

TURKLAND BANK A.Ş.

INDEPENDENT ACCOUNTANTS'
LIMITED REVIEW REPORT
UNCONSOLIDATED FINANCIAL
STATEMENTS AND NOTES
FOR THE PERIOD ENDED
31 MARCH 2007

*Translated into English from the
Original Turkish Report*

To the Board of Directors of
Turkland Bank A.Ş.
İstanbul

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TURKLAND BANK ANONİM ŞİRKETİ

INDEPENDENT ACCOUNTANTS' LIMITED REVIEW REPORT FOR THE PERIOD 1 JANUARY 2007 –31 MARCH 2007

We have reviewed the accompanying balance sheet of Turkland Bank A.Ş. ("The Bank") as at 31 March 2007 and the related statements of income, changes in shareholders' equity and cash flows 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 review performed on these financial statements.

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. 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. A review is limited primarily 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 an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements do not give a true and fair view of the financial position, the results of its operations and its cash flows, of Turkland Bank A.Ş. for the period ended 31 March 2007 in accordance with the prevailing accounting principles and standards set out as per the Article No: 37 of the Banking Act No: 5411, and other regulations and pronouncements in respect of accounting and financial reporting made by Banking Regulation and Supervision Agency.

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 financial statements. The accounting principles used in the preparation of the accompanying financial statements differ materially from IFRS. Accordingly, the accompanying financial statements are not intended to present the Banks's financial position and results of its operations in accordance with accounting principles generally accepted in such countries of users of the financial statements and IFRS.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MÜŞAVİRLİK A.Ş.

Member of **DELOITTE TOUCHE TOHMATSU**



Hasan Kılıç
Partner

İstanbul, 10 May 2007

**THE UNCONSOLIDATED FINANCIAL REPORT OF TURKLAND BANK A.Ş.
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2007**

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The unconsolidated financial report for the three months designed by the Banking Regulation and Supervision Agency in line with Communiqué on Financial Statements to be Publicly Announced and the Related Policies and Disclosures consists of the sections below:

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED FINANCIAL STATEMENTS OF THE BANK
- EXPLANATIONS ON THE UNCONSOLIDATED INTERIM FINANCIAL STATEMENTS OF THE BANK
- INFORMATION ON FINANCIAL STRUCTURE OF THE BANK
- EXPLANATORY DISCLOSURES AND FOOTNOTES ON UNCONSOLIDATED FINANCIAL STATEMENTS
- LIMITED REVIEW REPORT

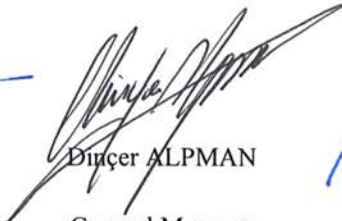
The unconsolidated interim financial statements and the explanatory footnotes and disclosures, unless otherwise indicated, are prepared in thousands of New Turkish Lira, in accordance with the Communiqué on Banks' Accounting Practice and Maintaining Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, related communiqués and the Banks' records, have been independently reviewed and presented as attached.

10 May 2007



Mohammed HARİRİ

President of the Board of
Directors



Dincer ALPMAN

General Manager



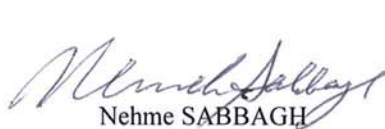
Mehmet ÖZGÜNER

Assistant General Manager
Financial Affairs



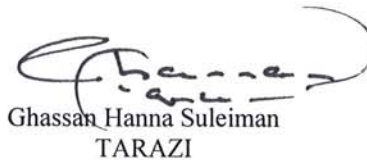
Gülçin SU

Manager
Financial Affairs



Nehme SABBAGH

Member of Audit Committee



Ghassan Hanna Suleiman
TARAZI

Member of Audit Committee

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

Name-Surname / Title : Sevgi Üstün / Regulatory Reporting Senior Associate
Telephone No : (0 212) 368 37 24
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TURKLAND BANK A.Ş.**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2007**

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

SECTION ONE**GENERAL INFORMATION****I. Bank's Incorporation Date, Beginning Statue, Changes in the Existing Statue**

Turkland Bank A.Ş. ("the Bank") was established in 1991 in İstanbul under the name of "Bahreyn ve Kuveyt Bankası Anonim Şirketi" (BB&K). Its name was changed as "Tasarruf ve Kredi Bankası Anonim Şirketi" with its acquisition by Doğu Group in 1992. After the change in the name of the bank as "Garanti Yatırım ve Ticaret Bankası Anonim Şirketi" in 1994, Mehmet Nazif Günal (the main shareholder of MNG Group Companies) has acquired the Bank and the name of the Bank has been changed as "MNG Bank Anonim Şirketi".

An agreement has been made with Arab Bank and BankMed upon the transfer of 91% of MNG Banks shares at the beginning of 2006 and this agreement was approved by Banking Regulation and Supervision Agency (BRSA) on 29 December 2006. In this regard, while Arab Bank and BankMed purchasing 50% and 41% of MNG bank shares respectively, Mehmet Nazif Günal retained 9% of MNG Bank shares.

On 3 April 2007, title of the bank, "MNG BANK Anonim Şirketi" was registered as "TURKLAND BANK Anonim Şirketi"

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

As of 31 March 2007, the shareholders' structure and their respective ownerships are summarized as follows:

Name of Shareholders	Amounts of Share	%	Paid in Capital	Unpaid in Capital
ARAB BANK PLC	17,500	50%	17,500	-
BANKMED, SAL	14,350	41%	14,350	-
MEHMET NAZİF GÜNAL	3,150	9%	3,150	-
Total	35,000	100%	35,000	-

TURKLAND BANK A.Ş.**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2007**

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

SECTION ONE (cont'd)**GENERAL INFORMATION(cont'd)****III. Explanations Regarding the Chairman and the Members of Board of Directors, Audit Committee, General Manager and Assistants and Their Shares in the Parent Bank**

<u>Title:</u>	<u>Name and Surname:</u>	<u>Education:</u>	<u>Number of Years of Previous Experience Prior to Appointment</u>
Chairman of the Board of Directors	MOHAMMED HARİRİ	University Degree	27
Members of the Board of Directors	İBRAHİM İZZİDDİN	University Degree	35
	NEHME SABBAGH	Postgraduate Degree	35
	GHAŞSAN HANNA		20
	SULEİMAN TARAZİ	Postgraduate Degree	
	HENRI MARIE RENE		38
	JACQUAND	Postgraduate Degree	
	MUSTAFA SELÇUK		19
	TAMER	University Degree	
	AMİN RASHEED SA'İD		13
General Manager and Member of Board of Directors	HUSSEINI	Postgraduate Degree	
	RİYAD KEMAL	Postgraduate Degree	32
	A.DİNÇER ALPMAN	University Degree	19
Assistant General Managers	MEHMET ÖZGÜNER	University Degree	12
	MÜNEVVER ERÖZ	Postgraduate Degree	20
Statutory Auditors	MURAT AYTOĞU	University Degree	12
	OSMAN BAYDOĞAN		

IV. Information about the Persons and Institutions that have Qualified Shares:

Information about the persons and institutions that have qualified shares as of 31 March 2007:

Name-Surname/ Title	Amounts of Share	Share Ratios %	Paid in Capital	Unpaid Capital
ARAB BANK PLC	17,500	50	17,500	-
BANKMED, SAL	14,350	41	14,350	-
MEHMET NAZİF GÜNAL	3,150	9	3,150	-
Total	35,000	100	35,000	-

TURKLAND BANK A.Ş.

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2007

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

SECTION ONE (cont'd)

GENERAL INFORMATION(cont'd)

V. Summary on the Bank's Functions and Areas of Activity:

265 people are working for the Bank. Bank has 10 local branches. Bank has no direct subsidiaries in finance sector.

The Bank as established with private capital, has the authority to accept deposits and its operations are mostly based on retail and corporate banking transactions. As it is indicated in the Main Agreement, the Bank is dealing in the transactions below:

- a. Acceptance of Deposit
- b. Corporate and Retail Banking
- c. Foreign Transactions
- d. Capital Market Transactions
- e. Insurance Agent

TURKLAND BANK A.Ş.
BALANCE SHEET

ASSETS		Note Ref.	IN THOUSAND OF NEW TURKISH LIRA					
			CURRENT PERIOD			PRIOR PERIOD		
			Reviewed 31 March 2007			Independently Audited 31 December 2006		
			TRY	FC	TOTAL	TRY	FC	TOTAL
I.	CASH AND BALANCES WITH THE CENTRAL BANK	(1)	10.460	2.728	13.188	15.041	3.646	18.687
II.	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS	(2)	103.223	3	103.226	97.976	41	98.017
2.1	Trading financial assets		103.203	-	103.203	97.966	-	97.966
2.1.1	Public sector debt securities		103.012	-	103.012	97.619	-	97.619
2.1.2	Share certificates		-	-	-	-	-	-
2.1.3	Other marketable securities		191	-	191	347	-	347
2.2	Financial assets at fair value through profit and loss		-	-	-	-	-	-
2.2.1	Public sector debt securities		-	-	-	-	-	-
2.2.2	Share certificates		-	-	-	-	-	-
2.2.3	Other marketable securities		-	-	-	-	-	-
2.3	Derivative financial assets held for trading		20	3	23	10	41	51
III.	BANKS AND OTHER FINANCIAL INSTITUTIONS	(3)	16	49.858	49.874	10.033	48.333	58.366
IV.	MONEY MARKET PLACEMENTS		-	-	-	-	-	-
4.1	Interbank money market placements		-	-	-	-	-	-
4.2	Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3	Receivables from reverse repurchase agreements		-	-	-	-	-	-
V.	FINANCIAL ASSETS AVAILABLE FOR SALE (Net)	(4)	75	2.174	2.249	75	2.257	2.332
5.1	Share certificates		75	-	75	75	-	75
5.2	Public sector debt securities		-	-	-	-	-	-
5.3	Other marketable securities		-	2.174	2.174	-	2.257	2.257
VI.	LOANS	(5)	227.518	44.856	272.374	236.150	69.854	306.004
6.1	Loans		226.559	44.856	271.415	235.432	69.854	305.286
6.2	Non-performing loans		6.332	-	6.332	6.246	-	6.246
6.3	Specific provisions (-)		(5.373)	-	(5.373)	(5.528)	-	(5.528)
VII.	FACTORING RECEIVABLES		-	-	-	-	-	-
VIII.	HELD TO MATURITY INVESTMENTS (Net)	(6)	-	-	-	-	-	-
8.1	Public sector debt securities		-	-	-	-	-	-
8.2	Other marketable securities		-	-	-	-	-	-
IX.	INVESTMENTS IN ASSOCIATES (Net)	(7)	-	-	-	-	-	-
9.1	Accounted for under equity method		-	-	-	-	-	-
9.2	Unconsolidated associates		-	-	-	-	-	-
9.2.1	Financial investments		-	-	-	-	-	-
9.2.2	Non-financial investments		-	-	-	-	-	-
X.	INVESTMENTS IN SUBSIDIARIES (Net)	(8)	-	-	-	-	-	-
10.1	Unconsolidated financial subsidiaries		-	-	-	-	-	-
10.2	Unconsolidated non-financial subsidiaries		-	-	-	-	-	-
XI.	ENTITIES UNDER COMMON CONTROL (Net)	(9)	-	-	-	-	-	-
11.1	Consolidated under equity method		-	-	-	-	-	-
11.2	Unconsolidated		-	-	-	-	-	-
11.2.1	Financial subsidiaries		-	-	-	-	-	-
11.2.2	Non-financial subsidiaries		-	-	-	-	-	-
XII.	LEASE RECEIVABLES (Net)	(10)	-	-	-	-	-	-
12.1	Finance lease receivables		-	-	-	-	-	-
12.2	Operating lease receivables		-	-	-	-	-	-
12.3	Other		-	-	-	-	-	-
12.4	Unearned income (-)		-	-	-	-	-	-
XIII.	DERIVATIVE FINANCIAL ASSETS FOR HEDGING PURPOSES	(11)	-	-	-	-	-	-
13.1	Fair value hedge		-	-	-	-	-	-
13.2	Cash flow hedge		-	-	-	-	-	-
13.3	Hedge of net investment in foreign operations		-	-	-	-	-	-
XIV.	TANGIBLE ASSETS (Net)		6.505	-	6.505	6.710	-	6.710
XV.	INTANGIBLE ASSETS (Net)		280	-	280	288	-	288
15.1	Goodwill		-	-	-	-	-	-
15.2	Other		280	-	280	288	-	288
XVI.	TAX ASSET		593	-	593	1.051	-	1.051
16.1	Current tax asset		-	-	-	-	-	-
16.2	Deferred tax asset		593	-	593	1.051	-	1.051
XVII.	ASSETS HELD FOR SALE (Net)	(12)	-	-	-	11.245	-	11.245
XVIII.	OTHER ASSETS	(13)	1.904	21.266	23.170	1.874	21.669	23.543
TOTAL ASSETS			350.574	120.885	471.459	380.443	145.800	526.243

