,413	159,386
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	1,468	1,535	150,843	139,230
Leasehold improvements	13,462	15,480	13,156	15,287
Start-up costs	-	-	-	-
Prepaid expenses	9,323	5,032	8,414	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	-	-	-	-
Consolidation Goodwill (Net)	1,206	1,206	-	-
Capitalized expenses	-	-	-	-
Total Shareholder's Equity	796,199	586,808	598,824	411,722

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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 Communiqué on “Measurement and Assessment of Capital Adequacy of Banks”.

The Board of Directors determines the limits for the basic risk that the Group is exposed to. Those limits are revised periodically in line with the market forces and strategies of the Group. Additionally, the Board of Directors of the 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 Group.

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

Market risk is calculating by not only with standart method but also calculating with internal method.(VAR). The results found supported with scenario analysis and stress tests.

	Consolidated	Parent Bank
Capital requirement to be Employed For Interest Rate Risk – Standard Method	9,381	9,201
Capital Requirement to be Employed For General Market Risk	9,381	9,201
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	14	-
Capital Requirement to be Employed For General Market Risk	11	-
Capital Requirement to be Employed For Specific Risk	3	-
Capital Requirement to be Employed For Options Subject To Common Stock Position Risk		-
Capital Requirement to be Employed For Currency Risk – Standard Method	1,197	1,177
Capital Requirement	1,093	1,073
Capital Requirement to be Employed For Options Subject To Currency Risk	104	104
Total Value-At-Risk (VAR)-Internal Model		-
Total Capital Requirement to be Employed For Market Risk	10,592	10,378
Amount Subject to Market Risk	132,400	129,725

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.

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

As of June 30, 2006, the Group's net long position is TRY 74,646 (December 31, 2005 - TRY 3,998 net short) resulting from short position amounting to TRY 506,663 (December 31, 2005 - TRY 298,220 short) on the balance sheet and long position amounting to TRY 581,309 (December 31, 2005 - TRY 294,222 long) from off-balance sheet position.

The announced current foreign exchange buying rates of the Parent Bank as of June 30, 2006 and the previous five working days are as follows:

	23.06.2006	26.06.2006	27.06.2006	28.06.2006	29.06.2006	30.06.2006
USD	1.6934	1.6836	1.6375	1.6118	1.6029	1.5697
CHF	1.3561	1.3511	1.3129	1.2932	1.2825	1.2717
GBP	3.0864	3.0659	2.9815	2.9312	2.9066	2.8786
JPY	1.4539	1.4453	1.4045	1.3830	1.3740	1.3667
EUR	2.1246	2.1158	2.0603	2.0251	2.0095	1.9963

The simple arithmetical average of the major current foreign exchange buying rates of the Parent Bank for the thirty days before June 30, 2006, is as follows:

	Monthly Average FX rates
USD	1.5911
CHF	1.2889
GBP	2.9330
JPY	1.3860
EUR	2.0148

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

Information on the foreign currency risk of the Group:

Current Period	EUR	USD	YEN	OTHER FC	TOTAL
Assets					
Cash (cash in vault, foreign currency cash, money in transit, cheques purchased, precious materials) and balances with the Central Bank of Turkey	73,438	801,267	25	12,488	887,218
Due from other banks and financial institutions	201,546	586,825	352	18,586	807,309
Trading securities	79	257	-	776	1,112
Money market placements	-	-	-	-	-
Investment securities available-for-sale	63	296,376	-	-	296,439
Loans (**)	1,207,874	1,409,624	13,956	108,335	2,739,789
Investments in associates and subsidiaries	-	-	-	-	-
Investment securities held-to-maturity	-	10,762	-	-	10,762
Property and equipment	8,085	-	-	-	8,085
Goodwill	-	-	-	-	-
Other assets (***)	266,050	121,840	128	23,654	411,672
Total Assets	1,757,135	3,226,951	14,461	163,839	5,162,386
Liabilities					
Bank deposits	7,626	34,531	23	16,968	59,148
Foreign currency deposits (*)	852,673	3,261,553	3,261	67,568	4,185,055
Money market borrowings	-	-	-	-	-
Funds provided from other financial institutions	928,969	354,043	-	36,044	1,319,056
Marketable securities issued	-	-	-	-	-
Sundry creditors	17,362	7,089	3,958	1,130	29,539
Other liabilities (***)	39,882	26,693	-	9,676	76,251
Total liabilities	1,846,512	3,683,909	7,242	131,386	5,669,049
Net Balance Sheet Position	(89,377)	(456,958)	7,219	32,453	(506,663)
Net Off-Balance Sheet Position	156,984	465,215	(9,765)	(31,125)	581,309
Financial derivative assets (****)	512,714	1,059,143	10,360	57,191	1,639,408
Financial derivative liabilities (****)	355,730	593,928	20,125	88,316	1,058,099
Non-cash loans (*****)	742,106	1,297,087	11,406	55,059	2,105,658
Prior Period					
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 14,692 (December 31, 2005 - TRY 1,329) are included in the foreign currency deposits.

