

**TURKLANDBANK
ANONİM ŞİRKETİ**

**INDEPENDENT AUDITOR'S
LIMITED REVIEW REPORT,
UNCONSOLIDATED FINANCIAL
STATEMENTS AND NOTES
FOR THE PERIOD ENDED
MARCH 31, 2008**

*Translated into English from the
Original Turkish Report*

To the Board of Directors of
Turklandbank A.Ş.
İstanbul

TURKLANDBANK ANONİM ŞİRKETİ

INDEPENDENT AUDITORS' LIMITED REVIEW REPORT FOR THE PERIOD FROM JANUARY 1, 2008 – MARCH 31, 2008

We have reviewed the accompanying balance sheet of Turkland Bank A.Ş. ("The Bank") as at March 31, 2008 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 auditors 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 principally limited to reviewing financial statements by applying analytical procedures, inquiring as to the integrity of the financial statements and making inquiries of management to obtain information, it is substantially less in scope than an audit and therefore provides a lesser assurance. We have not performed 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 the Bank for the period ended March 31, 2008 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 other regulations, communiques and circulars in respect of accounting and financial reporting and pronouncements 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**

Özlem Gören Güçdemir
Partner

İstanbul, April 30, 2008

**THE UNCONSOLIDATED FINANCIAL REPORT OF TURKLANDBANK A.Ş.
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2008**

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The unconsolidated financial report for 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 listed below:

- GENERAL INFORMATION ABOUT THE BANK
- UNCONSOLIDATED INTERIM 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.

April 30, 2008

Nehme SABBAGH	A. Dinçer ALPMAN	Mehmet ÖZGÜNER	Gülçin SU
Chairman of the Board of Directors	General Manager	Executive Vice President	Manager Financial Affairs
Mehmet Behçet PERİM	Mohamed Ali BEYHUM	Ghassan Hanna Suleiman TARAZI	
Member of Audit Committee	Member of Audit Committee	Member of Audit Committee	

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

Name-Surname / Title: Sevgi Üstün / Assistant Manager

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TURKLANDBANK ANONİM ŞİRKETİ NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2008

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

SECTION ONE

GENERAL INFORMATION

I. Bank's Incorporation Date, Beginning Statue, Changes in the Existing Statue

Turklandbank Anonim Şirketi ("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 Doğuş Group in 1992. After the change in the name of the bank as "Garanti Yatırım ve Ticaret Bankası Anonim Şirketi" in 1994, Mehmet Nazif Günel (the main shareholder of MNG Group Companies) has acquired the Bank in 1997 and the name of the Bank has been changed as "MNG Bank Anonim Şirketi".

An agreement has been made with Arab Bank and BankMed for the sale of 91% of MNG Bank's shares in mid of 2006 and this agreement was approved by Banking Regulation and Supervision Agency (BRSA) on December 29, 2006. In this regard, while Arab Bank and BankMed purchasing 50% and 41% of MNG bank shares respectively, Mehmet Nazif Günel retained 9% of the shares. Transfer of the Bank was made on January 29, 2007. The title of the Bank was changed as "Turkland Bank Anonim Şirketi" with the amendment to the Articles of Association by the decision of the Extraordinary General Assembly at the meeting on March 22, 2007.

On April 3, 2007, "MNG BANK Anonim Şirketi" title of the bank 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 March 31, 2008 ,the shareholders' structure and their ownerships are summarized as follows:

Name of shareholders	Share Amount	Share Ratios %	Paid up Shares	Unpaid Shares
ARAB BANK PLC	84,999.99	%50	68,333.33	16,666.66
BANKMED, SAL	69,699.99	%41	56,033.33	13,666.66
MEHMET NAZİF GÜNAL	15,300.00	%9	12,300.00	3,000.00
OTHERS	<1	%0	<1	0.00
Total	170,000.00	%100	136,666.66	33,333.33

Based on the decision at the meeting of the Extraordinary General Assembly on February, 12 2008, the Bank decided to increase the paid-in capital of the Bank from TRY 70,000 Thousand to TRY 170,000 Thousand by TRY 100,000 Thousand. The Bank's capital increase amounting to TRY 100,000 Thousand was registered with İstanbul Trade Registry Office on February 22, 2008. The capital increase procedures were completed.

It is decided that 2 /3 (two thirds) of the Bank's capital increase will be paid in three months at the latest from the registry and 1/3 the remaining part will be paid in nine months at the latest from the registry.

First call payment of TRY 66,667 Thousand was realised on February 28, 2008 and was approved by BRSA's March 25, 2008 dated and 4334 numbered correspondence.

As of March 31, 2008 the nominal value of the Bank's paid-in-capital amounting to TRY 136,667 Thousand consists of 1,367 million shares.