The accompanying notes are an integral part of these balance sheets

TURKLAND BANK A.Ş.
BALANCE SHEET

LIABILITIES		Note Ref.	IN THOUSAND OF NEW TURKISH LIRA					
			CURRENT PERIOD Reviewed 31 March 2007			PRIOR PERIOD Independently Audited 31 December 2006		
			TRY	FC	TOTAL	TRY	FC	TOTAL
I.	DEPOSITS	(1)	169.477	113.537	283.014	197.288	140.179	337.467
II.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	6	19	25	-	4	4
III.	FUNDS BORROWED	(3)	3.623	78.880	82.503	4.197	83.475	87.672
IV.	MONEY MARKET BALANCES		25.036	-	25.036	21.051	-	21.051
4.1	Interbank money market takings		2.002	-	2.002	5.006	-	5.006
4.2	Istanbul Stock Exchange money market takings		-	-	-	-	-	-
4.3	Funds provided under repurchase agreements		23.034	-	23.034	16.045	-	16.045
V.	MARKETABLE SECURITIES ISSUED (Net)		-	-	-	-	-	-
5.1	Bills		-	-	-	-	-	-
5.2	Asset backed securities		-	-	-	-	-	-
5.3	Bonds		-	-	-	-	-	-
VI.	FUNDS		-	-	-	-	-	-
VII.	SUNDRY CREDITORS		758	256	1.014	2.111	646	2.757
VIII.	OTHER LIABILITIES	(4)	2.232	44	2.276	1.454	50	1.504
IX.	FACTORING PAYABLES		-	-	-	-	-	-
X.	LEASE PAYABLES (Net)	(5)	-	-	-	-	-	-
10.1	Finance lease payables		1	-	1	1	-	1
10.2	Operating lease payables		-	-	-	-	-	-
10.3	Other		-	-	-	-	-	-
10.4	Deferred finance lease expenses (-)		(1)	-	(1)	(1)	-	(1)
XI.	DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES	(6)	-	-	-	-	-	-
11.1	Fair value hedge		-	-	-	-	-	-
11.2	Cash flow hedge		-	-	-	-	-	-
11.3	Hedge of net investment in foreign operations		-	-	-	-	-	-
XII.	PROVISIONS	(7)	3.868	-	3.868	4.013	-	4.013
12.1	General loan loss provisions		1.937	-	1.937	2.103	-	2.103
12.2	Restructuring provisions		-	-	-	-	-	-
12.3	Reserve for employee benefits		1.033	-	1.033	1.030	-	1.030
12.4	Insurance technical reserves (Net)		-	-	-	-	-	-
12.5	Other provisions		898	-	898	880	-	880
XIV.	TAX LIABILITY	(8)	1.561	-	1.561	1.519	-	1.519
14.1	Current tax liability		1.561	-	1.561	1.519	-	1.519
14.2	Deferred tax liability		-	-	-	-	-	-
XV.	PAYABLES RELATED TO ASSETS HELD FOR SALE		-	-	-	-	-	-
XIII.	SUBORDINATED LOANS		-	-	-	-	-	-
XVI.	SHAREHOLDERS' EQUITY	(9)	72.162	-	72.162	70.256	-	70.256
16.1	Paid-in capital		35.000	-	35.000	35.000	-	35.000
16.2	Supplementary capital		25.433	-	25.433	25.433	-	25.433
16.2.1	Share premium		-	-	-	-	-	-
16.2.2	Share cancellation profits		-	-	-	-	-	-
16.2.3	Marketable securities value increase fund		-	-	-	-	-	-
16.2.4	Tangible assets revaluation reserve		-	-	-	-	-	-
16.2.5	Intangible assets revaluation reserve		-	-	-	-	-	-
16.2.6	Bonus shares obtained from associates, subsidiaries and jointly controlled entities		-	-	-	-	-	-
16.2.7	Hedging funds (Effective portion)		-	-	-	-	-	-
16.2.8	Value increase on assets held for resale		-	-	-	-	-	-
16.2.9	Other capital reserves		25.433	-	25.433	25.433	-	25.433
16.3	Profit reserves		12.487	-	12.487	12.487	-	12.487
16.3.1	Legal reserves		624	-	624	624	-	624
16.3.2	Status reserves		-	-	-	-	-	-
16.3.3	Extraordinary reserves		11.852	-	11.852	11.852	-	11.852
16.3.4	Other profit reserves		11	-	11	11	-	11
16.4	Profit or loss		(758)	-	(758)	(2.664)	-	(2.664)
16.4.1	Prior years' profit/losses		(2.664)	-	(2.664)	(93)	-	(93)
16.4.2	Current year profit/loss		1.906	-	1.906	(2.571)	-	(2.571)
16.5	Minority shares		-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY			278.723	192.736	471.459	301.889	224.354	526.243

The accompanying notes are an integral part of these balance sheets

TURKLAND BANK A.Ş.
STATEMENT OF OFF-BALANCE SHEET CONTINGENCIES AND COMMITMENTS

	Note Ref.	IN THOUSAND OF NEW TURKISH LIRA					
		CURRENT PERIOD			PRIOR PERIOD		
		Reviewed 31 March 2007			Independently Audited 31 December 2006		
	TRY	FC	TOTAL	TRY	FC	TOTAL	
A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)		197.886	218.637	416.523	212.829	234.290	447.119
I. GUARANTEES AND COLLATERALS	(1), (3)	176.273	194.158	370.431	191.751	211.922	403.673
1.1. Letters of guarantee		176.273	95.827	272.100	191.751	97.944	289.695
1.1.1. Guarantees subject to State Tender Law		24.119	6.186	30.305	26.041	5.492	31.533
1.1.2. Guarantees given for foreign trade operations		-	32.597	32.597	-	35.296	35.296
1.1.3. Other letters of guarantee		152.154	57.044	209.198	165.710	57.156	222.866
1.2. Bank loans		-	11.875	11.875	-	12.496	12.496
1.2.1. Import letter of acceptance		-	-	-	-	-	-
1.2.2. Other bank acceptances		-	11.875	11.875	-	12.496	12.496
1.3. Letters of credit		-	48.696	48.696	-	62.896	62.896
1.3.1. Documentary letters of credit		-	48.696	48.696	-	62.896	62.896
1.3.2. Other letters of credit		-	-	-	-	-	-
1.4. Prefinancing given as guarantee		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2. Other endorsements		-	-	-	-	-	-
1.6. Securities issue purchase guarantees		-	-	-	-	-	-
1.7. Factoring guarantees		-	-	-	-	-	-
1.8. Other guarantees		-	37.760	37.760	-	38.586	38.586
1.9. Other collaterals		-	-	-	-	-	-
II. COMMITMENTS	(1), (3)	19.919	-	19.919	20.181	-	20.181
2.1. Irrevocable commitments		19.919	-	19.919	20.181	-	20.181
2.1.1. Forward asset purchase commitments		-	-	-	-	-	-
2.1.2. Forward deposit purchase and sales commitments		-	-	-	-	-	-
2.1.3. Share capital commitment to associates and subsidiaries		-	-	-	-	-	-
2.1.4. Loan granting commitments		3.239	-	3.239	4.447	-	4.447
2.1.5. Securities underwriting commitments		-	-	-	-	-	-
2.1.6. Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7. Payment commitment for checks		15.054	-	15.054	14.170	-	14.170
2.1.8. Tax and fund liabilities from export commitments		-	-	-	-	-	-
2.1.9. Commitments for credit card expenditure limits		1.626	-	1.626	1.564	-	1.564
2.1.10. Receivables from short sale commitments		-	-	-	-	-	-
2.1.11. Payables for short sale commitments		-	-	-	-	-	-
2.1.12. Other irrevocable commitments		-	-	-	-	-	-
2.2. Revocable commitments		-	-	-	-	-	-
2.2.1. Revocable loan granting commitments		-	-	-	-	-	-
2.2.2. Other revocable commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	(2)	1.694	24.479	26.173	897	22.368	23.265
3.1. Derivative financial instruments for hedging purposes		-	-	-	-	-	-
3.1.1. Fair value hedge		-	-	-	-	-	-
3.1.2. Cash flow hedge		-	-	-	-	-	-
3.1.3. Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2. Held for trading transactions		1.694	24.479	26.173	897	22.368	23.265
3.2.1. Forward foreign currency buy/sell transactions		1.694	3.501	5.195	897	3.803	4.700
3.2.1.1. Forward foreign currency transactions-buy		1.694	924	2.618	897	1.477	2.374
3.2.1.2. Forward foreign currency transactions-sell		-	2.577	2.577	-	2.326	2.326
3.2.2. Swap transactions related to f.c. and interest rates		-	20.978	20.978	-	18.565	18.565
3.2.2.1. Foreign currency swaps-buy		-	10.479	10.479	-	9.303	9.303
3.2.2.2. Foreign currency swaps-sell		-	10.499	10.499	-	9.262	9.262
3.2.2.3. Interest rate swaps-buy		-	-	-	-	-	-
3.2.2.4. Interest rate swaps-sell		-	-	-	-	-	-
3.2.3. Foreign currency, interest rate and securities options		-	-	-	-	-	-
3.2.3.1. Foreign currency options-buy		-	-	-	-	-	-
3.2.3.2. Foreign currency options-sell		-	-	-	-	-	-
3.2.3.3. Interest rate options-buy		-	-	-	-	-	-
3.2.3.4. Interest rate options-sell		-	-	-	-	-	-
3.2.3.5. Securities options-buy		-	-	-	-	-	-
3.2.3.6. Securities options-sell		-	-	-	-	-	-
3.2.4. Foreign currency futures		-	-	-	-	-	-
3.2.4.1. Foreign currency futures-buy		-	-	-	-	-	-
3.2.4.2. Foreign currency futures-sell		-	-	-	-	-	-
3.2.5. Interest rate futures		-	-	-	-	-	-
3.2.5.1. Interest rate futures-buy		-	-	-	-	-	-
3.2.5.2. Interest rate futures-sell		-	-	-	-	-	-
3.2.6. Other		-	-	-	-	-	-
B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)		174.276	20.505	194.781	185.088	23.004	208.092
IV. ITEMS HELD IN CUSTODY		162.516	13.520	176.036	166.377	13.995	180.372
4.1. Assets under management		11.455	-	11.455	11.455	-	11.455
4.2. Investment securities held in custody		5.917	212	6.129	7.335	215	7.550
4.3. Checks received for collection		141.969	12.434	154.403	145.877	13.093	158.970
4.4. Commercial notes received for collection		3.175	669	3.844	1.710	655	2.365
4.5. Other assets received for collection		-	205	205	-	32	32
4.6. Assets received for public offering		-	-	-	-	-	-
4.7. Other items under custody		-	-	-	-	-	-
4.8. Custodians		-	-	-	-	-	-
V. PLEDGED ITEMS		11.760	6.985	18.745	18.711	9.009	27.720
5.1. Marketable securities		-	-	-	-	-	-
5.2. Guarantee notes		11.760	6.985	18.745	18.711	9.009	27.720
5.3. Commodity		-	-	-	-	-	-
5.4. Warranty		-	-	-	-	-	-
5.5. Properties		-	-	-	-	-	-
5.6. Other pledged items		-	-	-	-	-	-
5.7. Pledged items-depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		372.162	239.142	611.304	397.917	257.294	655.211