(**) FX-indexed loans amounting to TRY 472,723 (December 31, 2005 - TRY 334,434) are included in loans.

(***) TRY 488 Prepaid Expenses and TRY 3,950 Accrual Income from Derivative Financial Instruments are deducted from Other Assets, and TRY 3,998 Accrual Expense from Derivative Financial Instruments and TRY 9,785 General Loan Loss Provision are deducted from Other Liabilities.

(****) Asset purchase commitments of TRY 94,100 has been added to derivative financial assets and TRY 94,175 has been added to derivative liabilities.

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

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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
Current Period							
Assets							
Cash (cash in vault, foreign currency cash, money in transit, cheques purchased, precious materials) and balances with the Central Bank of Turkey	782,963	-	-	-	-	457,616	1,240,579
Due from banks and other financial institutions	799,382	19,000	15,000	2,000	-	30,254	865,636
Trading securities	532	4,464	567	584	651	911	7,709
Money market placements	202,628	-	-	-	-	-	202,628
Securities available-for-sale	264,236	584,463	90,377	5,806	211,344	72	1,156,298
Loans	1,674,102	720,021	705,286	500,115	1,116,345	-	4,715,869
Securities held-to-maturity	-	1,955	319	-	10,443	-	12,717
Other assets	121,208	150,979	88,403	65,473	152,861	354,166	933,090
Total Assets	3,845,051	1,480,882	899,952	573,978	1,491,644	843,019	9,134,526
Liabilities							
Bank deposits	119,531	18,147	1,417	-	-	1,941	141,036
Other deposits	4,760,523	818,388	142,913	57,718	3,339	144,896	5,927,777
Money market borrowings	453,111	25	-	-	-	-	453,136
Sundry creditors	-	-	-	-	-	76,530	76,530
Marketable securities issued	-	-	-	-	-	-	-
Funds provided from other financial institutions	245,038	273,283	690,458	345,247	137,584	-	1,691,610
Other liabilities	51,899	49,987	8,333	14	-	734,204	844,437
Total Liabilities	5,630,102	1,159,830	843,121	402,979	140,923	957,571	9,134,526
Balance Sheet Interest Sensitivity Gap	(1,785,051)	321,052	56,831	170,999	1,350,721	(114,552)	-
Off Balance Sheet Interest Sensitivity Gap	3,581	-	-	-	-	-	3,581
Total Interest Sensitivity Gap	(1,781,470)	321,052	56,831	170,999	1,350,721	(114,552)	3,581

The other assets line in the non-interest bearing column consists of property and equipments amounting to TRY 66,470, intangible assets amounting to TRY 5,089, TRY 197,137 of accrued interest and income receivables, TRY 1,468 of unconsolidated affiliates and TRY 7,130 of deferred tax assets and TRY 64,740 other assets and the other liabilities line includes the shareholders' equity of TRY 543,988.

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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
Prior Period							
Assets							
Cash (cash in vault, foreign currency cash, money in transit, cheques purchased, precious materials) and balances with the Central Bank of Turkey	385,329	-	-	-	-	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
Total Assets	2,624,452	1,349,796	772,906	567,410	1,204,428	443,752	6,962,744
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
Total Liabilities	3,960,291	623,102	669,971	71,003	65,589	1,572,788	6,962,744
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)
Total Interest Sensitivity Gap	(1,336,534)	726,694	102,935	496,407	1,138,839	(1,129,036)	(695)

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 affiliates 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 %
Current Period				
Assets				
Cash (cash in vault, foreign currency cash, money in transit, cheques purchased, precious materials) and balances with the Central Bank of Turkey	2.56	2.42	-	-
Due from banks and other financial institutions	2.65	5.23	-	17.02
Trading securities	5.05	10.10	-	10.25
Money market placements	-	-	-	18.33
Securities available-for-sale	-	6.99	-	17.78
Leasing receivables	9.60	10.16	-	21.77
Factoring receivables	5.51	5.85	-	19.71
Loans	6.05	5.78	3.63	19.08
Securities held-to-maturity	-	10.97	-	-
Liabilities				
Bank deposits	2.00	5.16	-	15.82
Other deposits	2.99	5.13	-	16.03
Money market borrowings	-	-	-	16.01
Sundry creditors	-	-	-	-
Marketable securities issued	-	-	-	-
Funds provided from other financial institutions	4.38	6.49	-	17.20

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

	EURO %	USD %	YEN %	TRY %
Prior Period				
Assets				
Cash (cash in vault, foreign currency cash, money in transit, cheques purchased, precious materials) and balances with the Central Bank of Turkey	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 borrowings	-	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 Boards of Directors of the Group continuously determine 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.