**TURKLANDBANK ANONİM ŞİRKETİ NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2008**

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

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	NEHME SABBAGH	Postgraduate Degree	35
Members of the Board of Directors	HANI IBRAHİM SULAIMAN FADAYEL	University Degree	32
	MOHAMED ALI BEYHUM GHASSAN HANNA	Postgraduate Degree	20
	SULEİMAN TARAZİ	Postgraduate Degree	20
	HENRI MARIE RENE JACQUAND	Postgraduate Degree	38
	MUSTAFA SELÇUK TAMER	University Degree	22
	AMİN RASHEED SA'İD HUSSEINI	Postgraduate Degree	13
	RİYAD KEMAL	Postgraduate Degree	34
	MEHMET BEHÇET PERİM	Postgraduate Degree	16
	A.DİNÇER ALPMAN	University Degree	19
Assistant General Managers	MEHMET ÖZGÜNER	University Degree	12
	MÜNEVVER ERÖZ	Postgraduate Degree	20
	DORUK PARMAN	PHD Degree	15
	İLHAN ZEKİ KÖROĞLU	University Degree	20
	YURDAKUL ÖZDOĞAN	University Degree	21
Statutory Auditors	A. MURAT AYTOĞU	University Degree	12
	OSMAN BAYDOĞAN	University Degree	30

(*) The above stated persons do not have Bank shares.

IV. Information about the persons and institutions that have qualified shares:

Information about the persons and institutions that have qualified shares as of March 31, 2008:

Name/ Commercial Name	Share Amount	Share Ratios %	Paid up Shares	Unpaid Shares
ARAB BANK PLC	84,999.99	%50	68,333.33	16,666.66
BANKMED. SAL	69,699.99	%41	56,033.33	13,666.66
Total	154,699.99	%91	124,366.66	30,333.33

**TURKLANDBANK ANONİM ŞİRKETİ NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2008**

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

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

Bank has 21 branches and 462 personnel. Bank has no subsidiaries in the financial sector.

The Bank was 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 Articles of Association, the Bank is mainly dealing in the transactions below:

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

SECTION TWO

UNCONSOLIDATED FINANCIAL STATEMENTS

- I. Balance Sheet
- II. Statement of Off Balance Sheet Contingencies and Commitments
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- IV. Statement of Profit and Loss Accounted for Under Equity
- V. Statement of Changes in Shareholders' Equity
- VI. Statement of Cash Flows

TURKLANDBANK ANONİM ŞİRKETİ
BALANCE SHEETS AS OF MARCH 31, 2008 AND DECEMBER 31, 2007
(Amounts expressed in thousands of New Turkish Lira (TRY) unless otherwise stated.)

I. BALANCE SHEET – ASSETS

		Reviewed Current Period 31.03.2008			Audited Prior Period 31.12.2007		
	Note Ref.	TRY	FC	Total	TRY	FC	Total
I. CASH AND BALANCES WITH THE CENTRAL BANK	(1)	20,861	3,749	24,610	11,771	4,757	16,528
II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)	(2)	60,015	9	60,024	123,324	3,813	127,137
2.1 Trading financial assets		60,015	-	60,015	123,324	3,813	127,137
2.1.1 Public sector debt securities		60,015	-	60,015	123,324	-	123,324
2.1.2 Share certificates		-	-	-	-	-	-
2.1.3 Other marketable securities		-	-	-	-	3,813	3,813
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		-	9	9	-	-	-
III. BANKS	(3)	2,645	12,327	14,972	15	20,112	20,127
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)	29,586	-	29,586	75	-	75
5.1 Share certificates		75	-	75	75	-	75
5.2 Public sector debt securities		29,511	-	29,511	-	-	-
5.3 Other marketable securities		-	-	-	-	-	-
VI. LOANS	(5)	469,397	120,773	590,170	338,193	80,712	418,905
6.1 Loans		468,592	120,773	589,365	337,574	80,712	418,286
6.1.1 Loans to Risk Group of the Bank		4,331	55	4,386	392	102	494
6.1.2 Other		464,261	120,718	584,979	337,182	80,610	417,792
6.2 Non-performing loans		9,325	-	9,325	9,151	-	9,151
6.3 Specific provisions (-)		(8,520)	-	(8,520)	(8,532)	-	(8,532)
VII. FACTORING RECEIVABLES		-	-	-	-	-	-
VIII. HELD TO MATURITY INVESTMENTS (Net)	(6)	26,515	-	26,515	-	-	-
8.1 Public sector debt securities		26,515	-	26,515	-	-	-
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. FINANCE 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)	(12)	9,643	-	9,643	5,952	-	5,952
XV. INTANGIBLE ASSETS (Net)	(13)	1,726	-	1,726	997	-	997
15.1 Goodwill		-	-	-	-	-	-
15.2 Other		1,726	-	1,726	997	-	997
XVI. INVESTMENT PROPERTY (Net)	(14)	-	-	-	-	-	-
XVII. TAX ASSET	(15)	1,113	-	1,113	1,012	-	1,012
17.1 Current tax asset		-	-	-	-	-	-
17.2 Deferred tax asset		1,113	-	1,113	1,012	-	1,012
XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)	(16)	-	-	-	-	-	-
18.1 Held for sale		-	-	-	-	-	-
18.2 Discontinued operations		-	-	-	-	-	-
XIX. OTHER ASSETS	(17)	22,827	38,899	61,726	17,248	28,471	45,719
TOTAL ASSETS		644,328	175,757	820,085	498,587	137,865	636,452

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

TURKLANDBANK ANONİM ŞİRKETİ
BALANCE SHEETS AS OF MARCH 31, 2008 AND DECEMBER 31, 2007
(Amounts expressed in thousands of New Turkish Lira (TRY) unless otherwise stated.)