The accompanying notes are an integral part of these balance sheets

TURKLAND BANK A.Ş.
STATEMENT OF INCOME

INCOME / (LOSS) ACCOUNTS		Note Ref.	IN THOUSAND OF NEW TURKISH LIRA			
			CURRENT PERIOD		PRIOR PERIOD	
			Reviewed		Reviewed	
			1 January-31 March 2007	1 January-31 March 2006		
I.	INTEREST INCOME	(1)	18.001	12.211		
1.1	Interest on loans		11.346	7.978		
1.2	Interest on reserve deposits		517	308		
1.3	Interest on banks		780	168		
1.4	Interest on money market placements		150	51		
1.5	Interest on marketable securities portfolio		5.185	3.679		
1.5.1	Held-for-trading financial assets		5.143	3.678		
1.5.2	Financial assets at fair value through profit and loss		-	-		
1.5.3	Available-for-sale financial assets		42	1		
1.5.4	Investments held-to-maturity		-	-		
1.6	Finance lease income		-	-		
1.7	Other interest income		23	27		
II.	INTEREST EXPENSES	(2)	(12.026)	(8.241)		
2.1	Interest on deposits		(10.349)	(6.637)		
2.2	Interest on funds borrowed		(1.424)	(576)		
2.3	Interest on money market borrowings		(16)	(17)		
2.4	Interest on securities issued		-	-		
2.5	Other interest expenses		(237)	(1.011)		
III.	NET INTEREST INCOME (I - II)		5.975	3.970		
IV.	NET FEES AND COMMISSIONS INCOME		1.624	1.850		
4.1	Fees and commissions received		1.880	1.964		
4.1.1	Cash loans		231	135		
4.1.2	Non-cash loans		1.100	1.125		
4.1.3	Other		549	704		
4.2	Fees and commissions paid		(256)	(114)		
4.2.1	Cash loans		(149)	(2)		
4.2.2	Non-cash loans		(12)	(8)		
4.2.3	Other		(95)	(104)		
V.	DIVIDEND INCOME		-	-		
VI.	NET TRADING INCOME	(3)	638	(180)		
6.1	Gains/losses on securities trading (net)		37	168		
6.2	Foreign exchange gains/losses (net)		601	(348)		
VII.	OTHER OPERATING INCOME	(4)	685	1.469		
VIII.	TOTAL OPERATING INCOME (III+IV+V+VI+VII)		8.922	7.109		
IX.	PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(5)	(212)	(264)		
X.	OTHER OPERATING EXPENSES (-)	(6)	(6.346)	(5.914)		
XI.	NET OPERATING INCOME/(LOSS) (VIII-IX-X)		2.364	931		
XII.	AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER		-	-		
XIII.	GAIN / (LOSS) ON EQUITY METHOD		-	1.045		
XIV.	GAIN / (LOSS) ON NET MONETARY POSITION		-	-		
XV.	INCOME/(LOSS) BEFORE TAXES (XI+XII+XIII+XIV)		2.364	1.976		
XVI.	PROVISION FOR TAXES ON INCOME (±)	(7)	(458)	(11)		
16.1	Provision for current income taxes		-	(401)		
16.2	Provision for deferred taxes		(458)	390		
XVII.	NET OPERATING INCOME AFTER TAXES (XV±XVI)		1.906	1.965		
17.1	Discontinued Operations		-	-		
17.2	Other		-	-		
XVIII.	NET PROFIT/(LOSS)	(8)	1.906	1.965		

TURKLAND BANK A.S.
STATEMENT OF CASH FLOWS

	Note Ref.	IN THOUSAND OF NEW TURKISH LIRA (TRY)	
		CURRENT PERIOD	PRIOR PERIOD
		Reviewed 1 January-31 March 2007	Reviewed 1 January-31 March 2006
A. CASH FLOWS FROM BANKING OPERATIONS			
I.1 Operating profit before changes in operating assets and liabilities		772	1.040
1.1.1 Interest received		17.014	11.970
1.1.2 Interest paid		(13.587)	(8.325)
1.1.3 Dividend received		-	1.045
1.1.4 Fees and commissions received		1.624	1.850
1.1.5 Other income		336	693
1.1.6 Collections from previously written off loans		386	49
1.1.7 Payments to personnel and service suppliers		(3.687)	(2.912)
1.1.8 Taxes paid		-	(2.818)
1.1.9 Others	(1)	(1.314)	(512)
I.2 Changes in operating assets and liabilities		(16.421)	2.763
1.2.1 Net (increase) decrease in financial assets		(3.750)	29.407
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss		75	-
1.2.3 Net (increase) decrease in due from banks and other financial institutions		8.473	(10.037)
1.2.4 Net (increase) decrease in loans		33.296	27.695
1.2.5 Net (increase) decrease in other assets		357	(9.661)
1.2.6 Net increase (decrease) in bank deposits		(1.738)	(241)
1.2.7 Net increase (decrease) in other deposits		(52.180)	2.346
1.2.8 Net increase (decrease) in funds borrowed		(4.147)	(5.529)
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities	(1)	3.193	(31.217)
I. Net cash provided from banking operations		(15.649)	3.803
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from investing activities		11.198	(4.306)
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries		-	2
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries		11.245	-
2.3 Fixed assets purchases		(87)	(115)
2.4 Fixed assets sales		-	34
2.5 Cash paid for purchase of financial assets available for sale		40	-
2.6 Cash obtained from sale of financial assets available for sale		-	(4.227)
2.7 Cash paid for purchase of investment securities		-	-
2.8 Cash obtained from sale of investment securities		-	-
2.9 Others	(1)	-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash provided from financing activities		-	-
3.1 Cash obtained from funds borrowed and securities issued		-	-
3.2 Cash used for repayment of funds borrowed and securities issued		-	-
3.3 Capital increase		-	-
3.4 Dividends paid		-	-
3.5 Payments for finance leases		-	-
3.6 Other	(1)	-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents	(1)	(957)	(1)
V. Net increase / (decrease) in cash and cash equivalents		(5.408)	(504)
VI. Cash and cash equivalents at beginning of the period		18.292	12.912
VII. Cash and cash equivalents at end of the period		12.884	12.408

SECTION THREE

ACCOUNTING POLICIES

I. Basis of Presentation:

1.a Presentation of Financial Statements:

The Bank prepares its financial statements and underlying documents according to Communique on Banks' Accounting Practice and Maintaining Documents, Turkish Accounting Standards, Turkish Financial Reporting Standards, other communiques, pronouncements and explanations about accounting and financial reporting issued by Banking Regulation and Supervision Agency (BRSA), Turkish Commercial Code and Tax Legislation.

1.a.1 Accounting Policies Used:

The prior period financial statements, are restated as described below, in line with the principles of Turkish Accounting Standards No:1 "Fundamentals of Preparing and Presenting Financial Statements" published in the Official Gazette on 16 January 2005 with No: 25702, and in accordance with Turkish Accounting Standards and Turkish Financial Reporting Standards; and other principles, methods and explanations about accounting and financial reporting procedures issued by BRSA. The adjustments to the prior period profits, are summarized below:

	31 March 2006		31 December 2005	
	Profit or Loss	Prior Years' Profit of Loss	Profit or Loss	Prior Years' Profit of Loss
As previously reported	2.041	-	7.576	-
Employee benefits obligation adjustment	(107)	(134)	95	(229)
Deferred tax adjustment	31	41	(35)	76
As restated	1.965	(93)	7.636	(153)

1.b Accounting Principles:

The accompanying financial statements have been prepared based on the Bank's statutory books. The Bank has performed inflation accounting restatements to its statutory records starting from 30 June 2004 to 31 December 2004 in accordance with the Act No: 5024 amending the Tax Procedural Code. On the other hand, 31 December 2003 financial statements were prepared based on the historical cost convention, except for the revaluation of fixed assets and include inflation accounting adjustments and related classifications as per "Financial Reporting in Hyperinflationary Economies" ("TAS 29") till 31 December 2004.

SECTION THREE (cont'd)

ACCOUNTING POLICIES (cont'd)

I. Basis of Presentation (cont'd)

1.b.1 Inflation Accounting:

The accompanying financial statements have been adjusted in accordance with TAS 29 requiring that in hyperinflationary periods financial statements must be expressed in the purchasing power of money as at the balance sheet date. To adjust the effects of changes in the purchasing power of money from the financial statements, all financial statements prepared before 31 December 2004 are restated for the effects of inflation.

TAS 29 states that if the indicators of a hyperinflationary economy cease to exist then financial institutions do not have to prepare their financial statements in accordance with inflation accounting since hyperinflationary period is over.

As stated by the BRSA circular dated 28 April 2005 and numbered 2, the indicators of hyperinflationary period are no longer valid and as explained in the BRSA resolution dated 21 April 2005 and numbered 1623 the inflation accounting is revoked after 1 January 2005, and banks' obligation to prepare their financial statements in accordance with inflation accounting is no longer in effect.

II. Explanations on Usage Strategy of Financial Assets and Foreign Currency Transactions:

The Bank focuses on corporate banking transactions. Besides this main activity, the main financial instruments of the Bank are money market placements, treasury bills and government bonds.

Except shareholders' equity, 70.84% of Bank's total sources is composed of fixed interest deposits. Eximbank borrowings which are under the funds borrowed from other financial institutions, are shown under other fixed interest funds. Marketable securities comprising 22.37% of total assets are assets with low risk and high yield. Placements in domestic banks and abroad are 10.58% of total assets and provide liquidity as assets with low risk and yield. Loans are 57.77% of the total assets. Liquidity reports are considered as to changing market conditions and the rate of long term placements in the total placements are tried to be minimised. The placements are settled with a maturity term of one month in order to stay in a liquid position.

Currency risk, which is calculated by the Bank with standard method and sent to BRSA on a weekly basis, is also calculated on a daily basis and a balanced long and short positions is aimed, standard deviation of currency risk is determined from retrospective data and its maximum value is ascertained in a notable confidence interval. In order to hedge currency risk, predominantly position of USD and EURO is kept in a balance by following changing market conditions.

III. Explanations on Forward and Option Contracts and Derivative Instruments:

The Bank's derivative instruments consist of foreign currency swaps and the forward foreign currency buy/sell transactions. Derivative instruments are accounted for at their fair values as of the contract date and subsequently valued at fair value. Certain derivative instruments, although economical hedges, are accounted as trading transactions since they are not qualified to be a hedging instrument as per "Financial Instruments: Recognition and Measurement" ("TAS 39"). Through these derivative instruments, realized gains or losses are reflected in the statement of income. Unrealized gains or losses arising from the change in the fair value are recorded in disallowable expenses or income according to the current tax legislation.

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

SECTION THREE (cont'd)

ACCOUNTING POLICIES (cont'd)

IV. Interest Income and Expenses:

Interest income and expenses are recognized in the income statement on an accrual basis. The foreign exchange gains of the foreign currency indexed loans are shown under foreign exchange gains and the foreign exchange losses are shown under foreign exchange losses. In accordance with the related regulation, realized and unrealized interest accruals of the non-performing loans are reversed and interest income related to these loans are recorded as interest income only when collected.

V. Fees and Commission Income and Expenses:

Fees for various banking services and dividends from equity investments are recorded as income when collected and all other income and expenses except those mentioned, are booked on an accrual basis.

VI. Explanations and Disclosures on Financial Assets:

Financial instruments comprise financial assets, financial liabilities and derivative instruments. Financial instruments constitute the basis of Bank's trading activities and operations. Financial instruments affect liquidity, market, and credit risks on the Bank's balance sheet in all respects. Bank trades these instruments on behalf of its customers and on its own behalf.

Basically, financial assets create the majority of the commercial activities and operations of the Bank. These instruments expose, affect and diminish the liquidity, credit and interest risks in the financial statements.

All regular way purchases and sales of financial assets are recognized on the settlement date i.e. the date that the asset is delivered to or by the Bank. Settlement date accounting requires (a) accounting of the asset when acquired by the institution, and (b) disposing of the asset out of the balance sheet on the date settled by the institution; and accounting of gain or loss on disposal. In case of application of settlement date accounting, the institution accounts for the changes that occur in the fair value of the asset in the period between commercial transaction date and settlement date as in the assets that the institution settles.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Changes in fair value of assets to be received during the period between the trade date and the settlement date are accounted for in the same way as the acquired assets.

Fair value differences are not accounted for assets carried at cost or amortized cost; gain or loss on financial assets at fair value through profit and loss are reflected in the statement of income; gain or loss on available for sale assets are accounted for under the shareholders' equity.

The methods and assumptions used in determining the reasonable estimated values of all of the financial instruments are mentioned below.

Cash, Banks, and Other Financial Institutions:

Cash and cash equivalents comprise cash on hand, demand deposits, and highly liquid short-term investments with maturity of 3 months or less following the purchase date, not bearing risk of significant value change, and that are readily convertible to a known amount of cash. The book values of these assets approximate their fair values.

SECTION THREE (cont'd)

ACCOUNTING POLICIES (cont'd)

VI. Explanations and Disclosures on Financial Assets (cont'd):

Financial Assets at Fair Value Through Profit and Loss:

These transactions are classified in two categories. (i) Trading securities for the purposes of short term profit taking through sale and buying back in a near future. (ii) The financial assets classified at inception as financial assets at fair value through profit or loss by the Bank. The Bank use such classification above when permitted or for the purposes of providing a more proper disclosure.

In this group, trading securities are initially recognized at cost and measured at fair value on the financial statements. Fair values of debt securities that are traded in an active market are determined based on quoted prices or current market prices.

The difference between initial cost and fair value of financial assets at fair value through profit and loss is reflected to interest income or diminution in value of marketable securities accounts. Interest income and dividends from financial assets at fair value through profit and loss are reflected in interest income and dividend income.

Held to Maturity Investments:

Investments 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 loans and receivables. After initial recognition held to maturity investments are measured at amortized cost by using effective interest rate less impairment losses, if any.

On 27 December 2005, the Bank sold the government bonds, classified as held to maturity investments. Because of this fact, the Bank is not able to classify any investments as held to maturity for two years subsequent to 2005 due to "tainting" rules. As of the date of sale, all remaining securities, previously classified as held to maturity investments, have been reclassified as financial assets available for sale.