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

Presentation of assets and liabilities according to their remaining maturities :

Current Period	Demand	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Undistributed (*)	Total
Assets								
Cash (cash in vault, foreign currency cash, money in transit, cheques purchased, precious materials) and Balances with the Central Bank of Turkey	457,616	782,963	-	-	-	-	-	1,240,579
Due from banks and other financial institutions	119,900	709,736	19,000	15,000	2,000	-	-	865,636
Trading securities	911	2,632	950	439	610	2,167	-	7,709
Money market placements	-	202,628	-	-	-	-	-	202,628
Securities available-for-sale	72	-	9,130	8,136	7,871	1,131,089	-	1,156,298
Loans	72,643	1,588,190	690,983	679,785	522,821	1,161,447	-	4,715,869
Securities held-to-maturity	-	-	411	319	-	11,987	-	12,717
Other assets	8,628	177,310	183,984	119,982	78,586	231,866	132,734	933,090
Total Assets	659,770	3,463,459	904,458	823,661	611,888	2,538,556	132,734	9,134,526
Liabilities								
Bank deposits	38,322	83,150	18,147	1,417	-	-	-	141,036
Other deposits	939,392	3,896,839	798,998	116,408	143,958	32,182	-	5,927,777
Money market borrowings	-	453,111	25	-	-	-	-	453,136
Funds provided from other financial institutions	-	169,758	186,787	532,710	137,167	665,188	-	1,691,610
Marketable securities issued	-	-	-	-	-	-	-	-
Sundry creditors	51,822	1,102	-	-	-	-	23,606	76,530
Other liabilities	1,693	165,369	63,151	16,165	4,561	13,952	579,546	844,437
Total Liabilities	1,031,229	4,769,329	1,067,108	666,700	285,686	711,322	603,152	9,134,526
Net Liquidity Gap	(371,459)	(1,305,870)	(162,650)	156,961	326,202	1,827,234	(470,418)	-
Prior Period								
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
Net Liquidity Gap	(586,387)	(934,630)	(153,439)	436,222	85,189	1,586,908	(433,863)	-

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

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SECTION FIVE

FOOTNOTES AND EXPLANATIONS ON 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	315,073	-	92,213	-
Unrestricted time deposit	-	508,866	-	173,945
Total	315,073	508,866	92,213	173,945

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

a) Trading securities given as collateral or blocked:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Share Certificates	-	-	-	-
Bonds, Treasury Bills and Similar Investment Securities	523	-	318	-
Other	-	-	-	-
Total	523	-	318	-

b) Trading securities subject to repurchase agreements:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Government Bonds	2,795	-	62,526	-
Treasury Bills	586	-	71	-
Other Debt Securities	-	-	-	-
Bank Bonds and Bank Guaranteed Bonds	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
Total	3,381	-	62,597	-

As of June, 2006, trading securities which are not given as collateral amount to TRY 3,805 (December 31, 2005 - TRY 47,358).

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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	1,170,268	1,070,066
Quoted on a Stock Exchange	879,392	999,168
Not Quoted	290,876	70,898
Share Certificates	72	9
Quoted on a Stock Exchange	-	-
Not Quoted	72	9
Provision for Impairment (-)	(14,042)	(3,296)
Total	1,156,298	1,066,779

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 198,235 (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	2,293	195,942	49,437	167,494
Other	-	-	-	-
Total	2,293	195,942	49,437	167,494

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

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Government bonds	498,144	-	756,798	-
Treasury bills	-	-	17,199	-
Other public sector debt securities	-	-	-	-
Bank bonds and bank guaranteed bonds	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	498,144	-	773,997	-

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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	6,219	38,026	-	16,179
Corporate Shareholders	6,219	38,026	-	16,179
Real Person Shareholders	-	-	-	-
Indirect Loans Granted to Shareholders	-	-	-	-
Loans Granted to Employees	3,120	23	2,915	-
Total	9,339	38,049	2,915	16,179

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

Cash Loans	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Non-Specialized Loans	4,708,893	-	-	6,976
Discount Notes	127,127	-	-	-
Export Loans	940,025	-	-	-
Import Loans	-	-	-	-
Loans Given to Financial Sector	343,479	-	-	-
Foreign Loans	408,414	-	-	-
Consumer Loans	598,093	-	-	-
Credit Cards	29,206	-	-	-
Precious Metals Loans	71,985	-	-	-
Other	2,190,564	-	-	6,976
Specialized Loans	-	-	-	-
Other Receivables	-	-	-	-
Total	4,708,893	-	-	6,976

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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
Consumer Loans-TRY	28,563	499,261	527,824	3,976
Real Estate Loans	925	248,978	249,903	1,589
Automotive Loans	4,173	163,748	167,921	1,402
General Purpose Loans	14,427	83,690	98,117	970
Other	9,038	2,845	11,883	15
Consumer Loans –Indexed to FC	1,449	46,500	47,949	-
Real Estate Loans	174	22,538	22,712	-
Automotive Loans	955	22,375	23,330	-
General Purpose Loans	320	1,587	1,907	-
Other	-	-	-	-
Consumer Loans-FC	17,396	2,654	20,050	49
Real Estate Loans	-	-	-	-
Automotive Loans	-	-	-	-
General Purpose Loans	-	-	-	-
Other	17,396	2,654	20,050	49
Individual Credit Cards-TRY	24,992	-	24,992	-
With Installments	318	-	318	-
Without Installments	24,674	-	24,674	-
Individual Credit Cards-FC	1,085	-	1,085	-
With Installments	-	-	-	-
Without Installments	1,085	-	1,085	-
Personnel Loans-TRY	794	1,396	2,190	24
Real Estate Loans	-	-	-	-
Automotive Loans	-	14	14	-
General Purpose Loans	679	1,382	2,061	24
Other	115	-	115	-
Personnel Loans- Indexed to FC	-	-	-	-
Real Estate Loans	-	-	-	-
Automotive Loans	-	-	-	-
General Purpose Loans	-	-	-	-
Other	-	-	-	-
Personnel Loans-FC	9	71	80	-
Real Estate Loans	-	-	-	-
Automotive Loans	-	-	-	-
General Purpose Loans	9	71	80	-
Other	-	-	-	-
Personnel Credit Cards-TRY	836	-	836	-
With Installments	48	-	48	-
Without Installments	788	-	788	-
Personnel Credit Cards-FC	14	-	14	-
With Installments	-	-	-	-
Without Installments	14	-	14	-
Total	75,138	549,882	625,020	4,049

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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
Commercial loans with installment facility-TRY	29,969	216,903	246,872	2,073
Business Loans	83	8,934	9,017	53
Automotive Loans	6,276	105,120	111,396	822
General Purpose Loans	23,610	102,020	125,630	1,191
Other	-	829	829	7
Commercial loans with installment facility - Indexed to FC	7,392	126,736	134,128	1
Business Loans	-	959	959	-
Automotive Loans	2,051	74,099	76,150	1
General Purpose Loans	5,341	50,401	55,742	-
Other	-	1,277	1,277	-
Commercial loans with installment facility -FC	-	-	-	-
Business Loans	-	-	-	-
Automotive Loans	-	-	-	-
General Purpose Loans	-	-	-	-
Other	-	-	-	-
Corporate Credit Cards-TRY	2,072	-	2,072	-
With Installments	-	-	-	-
Without Installments	2,072	-	2,072	-
Corporate Credit Cards-FC	207	-	207	-
With Installments	-	-	-	-
Without Installments	207	-	207	-
Total	39,640	343,639	383,279	2,074

e) Domestic and foreign loans:

	Current Period	Prior Period
Domestic Loans	4,307,455	3,199,040
Foreign Loans	408,414	243,441
Total	4,715,869	3,442,481

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	371	1,950
Loans and Receivables With Doubtful Collectibility	5,451	1,716
Uncollectible Loans and Receivables	16,840	13,183
Total	22,662	16,849

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

4. Information on loans: (cont'd)

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

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

h.2) Movement of loans under follow-up:

	III. Group	IV. Group	V. Group
	Loans and receivables with limited collectibility	Loans and receivables with doubtful collectibility	Uncollectible loans and receivables
Prior Period End Balance	11,866	4,068	17,745
Additions during the period (+)	6,210	139	71
Transfers from Other Categories of Loans Under Follow-up (+)	-	14,358	2,578
Transfers to Other Categories of Loans Under Follow-up (-)	14,358	2,578	-
Collections within the period (-)	1,621	2,211	1,524
Write-offs (-)	-	-	-
Effect of inflation(-)	-	-	-
Current Period End Balance	2,097	13,776	18,870
Specific Provisions (-)	371	5,451	16,840
Net Balances on Balance Sheet	1,726	8,325	2,030