The interests received from held to maturity investments are recorded as interest income in the income statement.

Available for Sale Financial Assets:

These assets are initially recognized at cost including the transaction costs. The interest income related to securities with fixed and variable interest under available for sale financial assets are recorded in interest income. After the initial recognition, available for sale securities are measured at fair value and the unrealized gain/loss originating from the difference between the amortized cost and the fair value is recorded in "Marketable Securities Value Increase Fund" under the equity. At the disposal of available for sale financial assets, value increase/decrease that are recorded in the securities value increase fund under equity are transferred to income statement.

The Bank has an equity investment with participation rate of 0.0025% and foreign currency indexed government securities in the available for sale financial assets portfolio. Since the Bank's equity investment is not publicly traded, it is recognized at cost.

SECTION THREE (cont'd)

ACCOUNTING POLICIES (cont'd)

VI. Explanations and Disclosures on Financial Assets (cont'd):

Loans:

Loans are financial assets which have fixed payment terms and are not traded.

Loans are initially recognized at cost and measured at amortized cost by using effective interest rate. The duties, charges and other expenses paid for the collaterals obtained against loans are accepted as transaction costs and reflected to customers.

New Turkish Lira (TRY) cash loans are composed of foreign currency indexed loans, export guaranteed loans, loans financed by government funds. Foreign currency (FC) cash loans are composed of export financing loans and working capital loans.

Foreign currency indexed loans, are converted into TRY from the foreign currency rate as of the opening date and followed in TRY accounts. Repayments are measured with the foreign currency rate at the payment date, the foreign currency gains and losses are reflected to the statement of income.

Provision is set for the loans that may be doubtful and the amount is charged in the current period income statement. The collections made related to loans for which provision is made in the current period are recorded in "Non-performing Loans and Other Receivables" and "Interest Received from Non-performing Loans" account.

Releases of loan loss provisions are recorded by reversing the provisions booked during the year and the collections made related to loan losses previously accounted for are recorded to collections related to the prior period expenses.

VII. Explanations on Impairment of Financial Assets:

At each balance sheet date, the Bank evaluates the carrying amounts of its financial asset or a group of financial assets to determine whether there is an objective indication that those assets have suffered an impairment loss. If any such indication exists, the Bank determines the related impairment.

A financial asset or a financial asset group incurs impairment loss only if there is an objective indicator related to the occurrence of one or more than one event ("loss event") after the first journalization of that asset; and such loss event (or events) causes, an impairment as a result of the effect on the reliable estimate of the expected future cash flows of the related financial asset and asset group. Irrespective of high probability the expected losses for future events are not journalized.

VIII. Offsetting of Financial Instruments:

Financial assets and liabilities are offset when the Bank has a legally enforceable right to set off, and when the Bank has the intention of collecting or paying the net amount of related assets and liabilities or when the Bank has the right to offset the assets and liabilities simultaneously. Otherwise, there is not any offsetting transaction about financial assets and liabilities.

IX. Explanations on Sales and Repurchase Agreements and Lending of Securities:

As of the balance sheet date, total funds provided in exchange of the government bonds and treasury bills sold to customers under repurchase agreements amounted to 23,034 Thousand TRY. Funds provided under repurchase agreements are accounted under "Funds Provided under Repurchase Agreements- TRY" account.

SECTION THREE(cont'd)

ACCOUNTING POLICIES (cont'd)

IX. Explanations on Sales and Repurchase Agreements and Lending of Securities (cont'd):

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. Funds obtained from repurchase agreements are classified as a separate sub-account under money markets borrowings account in the liabilities. These transactions are short-term and consist of domestic public sector debt securities.

The income and expenses from these transactions are reflected to the "Interest Income on Marketable Securities" and "Interest Expense on Money Market Borrowings" accounts in the income statement.

Receivables from reverse repurchase agreements are accounted under "Receivables from Reverse Repurchase Agreements" account in the balance sheet. As of the balance sheet date, the Bank does not have any receivables from reverse repurchase agreements.

As of balance sheet date, the Bank does not have any marketable securities lending transaction.

X. Explanations on Assets Held for Sale and Discontinued Operations:

Assets held for sale are measured at the lower of the assets' carrying amount and fair value less costs to sell. Held for sale assets are not amortized and presented separately in the financial statements. In order to classify an asset as held for sale, only when the sale is highly probable, experienced quite often and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale. Highly saleable condition requires a plan by the management regarding the sale of the asset to be disposed (or else the group of assets), together with an active program for determination of buyers as well as for the completion of the plan. Also the asset (or else the group of assets) shall be actively marketed in conformity with its fair value. On the other hand, the sale is expected to be journalized as a completed sale within one year after the classification date; and the necessary transactions and procedures to complete the plan should demonstrate the fact that the possibility of making significant changes or canceling the plan is low. Various circumstances and conditions could extend the completion period of the sale more than one year. If such delay happened due to the circumstances and conditions beyond the control of the Bank and if there is enough evidence that the sale plan of the related asset (or disposal group of asset) of the Bank is still in process, the delay in the sales process does not prevent the classification of the asset (or disposal group of asset) as an asset held for sale.

A discontinued operation is a division of a bank that is either disposed or held for sale. Results of discontinued operations are included separately in the income statement.

As per 10 August 2006 dated Board resolution of the Bank, 52.3% share of MNG Factoring Hizmetleri A.Ş., 76% share of MNG Finansal Kiralama A.Ş., 46.5% share of MNG Menkul Kıymetler A.Ş. were decided to be sold to Mehmet Nazif Günel, subsequent to approvals to be obtained from related authorities in regulations.

SECTION THREE (cont'd)

ACCOUNTING POLICIES (cont'd)

X. Explanations on Assets Held for Sale and Discontinued Operations (cont'd):

MNG Bank A.Ş. and Mehmet Nazif Günel signed off a "Share Purchase Agreement" on 31 August 2006 about the sale of subsidiaries.

The sale of MNG Menkul Kıymetler A.Ş. was approved with 1 November 2006 dated and B.02.1.SPK.0.16-1744 numbered decision of Capital Market Board of Turkey.

The sales of MNG Finansal Kiralama A.Ş. and MNG Factoring Hizmetleri A.Ş. are authorized by BRSA with 2nd article of 29 December 2006 dated and BRSA.UYI 47.1.02-15229 numbered letter. Sales transactions were realized on 29 January 2007.

There are no assets held for sale in the current period. Because of the sale transaction, subsidiaries of the Bank are classified as assets held for sale in the accompanying financial statement, in the previous period.

XI. Explanations on Goodwill and Other Intangible Assets:

As of the balance sheet date, there is no goodwill in the unconsolidated financial statements of the Bank.

Other intangible assets are accounted for at restated cost less amortizations and reserve for impairment, if any. Other intangible assets are amortized with straight-line method based on their economic lives. There are no anticipated changes in the amortization method in current period.

The intangible assets of the Bank comprise mainly softwares. As of the balance sheet date, all softwares are outsourced and there are not any improved or continuing software development project by the Bank.

XII. Explanations on Tangible Fixed Assets:

Tangible fixed assets are accounted for at acquisition cost less accumulated depreciation. Tangible fixed assets are depreciated with straight-line method. Properties acquired before 1 January 2004 are depreciated with the rates valid in prior periods, however for the properties acquired after 1 January 2004 are depreciated with the rates determined by Ministry of Finance based on useful lives.

As of balance sheet date, the asset which is accounted less than one accounting period, is depreciated with the related depreciation rate which is recalculated with the period of time that the related asset stays in the accounts.

As per the conservatism and materiality principles, impairment provision is accounted for the properties where fair value exceeds restated cost (until 31 December 2004) and related amount is reflected in the financial statements.

Gain or loss resulting from disposals of the tangible fixed assets is reflected to the income statement as the difference between the net proceeds and net book value.

Normal maintenance and repair cost of the properties are expensed.

There is no pledge, mortgage, or any other lien on tangible fixed assets.

SECTION THREE (cont'd)

ACCOUNTING POLICIES (cont'd)

XIII. Explanations on Leasing Transactions:

Assets held under finance leases are recognized as assets of the Bank at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are included in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Bank's general policy on borrowing costs. Tangible fixed assets acquired by financial leases, are amortized based on the useful lives of the assets.

The Bank does not have any leasing transactions as lessor as of the balance sheet date.

XIV. Explanations on Provisions and Contingent Liabilities:

Provisions are recognized when there is a present obligation due to a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are determined by using the Bank's best expectation of expenses in fulfilling the obligation, and discounted to present value if material.

As of the balance sheet date there is no reliable measurable probable contingent liability as a result of a past event.

According to legal department of the Bank; the total number of ongoing cases against the Bank is 18. The total amount of those cases is 1,385 Thousand TRY that consists of 519 Thousand TRY and 626,800 US Dollars. There is a provision amounted to 250 Thousand TRY in the accompanying financial statements for the related cases.

XV. Explanations on Obligations Regarding Employee Benefits:

Under Turkish law and union agreements, lump sum payments are made to employees retiring or involuntarily leaving the Bank. In retirement and involuntarily leaving, the Bank records the present value of the defined benefit obligation.

There is no indemnity obligations related to the employees who are employed with contract of limited duration but more than 12 month period .

The Bank has no retirement fund or foundation that the employees are the member.

XVI. Explanations on Taxation:

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Bank's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method.

SECTION THREE (cont'd)

ACCOUNTING POLICIES (cont'd)

XVI. Explanations on Taxation(cont'd)

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date. Deferred tax is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized and reflected in the statement of income as expense or income. Moreover, if the deferred tax is related with items directly recorded under the equity in the same or different period, deferred tax is also associated directly with equity.

Current tax payables and prepaid taxes are offset since they are related. Deferred tax assets and liabilities are also offset.

The Bank has adjusted its statutory financial statements as per the inflation accounting as of 1 January 2004 in accordance with Law No. 5024.

XVII. Additional Explanations on Borrowings:

The borrowing costs related to purchase, production, or construction of qualifying assets that require significant time to be prepared for use and sale are included in the cost of assets until the relevant assets become ready to be used or to be sold. Financial investment income obtained by temporary placement of undisbursed investment loan in financial investments is offset against borrowing costs qualified for capitalization.

All other borrowing costs are recorded to the income statement at the period they are incurred.

XVIII. Explanations on Share Certificates and Share Issues:

The Bank does not have any issued securities. As of the date of this report, there is no subsequent dividend announcement of the Bank.

XIX. Explanations on Acceptances:

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

XX. Explanations on Government Incentives:

There are no government incentives utilized by the Bank as of balance sheet date.

XXI. Explanations on Segment Reporting:

In accordance with its mission, the Bank mainly operates in retail and corporate banking segments.

XXII. Explanations on Other Matters:

None, other than above explanations.

SECTION THREE (cont'd)

ACCOUNTING POLICIES (cont'd)

XXII. Explanations on Other Matters:

Explanation for convenience translation to English

The accounting principles used in the preparation of the accompanying financial statements differ from International Financial Reporting Standards (IFRS). 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 accompanying financial statements.

SECTION FOUR

INFORMATION ON FINANCIAL STRUCTURE

I. Explanations Related to the Capital Adequacy Standard Ratio:

As of the balance sheet date, capital adequacy standard ratio of the Bank is %19.14 (31 December 2006: %16.72)

Market risk is calculated on a monthly basis with standard method and considered when capital adequacy standard ratio is calculated. Bank uses standard method for the calculation of capital adequacy standart ratio.