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	12,717	11,643
Quoted on a Stock Exchange	12,717	11,643
Not Quoted	-	-
Provision for Impairment (-)	-	-
Total	12,717	11,643

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	1,651	(982)
Purchases During Year	-	12,441
Disposals Through Sales and Redemptions	(100)	(72,859)
Provision for Impairment (-)	(477)	-
Closing Balances	12,717	11,643

TURK EKONOMI BANKASI ANONIM SIRKETI
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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
Held to Maturity Portfolio								
Given as Collateral or Blocked	-	-	-	-	100	-	101	-
Subject to Repo Transactions	-	-	-	-	-	-	-	-
Held for Structural Position	-	-	-	-	-	-	-	-
Receivables from Securities Lending	-	-	-	-	-	-	-	-
Collaterals on Securities Lending	-	-	-	-	-	-	-	-
Other (*)	1,955	10,762	2,106	10,559	1,959	9,584	2,094	9,614
Closing Balances	1,955	10,762	2,106	10,559	2,059	9,584	2,195	9,614

(*) 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	-	-	-	-
Total	-	-	100	-

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

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

6. Information on associates (Net):

a.1) Information on the unconsolidated associates:

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

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: None.

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

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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	(73)	879
Purchases	-	660
Free Shares Obtained Profit from Current Year's Share	-	-
Dividends from Current Year Income	-	279
Sales	-	-
Revaluation Decrease (*)	(73)	-
Provision for Impairment	-	-
Balance at the End of the Period	1,462	1,535
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	1,462	1,535
Total	1,462	1,535

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

Participations	Current Period	Prior Period
Other Financial associates / Varlik Yatirim Ortakligi A.S.	1,462	1,535
Total	1,462	1,535

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) 4,581	4,300	6	-	446	(214)	615	1,401

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

(i) Represents amounts reflected on the financial statements prepared based on the standards of Capital Markets Board as of June 30, 2006.

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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	11,673	(5,642)
Purchases (*)	-	1,636
Bonus shares obtained	-	-
Share in current year income	-	-
Sales (**)	(651)	-
Revaluation Increase (***)	12,324	(7,278)
Provision for Impairment	-	-
Balance at the end of the Period	162,814	151,141
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 26, 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. These figures are eliminated from accompanying consolidated financial statements.

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	150,843	139,230
Valuation With Fair Value	-	-
Valuation With Equity Method	-	-

TURK EKONOMI BANKASI ANONIM SIRKETI
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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.	59,889	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	250	198
	Kronenburg Vastgoed B.V.	36	29
Total		162,814	151,141

b.4) Consolidated subsidiaries which are quoted on 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)	1,489,709	119,483	8,343	37,829	(603)	4,109	7,442	-
(v)	-	-	-	-	-	-	-	-
(v)	-	-	-	-	-	-	-	-
(ii)	463,281	64,489	65,693	20,749	310	(18,671)	4,110	-
(ii)	192,712	15,074	171	9,819	-	3,085	4,000	-
(iii)	47,047	29,713	821	1,563	281	3,360	8,376	-
(iv)	9,701	8,519	425	182	281	1,667	5,739	-

(*) Represents December 31, 2005 figures.

- (i) Represents financial figures of foreign currency subsidiaries translated at June 30, 2006 foreign exchange rates for balance sheet and profit and loss.
- (ii) Represents statutory financial figures based on tax procedural law as of June 30, 2006.
- (iii) Represents consolidated financial figures of TEB Yatirim A.S. and TEB Portfoy A.S. based on Capital Markets Board regulations as of March 31, 2006.
- (iv) Represents financial figures based on Capital Markets Board regulations as of March 31, 2006.
- (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.