	Risk Weight			
	Bank			
	0%	20%	50%	100%
Risk Weighted Assets, Liabilities and Non-Cash Loans				
Balance Sheet items (Net)				
Cash	2,808	-	-	-
Matured Marketable Securities	-	-	-	-
Due From Central Bank of Turkey	10,001	-	-	-
Due From Dometic Banks, Foreign Banks, Branches and Head Office Abroad	-	49,860	-	-
Interbank Money Market Placements	-	-	-	-
Receivables From Reverse Repurchase Agreements	-	-	-	-
Reserve Deposits	21,113	-	-	-
Loans	8,467	616	30,793	228,043
Non-performing loans (Net)	-	-	-	959
Lease Receivables	-	-	-	-
Financial Assets Available For Sale	2,140	-	-	75
Held to Maturity Investments	-	-	-	-
Receivables From Installment Sales of Assets	-	-	-	-
Sundry Debtors	-	-	-	150
Interest and Income Accruals	685	24	554	2,791
Subsidiaries, Associates and Entities Under Common Control (Net)	-	-	-	-
Tangible Assets	-	-	-	6,000
Other Assets	983	-	-	2
Off-Balance Sheet Items				
Guarantees and Commitments	3,584	130,746	32,841	55,632
Derivative Financial Instruments	-	-	-	6
Non Risk Weighted Accounts	-	-	-	-
Total Value at Risk	49,781	181,246	64,188	293,658
Total Risk Weighted Assets	-	36,249	32,094	293,658

Summary information related to the capital adequacy ratio:

	Bank	
	Current Period	Prior Period
Total Risk Weighted Assets (TRWA)	362,001	405,664
Amount Subject to Market Risk (ASMR)	15,188	14,150
Amount Subject to Operational Risk (ASOR) (*)	-	-
Shareholders' Equity	72,210	72,212
Shareholders' Equity / (TRWA + ASMR + ASOR) *100	%19.14	%16.72

(*)Effective after 30 June 2007

SECTION FOUR (cont'd)

INFORMATION ON FINANCIAL STRUCTURE (cont'd)

I. Explanations Related to the Capital Adequacy Standard Ratio (cont'd)

Information related to the components of shareholders' equity:

	Current Period	Prior Period
CORE CAPITAL		
Paid-in capital	35,000	35,000
Nominal capital	35,000	35,000
Capital commitments (-)	-	-
Other capital reserves	25,432	25,432
Share premiums	-	-
Share cancellation profits	-	-
Legal reserves	-	624
First legal reserve (Turkish Commercial Code 466/1)	-	624
Second legal reserve (Turkish Commercial Code 466/2)	-	-
Other legal reserve per special legislation	-	-
Status reserves	-	-
Extraordinary reserves	9,823	11,863
Reserves allocated by the General Assembly	9,812	11,852
Retained earnings	11	11
Accumulated losses	-	-
Foreign currency share capital exchange differences	-	-
Indexation differences of legal, statutory and extraordinary reserves	-	-
Profit	-	-
Current period profit	1,906	-
Prior years' profits	1,906	-
Provision for possible losses up to 25% of the Core Capital	-	-
Gains on sale of associates and subsidiaries and properties to be added to capital	-	-
Primary subordinated loans up to 15% of the Core Capital	-	-
Losses that cannot be covered by reserves (-)	-	-
Net current period loss	-	(2,571)
Prior years' losses	-	(93)
Leasehold improvements (-)	-	(572)
Prepaid expenses (-)	(505)	(1,286)
Intangible assets (-)	(1,103)	(288)
Deferred tax asset exceeding 10% of the Core Capital	(280)	-
Excess amount in the Article 56, Clause 3 of the Banking Law	-	-
Total Core Capital	72,161	70,255

SECTION FOUR (cont'd)

INFORMATION ON FINANCIAL STRUCTURE (cont'd)

I. Explanations Related to the Capital Adequacy Standard Ratio (cont'd):

SUPPLEMENTARY CAPITAL		
General loan loss provisions	1,937	2,103
45% of the revaluation reserve for movable fixed assets	-	-
45% of the of revaluation reserve for properties	-	-
Bonus shares obtained from associates, subsidiaries and entities under common control	-	-
Primary subordinated loans excluded in the calculation of the Core Capital	-	-
Secondary subordinated loans	-	-
45% of marketable securities value increase fund	-	-
Associates and subsidiaries	-	-
Available for sale securities	-	-
Indexation differences for capital reserves, profit reserves and retained earnings (Except indexation differences for legal reserves, statutory reserves and extraordinary reserves)	-	-
Total Supplementary Capital	-	-
TIER III CAPITAL	-	-
CAPITAL	74,098	72,358
DEDUCTIONS FROM THE CAPITAL	(1,888)	(2,146)
Shareholdings of banks and financial institutions (Domestic, Foreign) from which the Bank keeps ten percent or more of capitals	-	-
Shareholdings of unconsolidated banks and financial institutions (Domestic, Foreign) from which the Bank keeps less than Ten percent of capitals which exceed the ten Percent of Bank's Core and Supplementary Capital	-	-
Secondary subordinated loans granted to Banks and Financial Institutions (Domestic, Foreign) or Qualified Shareholders and placements that possess the nature of their Primary or Secondary Subordinated Debt	-	-
Loans granted being non-compliant with the Articles 50 and 51 of the Banking Law	-	-
The net book value of properties exceeding fifty percent of equity and properties held for sale and properties and commodity to be disposed, acquired in exchange of loans and receivables according to the Article 57 of the Banking Law and have not been disposed yet after 5 years after foreclosure	-	-
Other	-	-
Total Shareholder's Equity	72,210	72,212

SECTION FOUR (cont'd)

INFORMATION ON FINANCIAL STRUCTURE (cont'd)

II. Explanations Related to Market Risk:

Market risk is calculated monthly with standard method. Market risk is quarterly declared to BRSA. Within the financial risk management of the Bank, in order to hedge market risk due to interest, stock shares and currency risk; well-balanced currency management and interest sensitive asset and liability management has been established.

Information Related to Market Risk:

	Tutar
(I) Capital Requirement to be Employed For General Market Risk - Standard Method	1,056
(II) Capital Requirement to be Employed For Specific Risk - Standard Method	8
(III) Capital Requirement to be Employed For Currency Risk - Standard Method	151
(IV) Capital Requirement to be Employed For Commodity Risk - Standard Method	-
(V) Capital Requirement to be Employed For Settlement Risk - Standard Method	-
(VI) Total Capital Requirement to be Employed For Market Risk Resulting From Options - Standard Method	-
(VII) Total Capital Requirement to be Employed For Market Risk in Banks Using Risk Measurement Model	-
(VIII) Total Capital Requirement to be Employed For Market Risk (I+II+III+IV+V+VI)	1,215
(IX) Amount Subject to Market Risk (12.5 x VIII) or (12.5 x VII)	15,188

SECTION FOUR (cont'd)

INFORMATION ON FINANCIAL STRUCTURE (cont'd)

III. Explanations Related to Currency Risk:

The Bank sets the long and short positions in balance and currency risk is tried to be fixed in low levels. Daily positions are tried to be kept within the legal limits. The Bank pays attention to long and short position within the legal limits and risky transactions are tried to be avoided. Risk Management analyses the positions daily and transforms risks numerically.

The Bank does not have derivative transactions except forward foreign currency buy/sell transactions.

A. Bank's "foreign exchange buying rates"	1 USD Current Period	1 EURO Current Period	100 JPY Current Period
Previous days:			
26 March 2007	1.37920	1.83020	1.16870
27 March 2007	1.38330	1.84390	1.17130
28 March 2007	1.38690	1.85210	1.18310
29 March 2007	1.38610	1.84670	1.18260
30 March 2007	1.38010	1.84190	1.17350

The simple arithmetic averages of the USD, EURO and 100 JPY foreign exchange buying rates of the Bank for the thirty days before the balance sheet date are as follows; 1.40106, 1.85551 ve 1.19438.

TURKLAND BANK A.Ş.**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2007**

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

SECTION FOUR (cont'd)**INFORMATION ON FINANCIAL STRUCTURE (cont'd)****III. Explanations Related to Currency Risk (cont'd):****Information on the foreign currency risk of the Bank (Thousand TRY):**

	EURO	USD	Yen	Other	Total
Current Period					
Assets					
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	1,431	1,198	-	99	2,728
Due From Other Banks and Financial Institutions	1,381	47,457	154	866	49,858
Financial Assets at Fair Value Through Profit and Loss	3	-	-	-	3
Money Market Placements	-	-	-	-	-
Financial Assets Available For Sale	-	2,174	-	-	2,174
Loans (*)	44,132	73,424	-	-	117,556
Subsidiaries, Associates and Entities Under Common Control	-	-	-	-	-
Held-To-Maturity Investments	-	-	-	-	-
Derivative Financial Assets for Hedging Purposes	-	-	-	-	-
Tangible Assets	-	-	-	-	-
Intangible Assets	-	-	-	-	-
Other Assets	4,070	17,185	-	11	21,266
Total Assets	51,017	141,438	154	976	193,585
Liabilities					
Bank Deposits	87	19	-	-	106
Foreign Currency Deposits	35,688	77,678	17	48	113,431
Money Market Borrowings	-	-	-	-	-
Funds Provided From Other Financial Institutions	4,726	74,154	-	-	78,880
Securities Issued	-	-	-	-	-
Sundry Creditors	58	198	-	-	256
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-	-
Other Liabilities	2	61	-	-	63
Total Liabilities	40,561	152,110	17	48	192,736
Net Balance Sheet Position	10,456	(10,672)	137	928	849
Net Off-Balance Sheet Position	(11,420)	9,747	-	-	(1,673)
Financial Derivative Assets	-	11,403	-	-	11,403
Financial Derivative Liabilities	11,420	1,656	-	-	13,076
Non-Cash Loans	70,943	119,966	-	3,249	194,158
Prior Period					
Total Assets (**)	61,705	161,554	157	1,051	224,467
Total Liabilities	51,724	172,592	6	32	224,354
Net Balance Sheet Position	9,981	(11,038)	151	1,019	113
Net Off-Balance Sheet Position	(10,743)	9,935	-	-	(808)
Financial Derivative Assets	-	10,780	-	-	10,780
Financial Derivative Liabilities	10,743	845	-	-	11,588
Non-Cash Loans	74,499	136,689	72	662	211,922

(*)Foreign currency indexed loans amounting to 72,700 Thousand TRY are included in the loan portfolio in the current period.

(**)Foreign currency indexed loans amounting to 78,667 Thousand TRY are included in the loan portfolio in the prior period.

SECTION FOUR (cont'd)

INFORMATION ON FINANCIAL STRUCTURE (cont'd)

IV. Explanations Related to Interest Rate Risk:

Interest sensitivity of assets and liabilities is ascertained by weekly analysis of GAP method, effects of fluctuation in market rate of interest on financial position of Bank and cash flows are investigated. Board of Directors of the Bank does not set limits on daily interest rates. Interest rate risk that the Bank has encountered in the current year, is followed up by the GAP analysis, necessary precautions are taken by management when volatility in the markets increases.

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

Current Period	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Non-interest bearing	Total
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	-	-	-	-	-	13,188	13,188
Due From Other Banks and Financial Institutions	46,247	-	-	-	-	3,627	49,874
Financial Assets at Fair Value Through Profit and Loss	84	4,855	20,725	9,099	68,272	191	103,226
Money Market Placements	-	-	-	-	-	-	-
Financial Assets Available-For-Sale	-	-	-	-	2,174	75	2,249
Loans	192,761	27,590	21,454	13,842	15,768	-	271,415
Held-To-Maturity Investments	-	-	-	-	-	-	-
Other Assets (*)	15,385	5,123	741	375	14	9,869	31,507
Total Assets	254,477	37,568	42,920	23,316	86,228	26,950	471,459
Liabilities							
Bank Deposits	-	-	-	-	-	135	135
Other Deposits	214,212	44,422	3,757	1,780	65	18,643	282,879
Money Market Borrowings	25,036	-	-	-	-	-	25,036
Sundry Creditors	-	-	-	-	-	1,014	1,014
Securities Issued	-	-	-	-	-	-	-
Funds Provided From Other Financial Institutions	2,088	4,373	65,848	8,955	1,239	-	82,503
Other Liabilities (**)	-	-	-	-	-	79,892	79,892
Total Liabilities	241,336	48,795	69,605	10,735	1,304	99,684	471,459
Balance Sheet Long Position	13,141	-	-	12,581	84,924	-	110,646
Balance Sheet Short Position	-	(11,227)	(26,685)	-	-	(72,734)	(110,646)
Off-Balance Sheet Long Position	-	-	-	-	-	-	-
Off-Balance Sheet Short Position	-	-	-	-	-	-	-
Total Position	13,141	(11,227)	(26,685)	12,581	84,924	(72,734)	-

(*)Other assets include; 21,244 Thousand TRY reserve requirements, 6,505 Thousand TRY tangible assets, 593 Thousand TRY deferred tax asset, and 3,165 Thousand TRY other assets. .

(**)Other Liabilities include; 72,162 Thousand TRY shareholders' equity, 3,868 Thousand TRY provisions, 1,561 Thousand TRY current tax liability, 2,276 Thousand TRY other liabilities and 25 Thousand TRY derivative financial liabilities held for trading.

SECTION FOUR (cont'd)

INFORMATION ON FINANCIAL STRUCTURE (cont'd)

IV. Explanations Related to Interest Rate Risk (cont'd) :

Average interest rates applied to monetary financial instruments: %

	EURO	USD	Yen	TRY
Current Period				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	1.84	2.53	-	13.12
Due From Other Banks And Financial Institutions	-	5.52	-	-
Financial Assets At Fair Value Through Profit And Loss	-	-	-	19.59
Money Market Placements	-	-	-	-
Financial Assets Available-For-Sale	-	7.02	-	-
Loans	7.55	8.26	-	22.36
Held-To-Maturity Investments	-	-	-	-
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	4.01	5.45	-	21.33
Money Market Borrowings	-	-	-	19.97
Sundry Creditors	-	-	-	-
Securities Issued	-	-	-	-
Funds Provided From Other Financial Institutions	4.83	6.22	-	16.50

TURKLAND BANK A.Ş.**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2007**

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

SECTION FOUR (cont'd)**INFORMATION ON FINANCIAL STRUCTURE (cont'd)****IV. Explanations Related to Interest Rate Risk (cont'd) :****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
Prior Period							
Assets							
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey.	-	-	-	-	-	18,687	18,687
Due From Other Banks and Financial Institutions	51,498	-	-	-	-	6,868	58,366
Financial Assets at Fair Value Through Profit and Loss	9,236	3,362	4,692	27,955	52,424	348	98,017
Money Market Placements	-	-	-	-	-	-	-
Financial Assets Available-For-Sale	7	3	4	22	2,222	74	2,332
Loans	216,493	29,761	23,486	16,557	18,989	-	305,286
Held-To-Maturity Investments	-	-	-	-	-	-	-
Other Assets (*)	28,262	3,673	710	187	-	10,723	43,555
Total Assets	305,496	36,799	28,892	44,721	73,635	36,700	526,243
Liabilities							
Bank Deposits	-	-	-	-	-	1,873	1,873
Other Deposits	221,476	74,718	14,186	1,222	-	23,992	335,594
Money Market Borrowings	21,051	-	-	-	-	-	21,051
Sundry Creditors	-	-	-	-	-	2,757	2,757
Securities Issued	-	-	-	-	-	-	-
Funds Provided From Other Financial Institutions	3,210	4,048	5,058	74,079	1,277	-	87,672
Other Liabilities (**)	4	-	-	-	-	77,292	77,296
Total Liabilities	245,741	78,766	19,244	75,301	1,277	105,914	526,243
Balance Sheet Long Position	59,755	-	9,648	-	72,358	-	141,761
Balance Sheet Short Position	-	(41,967)	-	(30,580)	-	(69,214)	(141,761)
Off-Balance Sheet Long Position	10,781	594	304	-	-	-	11,679
Off-Balance Sheet Short Position	(10,743)	(562)	(281)	-	-	-	(11,586)
Total Position	59,793	(41,935)	9,671	(30,580)	72,358	(69,214)	93

(*) Other assets include; 21,513 Thousand TRY reserve requirements, 11,245 Thousand TRY assets held for sale, 6,710 Thousand TRY tangible assets, 1,051 Thousand TRY deferred tax asset, 197 Thousand TRY interest accruals, and 2,839 Thousand TRY other assets. Assets held for sale, amounting to 11,245 Thousand TRY is presented in up to 1 month since will be disposed within 1 month.

(**) Other Liabilities include; 70,256 Thousand TRY shareholders' equity, 4,013 Thousand TRY provisions, 1,519 Thousand TRY current tax liability, 1,504 Thousand TRY other liabilities and 4 Thousand TRY derivative financial liabilities held for trading.

SECTION FOUR (cont'd)

INFORMATION ON FINANCIAL STRUCTURE (cont'd)

IV. Explanations Related to Interest Rate Risk (cont'd):

Average interest rates applied to monetary financial instruments: %

	EURO	USD	Yen	TRY
Prior Period				
Assets				
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased) and Balances with the Central Bank of Turkey	1.73	2.52	-	13.12
Due From Other Banks And Financial Institutions	-	5.40	-	-
Financial Assets At Fair Value Through Profit And Loss	-	-	-	20.68
Money Market Placements	-	-	-	-
Financial Assets Available-For-Sale	-	6.81	-	-
Loans	7.40	7.85	-	22.68
Held-To-Maturity Investments	-	-	-	-
Liabilities				
Bank Deposits	-	-	-	-
Other Deposits	3.99	5.76	-	22.50
Money Market Borrowings	-	-	-	18.98
Sundry Creditors	-	-	-	-
Securities Issued	-	-	-	-
Funds Provided From Other Financial Institutions	2.55	6.25	-	16.25

SECTION FOUR (cont'd)

INFORMATION ON FINANCIAL STRUCTURE (cont'd)

V. Explanations Related to Liquidity Risk:

Weekly liquidity reports, including off-balance sheet and balance sheet assets and liabilities are prepared.

Assets and liabilities of the Bank are in line with interest rates, and this is followed up by the management.

The Bank's short term and long term liquidity funds are mainly interbank money market placements, trading financial assets and balances with local banks and banks abroad.

Presentation of assets and liabilities according to their remaining maturities:

	Demand	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Undistributed (*)	Total
Current Period								
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey.	13,188	-	-	-	-	-	-	13,188
Due From Other Banks and Financial Institutions	3,641	46,233	-	-	-	-	-	49,874
Financial Assets at Fair Value Through Profit and Loss (**)	-	103,035	-	-	-	191	-	103,226
Money Market Placements	-	-	-	-	-	-	-	-
Financial Assets Available-For-Sale(**)	-	2,174	-	-	-	75	-	2,249
Loans	-	50,458	72,744	79,639	51,546	17,028	-	271,415
Held-To-Maturity Investments	-	-	-	-	-	-	-	-
Other Assets	-	15,534	5,123	741	375	14	9,720	31,507
Total Assets	16,829	217,434	77,867	80,380	51,921	17,308	9,720	471,459
Liabilities								
Bank Deposits	135	-	-	-	-	-	-	135
Other Deposits	18,643	214,212	44,422	3,757	1,780	65	-	282,879
Funds Provided From Other Financial Institutions	-	2,088	4,373	65,848	8,955	1,239	-	82,503
Money Market Borrowings	-	25,036	-	-	-	-	-	25,036
Securities Issued	-	-	-	-	-	-	-	-
Sundry Creditors	-	1,014	-	-	-	-	-	1,014
Other Liabilities	-	3,862	-	-	-	-	76,030	79,892
Total Liabilities	18,778	246,212	48,795	69,605	10,735	1,304	76,030	471,459
Liquidity Gap	(1,949)	(28,778)	29,072	10,775	41,186	16,004	(66,310)	-
Prior Period								
Total Assets	25,555	254,449	77,874	98,505	39,247	20,054	10,559	526,243
Total Liabilities	25,865	251,520	78,766	19,244	75,301	1,277	74,270	526,243
Liquidity Gap	(310)	2,929	(892)	79,261	(36,054)	18,777	(63,711)	-

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

(**) Related financial assets hold entirely for trading purposes. Thus, these assets are shown at up to 1 month.

SECTION FIVE

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS

I. Explanations Related to the Assets:

1.1 Information on cash and balances with the Central Bank of Turkey:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Cash in TRY/Foreign Currency	594	2,214	538	3,175
Balances with the Central Bank of Turkey	9,866	514	14,503	471
Other	-	-	-	-
Total	10,460	2,728	15,041	3,646

1.2 Information related to the account of the Central Bank of Turkey:

	Cari Dönem		Önceki Dönem	
	TP	YP	TP	YP
Unrestricted demand deposit	9,866	514	14,503	471
Unrestricted time deposit	-	-	-	-
Restricted time deposit	-	-	-	-
Total	9,866	514	14,503	471

2. Information on financial assets at fair value through profit and loss:

2.1.1 Information on financial assets at fair value through profit and loss given as collateral or blocked:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Share certificates	-	-	-	-
Bond, Treasury bill and similar securities	40,548	-	34,494	-
Other	-	-	-	-
Total	40,548	-	34,494	-

40,548 Thousand TRY government bonds in financial assets at fair value through profit and loss are given as collateral. 14,459 Thousand TRY of the total amount is the collateral at Interbank Money Market of T.R. Central Bank, 11,841 Thousand TRY at İstanbul Stock Exchange, 12,163 Thousand TRY at Takasbank Stock Exchange Money Market and 2,085 Thousand TRY at T.R Central Bank's Foreign Exchange Market.

2.1.2 Financial assets at fair value through profit and loss subject to repurchase agreements:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Government bonds	24,849	-	17,378	-
Treasury bills	-	-	-	-
Other public sector debt securities	-	-	-	-
Bank bonds and bank guaranteed bonds	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	24,849	-	17,378	-

SECTION FIVE(cont'd)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (cont'd)

I. Explanations Related to the Assets (cont'd)

2.2. Explanations related to derivative financial assets held-for-trading:

2.2.1 Positive differences related to derivative financial assets held-for-trading:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Forward Transactions	20	3	10	-
Swap Transactions	-	-	-	41
Total	20	3	10	41

3.1 Information on banks and other financial institutions:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Banks	16	49,858	10,033	48,333
Domestic	16	733	10,033	5,265
Foreign	-	49,125	-	43,068
Branches and head office abroad	-	-	-	-
Other Financial Institutions	-	-	-	-
Total	16	49,858	10,033	48,333

SECTION FIVE(cont'd)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (cont'd)

I. Explanations Related to the Assets (cont'd)

4. Information on financial assets available-for-sale portfolio:

The Bank's participation with the rate of 0.0025% and foreign currency indexed government securities are accounted in the available for sale financial assets portfolio.

	Current Period	Prior Period
Debt securities	2,174	2,257
Quoted on a stock exchange	-	-
Not quoted	2,174	2,257
Share certificates	75	75
Quoted on a stock exchange	-	-
Not quoted	75	75
Impairment provision(-)	-	-
Total	2,249	2,332

5. Information on loans:

5.1 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	-	-	273	7,704
Corporate shareholders	-	-	140	7,519
Real person shareholders	-	-	133	185
Indirect loans granted to shareholders	4,880	10,042	-	-
Loans granted to employees	43	-	61	-
Total	4,923	10,042	334	7,704

TURKLAND BANK A.Ş.**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2007**

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

SECTION FIVE(cont'd)**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(cont'd)****I. Explanations Related to the Assets (cont'd)****5.2 Information on the first and second group loans and other receivables including restructured or rescheduled loans:**

Cash Loans	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Non-specialized loans	269,109	247	1,614	445
Discount notes	52	-	-	-
Export loans	44,303	-	840	-
Import loans	-	-	-	-
Loans given to financial sector	-	-	-	-
Foreign loans	1,507	-	-	-
Consumer loans	3,895	-	256	-
Credit cards	625	-	-	-
Precious metals loans	-	-	-	-
Other	218,727	247	518	445
Specialized loans	-	-	-	-
Other receivables	-	-	-	-
Total	269,109	247	1,614	445

SECTION FIVE(cont'd)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (cont'd)

I. Explanations Related to the Assets (cont'd)

5. Information on loans (cont'd):

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

	Short Term	Medium and Long Term	Total
Consumer Loans-TRY	616	2,395	3,011
Housing Loans	-	130	130
Car Loans	-	42	42
General Purpose Loans	616	2,177	2,793
Other	-	46	46
Consumer Loans –Indexed to FC	-	1,128	1,128
Housing Loans	-	618	618
Car Loans	-	87	87
General Purpose Loans	-	307	307
Other	-	116	116
Consumer Loans-FC	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Individual Credit Cards-TRY	309	-	309
With Installments	-	-	-
Without Installments	309	-	309
Individual Credit Cards-FC	40	-	40
With Installments	-	-	-
Without Installments	40	-	40
Personnel Loans-TRY	2	-	2
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	2	-	2
Other	-	-	-
Personnel Loans- Indexed to FC	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Loans-FC	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Personnel Credit Cards-TRY	41	-	41
With Installments	-	-	-
Without Installments	41	-	41
Personnel Credit Cards-FC	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Overdraft Accounts-TRY(Real Person)	10	-	10
Overdraft Accounts-FC(Real Person)	-	-	-
Total	1,018	3,523	4,541

TURKLAND BANK A.Ş.**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2007**

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

SECTION FIVE(cont'd)**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (cont'd)****I. Explanations Related to the Assets (cont'd):****5. Information on loans (cont'd):****5.4 Information on commercial loans with installments and corporate credit cards:**

	Short Term	Medium and Long Term	Total
Commercial loans with installment facility-TRY	2,379	9,946	12,325
Business Loans	88	4,957	5,045
Car Loans	214	3,277	3,491
General Purpose Loans	-	-	-
Other	2,077	1,712	3,789
Commercial loans with installment facility – Indexed to FC	4,008	24,587	28,595
Business Loans	-	2,665	2,665
Car Loans	673	18,900	19,573
General Purpose Loans	-	-	-
Other	3,335	3,022	6,357
Commercial loans with installment facility –FC	-	-	-
Business Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Corporate Credit Cards-TRY	109		109
With Installments	-	-	-
Without Installments	109		109
Corporate Credit Cards-FC	126		126
With Installments	-	-	-
Without Installments	126	-	126
Overdraft Accounts-TRY(Legal Entity)	-	-	-
Overdraft Accounts-FC(Legal Entity)	-	-	-
Total	6,622	34,533	41,155

SECTION FIVE(cont'd)**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (cont'd)****I. Explanations Related to the Assets (cont'd):****5. Information on loans (cont'd):****5.5 Domestic and foreign loans:**

	Current Period	Prior Period
Domestic loans	269,908	303,984
Foreign loans	1,507	1,302
Total	271,415	305,286

5.6 Loans granted to subsidiaries and associates:

	Current Period	Prior Period
Direct loans granted to subsidiaries and associates	-	3,634
Indirect loans granted to subsidiaries and associates	-	-
Total	-	3,634

5.7 Specific provisions provided against loans:

	Current Period	Prior Period
Loans and receivables with limited collectibility	54	2
Loans and receivables with doubtful collectibility	564	563
Uncollectible loans and receivables	4,755	4,963
Total	5,373	5,528

SECTION FIVE(cont'd)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (cont'd)

I. Explanations Related to the Assets (cont'd):

5. Information on loans (cont'd):

5.8 Information on non-performing loans:

5.8.1 Information on loans and other receivables included in non-performing loans which are restructured or rescheduled:

The Bank has no loans and other receivables included in non-performing loans which are restructured or rescheduled.