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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	178,762	153,968	132,432	115,385
Between 1-4 years	167,993	150,623	108,884	97,793
Over 4 years	1,854	1,762	888	818
Total	348,609	306,353	242,204	213,996

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 – Realised	352	44	172	22
Interest Accruals – Unrealised	84,057	23,702	13,790	17,655
Loan Commissions and Other Income Accruals – Realised	-	-	-	-
Loan Commissions and Other Income Accruals – Unrealised	168	37	754	30
Total	84,577	23,783	14,716	17,707

b) Information on other interest and income accruals:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Other Interest and Income Accruals				
Trading Securities	11	68	389	2
Securities Available for Sale	4,154	6,148	26,358	6,057
Securities Held to Maturity	152	273	136	30
Interest Accruals of Reverse Repo Transactions	2	-	5	-
Interest Accruals of Reserve Deposits	3,238	1,457	1,998	923
Income Accruals of Financial Derivative Instruments	57,452	7,795	377	5,850
Interest and Income Accruals	12	2,096	-	318
Income Accrual of Foreign Exchange Gains	57,440	5,699	377	5,532
Income Accruals from Factoring Income	111	14	118	6
Income Accruals from Leasing Receivables	398	1,503	141	522
Other	3,947	2,054	4,977	1,351
Total	69,465	19,312	34,499	14,741

11. Information on deferred tax assets:

a) As of June 30, 2006, deferred tax asset computed on the temporary differences is amounting to TRY 7,130 (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 40,925 (December 31, 2005 – TRY 61,973) for the deferred tax asset arising from financial lease operations.

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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
Financial Lease Agreements in Progress	26,052	4,755
Prepaid Taxes	11,018	40,889
Advances Given	3,251	2,791
Prepaid Rent	2,300	1,571
Transaction Cost Related to Financial Liabilities	2,203	1,097
Receivables from Fund Participation Certificates	-	4,097
Other	19,916	6,826
Total	64,740	62,026

- 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.

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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	89,933	-	535,785	414,039	9,815	3,804	183
Foreign Currency Deposits	627,260	-	1,974,830	1,179,887	184,066	167,889	36,431
Residents in Turkey	513,405	-	1,151,775	1,162,379	158,934	80,127	6,288
Residents Abroad	113,855	-	823,055	17,508	25,132	87,762	30,143
Public Sector Deposits	3,509	-	50	-	-	-	-
Commercial Deposits	163,485	-	346,631	89,179	4,073	1,655	-
Other Institutions Deposits	41,042	-	21,388	18,125	18	8	-
Precious Metals Deposits	14,163	-	29	265	88	147	-
Interbank Deposits	38,322	-	71,000	28,548	2,166	1,000	-
Central Bank of Turkey	-	-	-	-	-	-	-
Domestic Banks	48	-	4	14,000	-	1,000	-
Foreign Banks	9,076	-	70,996	14,548	2,166	-	-
Special Finance Houses	29,198	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total	977,714	-	2,949,713	1,730,043	200,226	174,503	36,614

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	-	-	-	-	-	-	-
Total	825,228	-	1,728,605	1,342,344	171,629	106,242	131,628

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

- 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	376,863	207,662	593,328	224,120
Foreign Currency Saving Deposits	250,182	243,997	1,195,081	982,966
Other Deposits in the form of Saving Deposits	-	263	6,275	1,033
Foreign Branches' Deposits Under Foreign Authorities' Insurance	-	-	-	-
Off-shore Banking Regions' Deposits Under Foreign Authorities' Insurance	-	-	-	-
Total	627,045	451,922	1,794,684	1,208,119

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

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

	Current Period(*)	Prior Period(*)
Foreign Branches' Saving Deposits	9,370	8,730
Off-shore Banking Regions' Saving Deposits	-	-
Total	9,370	8,730

- (*) In addition to the amount disclosed above, there are also saving deposits amounting to TRY 291,767 (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.

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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
From Domestic Transactions	446,726	-	754,452	-
Financial Institutions and Organizations	425,500	-	745,000	-
Other Institutions and Organizations	2,886	-	1,681	-
Real Persons	18,340	-	7,771	-
From Foreign Transactions	42	-	10	-
Financial Institutions and Organizations	-	-	-	-
Other Institutions and Organizations	-	-	-	-
Real Persons	42	-	10	-
Total	446,768	-	754,462	-

3. a) Information on funds borrowed:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Short-term	330,707	665,640	280,971	400,920
Medium and Long-term	41,847	371,718	465	305,034
Total	372,554	1,037,358	281,436	705,954

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 June 30, 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.

42.32% of the bank deposits and 64.67% 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	1,015	628

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

7. 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.