5.8.2 Information on non-performing loans:

	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	652	5,583
Additions (+)	437	12	23
Transfers from other categories of non-performing loans (+)	-	11	88
Transfers to other categories of non-performing loans (-)	(11)	(88)	-
Collections (-)	(4)	(13)	(369)
Write-offs (-)	-	-	-
Current period end balance	433	574	5,325
Specific provision (-)	54	564	4,755
Net Balances on Balance Sheet	379	10	570

5.8.3 Information on foreign currency non-performing loans and other receivables:

As of balance sheet date the Bank has no foreign currency non-performing loans and other receivables.

6. Information on held-to-maturity investments:

6.1 Explanations on held-to-maturity investments subject to repurchase agreements:

The Bank has no held-to-maturity investments subject to repurchase agreements.

6.2 Information on public sector debt investments held-to-maturity:

The Bank has no public sector debt investments held-to-maturity

6.3 Information on held-to-maturity investments:

On 27 December 2005, the Bank sold the government bonds, classified as held to maturity investments. Because of this fact, the Bank is not able to classify any investments as held to maturity for two years subsequent to 2005 due to "tainting" rules. As of the date of sale, all remaining securities, previously classified as held to maturity investments, have been reclassified as financial assets available for sale.

SECTION FIVE(cont'd)

**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(cont'd)**

I. Explanations Related to the Assets (cont'd):

6. Information on held-to-maturity investments (cont'd):

6.4 Movement of held-to-maturity investments:

The Bank has no held-to-maturity investments subject to repurchase agreements.

7. Information on associates (Net):

The Bank has no associates in the current period (31 December 2006: None).

8. Information on subsidiaries:

The Bank has no subsidiaries in the current period. (31 December 2006: The Bank has reclassified its subsidiaries to assets held for sale in the accompanying financial statements

8.1 Information on subsidiaries:

The Bank has no subsidiaries in the current period.

SECTION FIVE(cont'd)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (cont'd)

I. Explanations Related to the Assets (cont'd):

8. Information on subsidiaries (cont'd):

8.2 Information on subsidiaries:

	Current Period	Prior Period
Balance at the beginning of the period	-	11,372
Movements during the period	-	-
Purchases	-	61
Bonus shares obtained	-	1,771
Share in the current year income	-	-
Sales	-	-
Revaluation increase	-	-
Provision for impairment	-	-
Monetary Gain / (Loss)	-	-
Cancelled valuation differences	-	3,189
Impairment for the assets held for sale	-	(5,148)
Reclassification to the assets held for sale	-	(11,245)
Balance at the end of the period	-	-
Capital commitments	-	-
Share percentage at the end of the period (%)	-	-

9. Information on entities under common control:

The Bank has no entities under common control.

10. Information on lease receivables (net):

The Bank has no lease receivables.

11. Information on derivative financial assets for hedging purposes:

The Bank has no financial assets for hedging purposes.

SECTION FIVE(cont'd)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (cont'd)

I. Explanations Related to the Assets (cont'd):

12 Explanations on deferred tax asset:

12.1 Temporary differences, tax losses, exemptions and deductions reflected to balance sheet as deferred tax asset

The Bank has computed deferred tax asset on the temporary differences and accounted for in the financial statements.

Deferred Tax:	Current Period		Prior Period		Deferred Tax Benefit/Charge
	Deferred Tax Base	Deferred Tax Asset/Liability (%20)	Deferred Tax Base	Deferred Tax Asset/Liability (%20)	
Employee Benefit Provision	1,033	207	1,030	206	1
Useful Life Differences (Depreciation)	61	12	(12)	(2)	14
IRR Differences	(23)	(5)	50	10	(15)
Carryforward Tax Losses	1,895	379	4,186	837	(458)
Total	2,966	593	5,254	1,051	(458)

12.2 Temporary differences over which deferred tax asset are not computed and recorded in the balance sheet in prior periods

In the current priod, deffered tax asset calculated on tax losses is 1,895 Thousand TRY. (31 December 2006: deffered tax asset calculated on tax losses is 4,186 Thousand TRY).

12.3 Allowance for deferred tax and deferred tax assets from reversal of allowance:

As of the balance sheet date, the Bank has no allowance for deferred tax and deferred tax assets from reversal of allowance.

13. Information on other assets:

13.1 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:

There are no other assets which exceed 10% of the balance sheet total (excluding off balance sheet commitments) (31 December 2006: None).

SECTION FIVE(cont'd)

**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(cont'd)**

I. Explanations Related to the Assets (cont'd):

14. Information on assets held for sale

As per 10 August 2006 dated Board resolution of the Bank, 52.3% share of MNG Factoring Hizmetleri A.Ş., 76% share of MNG Finansal Kiralama A.Ş., 46.5% share of MNG Menkul Kıymetler A.Ş. were decided to be sold to Mehmet Nazif Günal, subsequent to approvals to be obtained from related authorities in regulations.

MNG Bank A.Ş. and Mehmet Nazif Günal signed off a "Share Purchase Agreement" on 31 August 2006 about the sale of subsidiaries .

The sale of MNG Menkul Kıymetler A.Ş. was approved with 1 November 2006 dated and B.02.1.SPK.0.16-1744 numbered decision of Capital Market Board of Turkey.

The sales of MNG Finansal Kiralama A.Ş. and MNG Factoring Hizmetleri A.Ş. are authorized by BRSA with 2nd article of 29 December 2006 dated and BRSA.UYI 47.1.02-15229 numbered letter. Sales transactions were realized on 29 January 2007.

Such subsidiaries were accounted for in the financial statements at the equity method. At the end of the 2006, all the valuation differences were reversed by bringing down their book values of the subsidiaries to their sales values.

In the prior period, 5,148 Thousand TRY provision has been booked for subsidiaries of which cost value was 16,393 Thousand TRY. After the provision booked, the subsidiaries are classified as assets held for sale with net asset value of 11,245 Thousand TRY as per TFRS 5.

In the current period, the Bank has no assets held for sale.

TURKLAND BANK A.Ş.**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2007**

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

SECTION FIVE(cont'd)**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (cont'd)****II. Explanations Related to the Liabilities:****1. Information on deposits:****1.1 Information on maturity structure of deposits (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	Accumulated Deposits	Total
Saving deposits	1,158	-	13,239	116,554	12,486	440	1	-	143,878
Foreign currency deposits	12,539	-	18,639	49,484	25,882	3,666	3,222	-	113,432
Residents in Turkey	11,831	-	18,639	49,262	23,752	1,833	2,790	-	108,107
Residents abroad	708	-	-	222	2,130	1,833	432	-	5,325
Public sector deposits	-	-	-	-	-	-	-	-	-
Commercial deposits	4,599	-	8,054	12,213	4	7	-	-	24,877
Other institutions deposits	347	-	9	329	7	-	-	-	692
Precious metals deposits	-	-	-	-	-	-	-	-	-
Interbank deposits	135	-	-	-	-	-	-	-	135
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic banks	6	-	-	-	-	-	-	-	6
Foreign banks	129	-	-	-	-	-	-	-	129
Special finance houses	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	18,778	-	39,941	178,580	38,379	4,113	3,223	-	283,014

Information on maturity structure of deposits (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	Accumulated Deposits	Total
Saving deposits	1,427	-	13,933	115,802	22,164	6,811	1	-	160,138
Foreign currency deposits	13,334	-	13,884	70,560	20,785	2,200	17,549	-	138,312
Residents in Turkey	12,407	-	13,884	70,461	17,891	1,762	17,119	-	133,524
Residents abroad	927	-	-	99	2,894	438	430	-	4,788
Public sector deposits	-	-	-	-	-	-	-	-	-
Commercial deposits	8,780	-	7,316	20,244	20	7	-	-	36,367
Other institutions deposits	451	-	8	311	7	-	-	-	777
Precious metals deposits	-	-	-	-	-	-	-	-	-
Interbank deposits	1873	-	-	-	-	-	-	-	1,873
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic banks	6	-	-	-	-	-	-	-	6
Foreign banks	1,867	-	-	-	-	-	-	-	1,867
Special finance houses	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	25,865	-	35,141	206,917	42,976	9,018	17,550	-	337,467

SECTION FIVE(cont'd)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (cont'd)

II. Explanations Related to the Liabilities (cont'd):

1. Information on deposits (cont'd):

1.2 Information on saving deposits under the guarantee of saving deposit insurance :

1.2.1 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	31,085	27,987	110,794	129,907
Foreign currency saving deposits	15,134	13,678	48,049	64,818
Other deposits in the form of saving deposits	160	131	2,289	2,606
Foreign branches' deposits under foreign authorities' insurance	-	-	-	-
Off-shore banking regions' deposits under foreign authorities' insurance	-	-	-	-

1.2.3 Saving deposits which are not under the guarantee of deposit insurance fund:

The Bank has no saving deposits which are not under the guarantee of deposit insurance fund.

2. Information on derivative financial liabilities held-for-trading:

2.1 Negative differences table related to derivative financial liabilities held-for-trading:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Forward Transactions	6	-	-	4
Swap Transactions	-	19	-	-
Total	6	19	-	4

SECTION FIVE(cont'd)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (cont'd)

II. Explanations Related to the Liabilities (cont'd):

3. Information on funds borrowed:

3.1 Information on banks and other financial institutions:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Loans from Central Bank of Turkey	-	-	-	-
From Domestic Banks and Institutions	3,623	5,098	4,197	4,664
From Foreign Banks, Institutions and Funds	-	73,782	-	78,811
Total	3,623	78,880	4,197	83,475

3.2 Maturity analysis of funds borrowed:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Short-term	3,623	77,620	4,197	80,136
Medium and long-term	-	1,260	-	3,339
Total	3,623	78,880	4,197	83,475

4. Other liabilities which exceed 10% of the balance sheet total (excluding off balance sheet commitments) and breakdown of these which constitute at least 20% of grand total:

There are no other liabilities which exceed 10% of the balance sheet total (31 March 2007- None).

5. Explanations on lease payables (Net):

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	1	-	1	-
Between 1-4 Years	-	-	-	-
More than 4 Years	-	-	-	-
Total	1	-	1	-

SECTION FIVE(cont'd)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (cont'd)

II. Explanations Related to the Liabilities (cont'd):

6. Information on derivative financial liabilities for hedging purposes:

The Bank has no derivative financial liabilities for hedging purposes .

7. Information on provisions:

7.1 Information on general loan loss provisions:

	Current Period	Prior Period
General Loan Loss Provisions	1,937	2,103
Provisions for First Group Loans and Receivables	1,538	1,678
Provisions for Second Group Loans and Receivables	15	6
Provisions for non-Cash Loans	384	419
Other	-	-

7.2 Foreign exchange losses on the foreign currency indexed loans and finance lease receivables:

The foreign exchange losses on the foreign currency indexed loans amounting to 1,982 Thousand TRY, which is netted of from loans on the balance sheet.

7.3 The specific provisions provided for unindemnified non cash loans amount:

The specific provisions provided for unindemnified non cash loans are 648 Thousand TRY.

7.4 Reserve for employee benefits

Bank has calculated reserve for employee termination benefits and unused vacation provision based on TAS No:19 and reflected this in the financial statements.

	Current Period	Prior Period
Opening balance	1,030	669
Utilized / Paid	-	-
Charge for the year	3	361
Ending Balance	1,033	1,030

7.5 Information on other provisions:

7.5.1 Information on provisions for possible losses:

	Current Period	Prior Period
Provisions for possible losses	-	-

8. Explanations on taxes liability:

8.1 Information on current tax liability:

Effective tax rate in 2007 is %20 (2006: %20).

There is no tax provision due to financial loss in the current year and prior year.

SECTION FIVE(cont'd)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (cont'd)

II. Explanations Related to the Liabilities (cont'd):

8. Explanations on taxes liability (cont'd):

8.1.2 Information on taxes payable:

	Current Period	Prior Period
Corporate taxes payable	-	-
Taxation of securities	532	585
Property tax	17	15
Banking Insurance Transaction Tax (BITT)	370	435
Foreign Exchange Transaction Tax	21	25
Value Added Tax Payable	29	19
Other	365	221
Total	1,334	1,300

8.1.3 Information on premiums payable:

	Current Period	Prior Period
Social Security Premiums-Employee	85	82
Social Security Premiums-Employer	124	120
Bank Social Aid Pension Fund Premium-Employee	-	-
Bank Social Aid Pension Fund Premium-Employer	-	-
Pension Fund Membership Fees and Provisions-Employee	-	-
Pension Fund Membership Fees and Provisions-Employer	-	-
Unemployment insurance-Employee	6	6
Unemployment insurance-Employer	12	11
Other	-	-
Total	227	219

9. Shareholders' Equity:

9.1 Paid-in capital:

	Current Period	Prior Period
Common stock(*)	35,000	35,000
Preferred stock	-	-

(*):Nominal Capital

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

The Bank is not subject to the registered share capital system.

SECTION FIVE(cont'd)

**EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(cont'd)**

II. Explanations Related to the Liabilities (cont'd):

11. Shareholders' Equity (cont'd):

9.3 Information on share capital increases and their sources; other information on increased capital shares in current period:

During the current period, there was no increase in capital.

9.4 Information on share capital increases from capital reserves:

The Bank has no share capital increases from capital reserves in the current period.

9.5 Capital commitments in the last fiscal year and at the end of the following interim period, the general purpose of these commitments and projected resources required to meet these commitments:

The Bank has no capital commitments in the last fiscal year and at the end of the following interim period.

9.6 Indicators of the Bank's income, profitability and liquidity for the previous periods and possible effects of these future assumptions on the Bank's equity due to the uncertainty of these indicators:

In order not to be influenced by the fluctuations and uncertainties in the financial markets, the Bank has maintained its placement structure which gives importance to liquidity and profitability. This policy is based on minimizing cost while increasing efficiency. With this way, an increase in shareholders' equity can be expected for the future periods.

9.7 Information on preferred shares:

The Bank has no preferred shares.

9.8 Information on marketable securities value increase fund:

The Bank has no marketable securities value increase fund.

SECTION FIVE(cont'd)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (cont'd)

III. Explanations Related to the Off-Balance Sheet Contingencies and Commitments:

1. Information on off-balance sheet liabilities:

1.1 Nature and amount of irrevocable loan commitments:

	Current Period	Prior Period
Forward Asset Purchase Commitments	-	-
Forward Deposit Purchase and Sales Commitments	-	-
Loan Granting Commitments	3,239	4,447
Commitments for Credit Card Expenditure limits	1,626	1,564
Payment Commitments for Cheques	15,054	14,170
Other Irrevocable Commitments	-	-
Total	19,919	20,181

1.2. Possible losses and commitments related to off-balance sheet items:

1.2.1 Non-cash loans including guarantees, acceptances, financial guarantee and other letters of credits:

As of the balance sheet date, the Bank has total letters of credit amounting to 48,696 Thousand TRY and acceptances amounting to 11,875 Thousand TRY.

1.2.2 Guarantees, suretyships, and similar transactions:

As of the balance sheet date, the Bank has letters of guarantee amounting to 237,119 Thousand TRY performance bond, provisional letters of guarantee amounting to 10,718 Thousand TRY, other letters amounting to 24,263 Thousand TRY. Other guarantees and suretyships are amounting to 37,760 Thousand TRY.

1.3.1 Total amount of non-cash loans:

	Current Period	Prior Period
Non-cash loans given against achieving cash loans	43,136	43,830
With maturity of 1 year or less than 1 year	5,376	7,020
With maturity of more than 1 year	37,760	36,810
Other non-cash loans	327,295	359,843
Total	370,431	403,673

SECTION FIVE(cont'd)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (cont'd)

III. Explanations Related to the Off-Balance Sheet Contingencies and Commitments(cont'd)

1.3.3 Information on Ist and IInd Group non-cash loans:

	I st Group		II nd Group	
	TRY	FC	TRY	FC
Non-cash loans	176,273	194,158	-	-
Letters of guarantee	176,273	95,827	-	-
Bank acceptances	-	11,875	-	-
Letters of credit	-	48,696	-	-
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Factoring guarantees	-	-	-	-
Other	-	37,760	-	-

2. Explanations on contingent liabilities and assets:

The Bank has no contingent liabilities and assets.

3. Custodian and intermediary services:

As of the balance sheet date, the Bank has no custodian and intermediary services.

SECTION FIVE(cont'd)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (cont'd)

IV. Explanations Related to the Statement of Income:

1. Information on interest income:

1.1 Information on interest on loans:

	Group I		Group II	
	TRY	FC	TRY	FC
Interest on loans				
Short term loans	8,950	1,131	-	-
Medium and long term loans	1,242	7	-	-
Interest on non-performing loans	16		-	-
Premiums received from Resource Utilization Support Fund			-	-
Total	10,208	1,138	-	-

1.2 Information on interest received from banks:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
The Central Bank of Turkey		3	-	1
Domestic banks	159		11	40
Foreign banks	80	538	4	112
Branches and head office abroad			-	-
Total	239	541	15	153

1.3 Information on interest income received from associates and subsidiaries:

	Current Period	Prior Period
Interest received from associates and subsidiaries	-	297

2. Information on interest expense:

2.1 Information on interest expense on funds borrowed:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Banks	144	1,280	123	453
The Central Bank of Turkey			-	-
Domestic banks	144	59	123	60
Foreign banks		1,221		393
Branches and head office abroad			-	-
Other financial institutions			-	-
Total	144	1,280	123	453

2.2 Information on interest expense to associates and subsidiaries:

	Current Period	Prior Period
Interest expense to associates and subsidiaries	-	2

SECTION FIVE(cont'd)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (cont'd)

IV. Explanations Related to the Statement of Income (cont'd)

3. Information on net trading income (Net):

	Current Period	Prior Period
Income	26,117	38,173
Profit on capital market operations	656	262
Profit on derivative financial instruments	647	134
Other	9	128
Foreign exchange gains	25,461	37,911
Losses (-)	25,479	38,353
Losses on capital market operations	619	94
Losses on derivative financial instruments	596	61
Other	23	33
Foreign exchange losses	24,860	38,259

4. Information on other operating income:

In the accompanying statement of income, other operating income is 685 Thousand TRY. 36 Thousand TRY of other operating income is communication income, 581 Thousand TRY is relating to reversal of prior period losses, and 68 Thousand TRY is other income.

5. Provision for loan losses and other receivables of Banks:

	Current Period	Prior Period
Specific provisions for loans and other receivables	168	66
III. Group Loans and Receivables	54	2
IV. Group Loans and Receivables	8	4
V. Group Loans and Receivables	106	60
General loan loss provision expenses(*)	-	-
Provision expenses for possible losses	-	-
Marketable securities impairment losses	22	44
Financial assets at fair value through profit and loss	22	44
Investment securities available for sale	-	-
Impairment provision expenses	-	152
Associates	-	-
Subsidiaries	-	152
Entities under common control	-	-
Investments held to maturity	-	-
Other	22	2
Total	212	264

SECTION FIVE(cont'd)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(cont'd)

IV. Explanations Related to the Statement of Income (cont'd)

6. Information on other operating expenses:

	Current Period	Prior Period
Personnel expenses	3,686	2,912
Reserve for employee termination benefits(*)	3	110
Bank social aid fund deficit provision	-	-
Impairment expenses of fixed assets	-	-
Depreciation expenses of fixed assets	242	230
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	59	65
Impairment for investments accounted for under equity method	-	-
Impairment expenses of assets held for resale	-	-
Depreciation expenses of assets held for resale	3	-
Impairment expenses of assets held for sale	-	-
Other operating expenses	1,748	1,887
Rent expenses	275	281
Maintenance expenses	81	46
Advertisement expenses	553	492
Other expenses	839	1,068
Loss on sale of assets	-	3
Other	605	707
Total	6,346	5,914

(*)Included unused vacation accrual.

7. Information on provision for taxes on income:

7.1 As of the balance sheet date, the Bank is in loss, therefore, there is no current tax expense.

7.2 In current period, deferred tax benefit on temporary differences is 15 Thousand TRY and deferred tax charge is 15 Thousand TRY, except the deferred tax on carry forward statutory tax losses (2006: Deferred tax charge is 390 Thousand TRY).

7.3 Cancellation of deferred tax benefit on the carry forward statutory tax losses is 458 Thousand TRY (2006: No deferred tax benefit on the carry forward statutory tax losses).

SECTION FIVE(cont'd)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (cont'd)

IV. Explanations Related to the Statement of Income (cont'd)

7. Information on provision for taxes on income (cont'd):

7.4 Tax provision reconciliation:

	Current Period	Prior Period
Profit before tax	2,364	1,976
Effect of TAS adjustments	-	107
Effect of disallowables	198	418
Effect of income not taxable	(274)	(1,165)
Prior period loss	(4,186)	-
Corporate Tax Base	(1,898)	1,336
	-	-
Corporate tax rate	%20	30%
Tax calculated	-	401
Deferred tax (charge) / benefit	(458)	(390)
Total	(458)	11

8. The explanations on net profit/(loss) for the period:

8.1 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 the complete understanding of the Bank's performance for the period:

The Bank places its resources which are predominantly domestic deposits, in lending, securities and interbank transactions. Besides these, other sources of income are commissions taken from non-cash loans and other banking transactions and insurance agent activities.

Due to banking transactions, the Bank generated 18,001 Thousand TRY interest income and incurred 12,026 Thousand TRY interest expenses, 1,624 Thousand TRY net fee and commission income, 6,558 Thousand TRY other operating expenses, and 1,323 Thousand TRY other operating income.

8.2 Effect of changes in accounting estimates on income statement for the current and, if any, for subsequent periods:

There is no effect of changes in accounting estimates on the statement of income.

8.3 Profit or loss attributable to minority shares:

In the accompanying financial statements, there is no profit or loss attributable to minority shares.

SECTION FIVE(cont'd)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS
(cont'd)

IV. Explanations Related to the Statement of Income (cont'd)

9. If the other items in the income statement exceed 10% of the income statement total, accounts amounting to at least 20% of these items are shown below:

	Current Period	Prior Period
Other Interest Expenses		
Interest on Repo Transactions	237	1,009
Other	-	2
Total	237	1,011

	Current Period	Prior Period
Other fees and commissions received		
Import letters of credit	188	276
Transfer commission income	106	100
Credit card commission income	29	40
Other	226	288
Total	549	704

	Current Period	Prior Period
Other Commissions and Fees		
Commissions given to correspondent banks	55	61
Commissions given to bonds and stock market	3	26
Commissions for the purchase of marketable securities	-	-
Transfer commission expenses	7	
Other	30	17
Total	95	104

SECTION FIVE(cont'd)

EXPLANATIONS AND DISCLOSURES ON UNCONSOLIDATED FINANCIAL STATEMENTS (cont'd)

V. Explanations on the Risk Group of the Bank:

1. Volume of related party transactions, income and expense amounts involved and outstanding loan and deposit balances:

1.1 Current Period:

Risk Group of Bank	Subsidiaries and associates		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and other receivables						
Balance at beginning of period	3,634	1,216	273	7,704	-	-
Balance at end of period	-	-	4,880	10,042	-	-
Interest and commission income	-	-	-	-	-	-

1.2 Prior Period:

Risk Group of Bank	Subsidiaries and associates		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Cash	Non-Cash	Cash	Non-Cash	Cash	Non-Cash
Loans and other receivables						
Balance at beginning of period	15,575	1,119	76	8,672	-	-
Balance at end of period	3,634	1,216	273	7,704	-	-
Interest and commission income	925	50	-	167	-	-

1.3 Information on related party deposits balances:

Risk Group of Bank	Subsidiaries and associates		Direct and indirect shareholders of the Bank		Other entities included in the risk group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at beginning of period	41	107	8,412	11,142	-	-
Balance at end of period	-	41	8,076	8,412	-	-
Interest on deposits	-	15	-	744	-	-

1.4 Information on forward and option agreements and other similar agreements made with related parties:

The Bank does not have forward and option agreements and other similar agreements made with related parties.

1.5 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

	Risk Group	Total	Share
Cash Loans	4,880	272,374	2 %
Non-Cash Loans	10,042	370,431	3 %
Deposits	8,076	283,014	3 %

SECTION SIX

INDEPENDENT ACCOUNTANTS' LIMITED REVIEW REPORT

I. Explanations on the Independent Accountants' Limited Review Report:

The unconsolidated interim financial statements of the Bank were reviewed by DRT Bağımsız Denetim ve Serbest Muhasebeci Mali Müşavirlik A.Ş. (Member of Deloitte Touche Tohmatsu).

The independent accountants' limited review report is presented preceding the financial statements.

II. Other Footnotes and Explanations Prepared by Independent Accountants:

None.