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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	9,523	9,373	7,089	7,717
Accrued Interest on Funds Borrowed	6,249	14,036	5,858	8,423
Accrued Interest on Bonds	-	-	-	-
Accrued Interest on Repurchase Agreement Transactions	243	-	630	-
Accrued Interest on Derivative Financial Instruments	19,318	5,004	16,402	6,928
Accrued Interest and Expense	4,549	357	357	1,524
Foreign Exchange Losses Accrued	14,769	4,647	16,045	5,404
Accrued Interest on Factoring Payables	-	-	-	-
Other Interest and Expense Accruals	2,103	915	968	26
Total	37,436	29,328	30,947	23,094

10. Provisions and subordinated loans:

a) Information on general loan loss provisions:

	Current Period	Prior Period
General Loan Loss Provisions	22,836	18,300
Provisions for First Group Loans and Receivables	18,129	14,043
Provisions for Second Group Loans and Receivables	-	-
Provisions for Non Cash Loans	3,263	2,210
Other	1,444	2,047
Total	22,836	18,300

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

c) Information on subordinated loans:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
From Domestic Banks	-	-	-	-
From Other Domestic Institutions	-	-	-	-
From Foreign Banks	-	179,667	-	-
From Other Foreign Institutions	-	102,031	-	87,217
Total	-	281,698	-	87,217

In addition to the subordinated loans obtained from IFC amounting to USD 15,000,000 maturing on October 15, 2011 and USD 50,000,000 maturing on July 15, 2015, the Bank has obtained a subordinated loan from BNP Paribas amounting EUR 90,000,000 maturing on July 1, 2016.

d) The foreign exchange losses on the foreign currency indexed loans amounting to TRY 862 (December 31, 2005 – TRY 7,416) is netted off from loans in the balance sheet.

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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	76,362	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	76,362	100,000

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

Based on the resolution of Board of Directors no. 3840/28 on March 31, 2006, the Bank has increased its paid in capital of TRY 57,800 within the registered capital ceiling of TRY 100,000 by TRY 18,700, to TRY 76,500. TRY 18,700 that constitutes the capital increase has been decided to be used as pre-emptive rights to the shareholders and the non-used preemptive rights to be traded off on the Stock Exchange, and the whole amount to be paid in cash. The amount of non-used preemptive rights amount to TRY 138 as of June 30, 2006.

- 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 Bank's Parent, TEB Mali Yatirimlar.

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

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

	Current Period	Prior Period
Number of Shares (Thousand)	76,362,000	115,600,000
Preferred Stock	-	-
Common Stock Issue Premium	69	69
Common Stock Cancellation Profit	-	-
Other Equity Instruments	-	-

In the Extraordinary General Assembly Meeting dated May 31, 2006, the shares with nominal value of TRY 0.0005 has been decided to be changed to nominal value of TRY 0.001, based on the amendment in the Turkish Commercial Law No: 5274.

Thus, the total number of shares has been declined and 115,600,000 thousand number of shares each of which are equivalent to TRY 0.0005, has been replaced with 57,800,000 thousand number of shares each of which are equivalent to TRY 0.001. Related with this replacement, rights of the shareholders arising from the shares owned are reserved.

After the capital increase in June 30, 2006, total number of shares have become 76,362,000 thousand, each of which are equivalent to TRY 0.001.

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

Name/Commerical Name	Amounts	Share Percentage	Paid-in Capital	Unpaid Portion
TEB Mali Yatirimlar	64,454	%84.40	64,454	-

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	14,342	10,796
Factoring Interest Income	9,804	7,108
Other	1,237	640
Total	25,383	18,544

	Current Period	Prior Period
<u>Other Fees and Commissions Received</u>		
Brokerage Commissions	10,448	7,577
Credit Card Fees and Commissions	5,099	3,333
Import Letters of Credit Commissions	2,999	2,633
Other	26,820	18,238
Total	45,366	31,781

	Current Period	Prior Period
<u>Other Fees and Commission Expense</u>		
Fees and Commissions Paid for the Credit Cards	4,949	3,179
Brokerage Commission Returns	928	2,188
Other	3,950	2,397
Total	9,827	7,764

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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
Financial Lease Income	14,342	10,796

c) Interest received from reverse repurchase agreement transactions:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Interest Received from Reverse Repurchase Agreement Transactions	335	-	310	-

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	
TRY							
Bank deposits	-	3,605	125	2	-	14	3,746
Saving deposits	1,896	22,549	35,916	875	273	39	61,548
Public sector deposits	-	40	4	-	-	-	44
Commercial deposits	66	28,436	8,708	138	47	86	37,481
Other deposits	-	722	3,463	1	1	-	4,187
7 days call accounts	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-
Total	1,962	55,352	48,216	1,016	321	139	107,006
Foreign Currency							
Foreign currency deposits	879	22,640	24,753	7,920	1,453	4,616	62,261
Bank deposits	30	1,187	2	-	15	-	1,234
7 days call accounts	-	-	-	-	-	-	-
Precious metal deposits	10	-	-	-	1	-	11
Total	919	23,827	24,755	7,920	1,469	4,616	63,506
Grand Total	2,881	79,179	72,971	8,936	1,790	4,755	170,512

d) Interest expense on repurchase agreements:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Interest Expense on Repurchase Agreements	28,275	-	19,712	-

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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	7,089	2,886
III. Group	374	345
IV. Group	3,760	1,643
V. Group	2,955	898
General loan loss provision expenses	4,279	3,624
Provision expenses for possible losses	-	-
Foreign exchange differences on foreign currency losses	-	9,611
Marketable securities impairment losses	1,535	1,446
Trading securities	-	13
Investment securities available for sale	1,535	1,433
Provision for impairment	-	-
Associates	-	-
Subsidiaries	-	-
Joint ventures	-	-
Investment securities held to maturity	-	-
Other	77	150
Total	12,980	17,717

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

	Current Period	Prior Period
Income and loss from subsidiaries (+/-)	-	-
Income and loss from associates (+/-)	(72)	50
Total	(72)	50

b) Income / Loss from associates, which are accounted under equity method: TRY (72) (June 30, 2005 – TRY 50).

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 Section V, note VI.

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

6. a) As of June 30, 2006, current tax expense is TRY 5,751 (June 30, 2005 – TRY 27,498) and deferred tax charge is TRY 12,095 (June 30, 2005 – 3,446 TRY deferred tax benefit).
- b) Deferred tax charge on temporary differences is TRY 12,095 (June 30, 2005 – TRY 3,446 deferred tax benefit).
- 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.

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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 venturer: 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 June 30, 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 June 30, 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 154,041 and TRY 162,050, payment commitments for checks are TRY 215,192 and TRY 175,952 as of June 30, 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 June 30, 2006 total guarantees and commitments consist of letters of guarantee amounting to TRY 1,605,382 (December 31, 2005 - TRY 1,183,268), acceptances amounting to TRY 65,448 (December 31, 2005 - TRY 52,685) and letters of credit amounting to TRY 1,060,225 (December 31, 2005 -TRY 696,330).

b.2) Guarantees, surety ships and similar transactions: The Group has other commitments and contingencies amounting TRY 193,694 (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	259,144	151,241
With Maturity of 1 Year or Less than 1 Year	93,772	53,901
With Maturity of More than 1 Year	165,372	97,340
Other Non-Cash Loans	2,665,605	1,887,343
Total	2,924,749	2,038,584

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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

Bank Financial Strength	D+
Foreign Currency Deposits	B1

Fitch Ratings: December 2005

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

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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	136,095	76,475
Cash Equivalents	1,874,843	1,485,208

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.

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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 June 30, 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	-	-	6,219	38,026	25,474	68,713
Interest and Commission Income	-	-	1,914	1	1,662	151

In addition to balances mentioned above, the Group has TRY 4,294 foreign bank account in direct and indirect shareholders and TRY 858 in other entities included in the risk group.

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	-	-	165	4	279	74

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	-	-	506,133	580,396	919,020	715,008
Interest on Deposits	-	-	11,703	9,957	17,703	3,482

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	-	-	270,946	177,256	22,749	2,867
Total Income/Loss	-	-	13,338	(140)	(141)	182
Hedging Transactions						
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".

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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	31,693	0.67
Non-cash Loans	106,739	3.65
Deposits	1,425,153	23.48
Forward Transactions and Option Agreements	293,695	8.39
Banks and Other Financial Institutions	5,152	0.60

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

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

The Group has financial lease agreements with TEB Leasing. Total leasing obligations related to these agreements amounted to TRY 6,554 are eliminated in the accompanying consolidated financial statements as at June 30, 2006. 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%. Details of these loans are explained in the Note VI-1a.

As of June 30, 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:

The Bank has received TRY 1,592 of "Share Premiums" as a result of the sale of unused pre-emptive rights amounting to TRY 138 nominal shares on the Istanbul Stock Exchange, according to the Bank's decision of its capital increase as of June 30, 2006. The Bank recognized this amount subsequent to the balance sheet date. After obtaining the required permissions from BRSA, this balance will be transferred from the "Other Liabilities" to "Share Premiums" in the subsequent period.

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SECTION SIX

OTHER EXPLANATIONS AND FOOTNOTES

I- Other Explanations Related to the Operations of the Bank

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

SECTION SEVEN

INDEPENDENT LIMITED REVIEW REPORT

I- Explanations on the Independent Limited Review Report

The consolidated interim financial statements of the Bank were reviewed by Denetim Serbest Mali Msavirlik A.S. (Member of Deloitte Touche Tohmatsu) and the independent limited review report dated July 28, 2006 is presented preceding the financial statements.

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