I. BALANCE SHEET – LIABILITIES AND EQUITY

			Reviewed Current Period 31.03.2008			Audited Prior Period 31.12.2007		
		Note Ref.	TRY	FC	Total	TRY	FC	Total
I.	DEPOSITS	(1)	202,037	176,246	378,283	215,991	115,479	331,470
1.1	Deposits from Risk Group of the Bank		305	10,387	10,692	6,676	17,976	24,652
1.2	Other		201,732	165,859	367,591	209,315	97,503	306,818
II.	DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	(2)	-	695	695	-	399	399
III.	FUNDS BORROWED	(3)	4,726	164,818	169,544	2,777	143,228	146,005
IV.	MONEY MARKET BALANCES	(4)	62,728	-	62,728	22,032	-	22,032
4.1	Interbank money market takings		168	-	168	-	-	-
4.2	Istanbul Stock Exchange money market takings		-	-	-	-	-	-
4.3	Funds provided under repurchase agreements		62,560	-	62,560	22,032	-	22,032
V.	MARKETABLE SECURITIES ISSUED (Net)		-	-	-	-	-	-
5.1	Bills		-	-	-	-	-	-
5.2	Asset backed securities		-	-	-	-	-	-
5.3	Bonds		-	-	-	-	-	-
VI.	FUNDS		-	-	-	-	-	-
6.1	Borrower funds		-	-	-	-	-	-
6.2	Other		-	-	-	-	-	-
VII.	SUNDRY CREDITORS		1,296	520	1,816	2,488	305	2,793
VIII.	OTHER LIABILITIES	(5)	19,633	45	19,678	17,605	1,779	19,384
IX.	FACTORING PAYABLES		-	-	-	-	-	-
X.	FINANCE LEASE PAYABLES (Net)	(6)	-	2,945	2,945	-	1,260	1,260
10.1	Finance lease payables		-	3,239	3,239	-	1,382	1,382
10.2	Operating lease payables		-	-	-	-	-	-
10.3	Other		-	-	-	-	-	-
10.4	Deferred finance lease expenses (-)		-	(294)	(294)	-	(122)	(122)
XI.	DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES	(7)	-	-	-	-	-	-
11.1	Fair value hedge		-	-	-	-	-	-
11.2	Cash flow hedge		-	-	-	-	-	-
11.3	Hedge of net investment in foreign operations		-	-	-	-	-	-
XII.	PROVISIONS	(8)	7,024	-	7,024	5,329	-	5,329
12.1	General loan loss provisions		4,435	-	4,435	2,922	-	2,922
12.2	Restructuring reserves		-	-	-	-	-	-
12.3	Reserve for employee benefits		1,372	-	1,372	1,240	-	1,240
12.4	Insurance technical reserves (Net)		-	-	-	-	-	-
12.5	Other provisions		1,217	-	1,217	1,167	-	1,167
XIII.	TAX LIABILITY	(9)	2,451	-	2,451	1,922	-	1,922
13.1	Current tax liability		2,451	-	2,451	1,922	-	1,922
13.2	Deferred tax liability		-	-	-	-	-	-
XIV.	PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS	(10)	-	-	-	-	-	-
14.1	Held for sale		-	-	-	-	-	-
14.2	Discontinued operations		-	-	-	-	-	-
XV.	SUBORDINATED LOANS	(11)	-	-	-	-	-	-
XVI.	SHAREHOLDERS' EQUITY	(12)	174,921	-	174,921	105,858	-	105,858
16.1	Paid-in capital		136,667	-	136,667	70,000	-	70,000
16.2	Supplementary capital		25,187	-	25,187	25,433	-	25,433
16.2.1	Share premium		-	-	-	-	-	-
16.2.2	Share cancellation profits		-	-	-	-	-	-
16.2.3	Marketable securities value increase fund		(246)	-	(246)	-	-	-
16.2.4	Tangible assets revaluation differences		-	-	-	-	-	-
16.2.5	Intangible assets revaluation differences		-	-	-	-	-	-
16.2.6	Investment property revaluation differences		-	-	-	-	-	-
16.2.7	Bonus shares obtained from associates, subsidiaries and jointly controlled entities (joint vent.)		-	-	-	-	-	-
16.2.8	Hedging funds (Effective portion)		-	-	-	-	-	-
16.2.9	Accumulated valuation differences from assets held for sale and from discontinued operations		-	-	-	-	-	-
16.2.10	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	(13)	624	-	624	624	-	624
16.3.2	Status reserves		-	-	-	-	-	-
16.3.3	Extraordinary reserves	(14)	11,852	-	11,852	11,852	-	11,852
16.3.4	Other profit reserves		11	-	11	11	-	11
16.4	Profit or loss		580	-	580	(2,062)	-	(2,062)
16.4.1	Prior years' income/ (losses)	(15)	(2,062)	-	(2,062)	(2,664)	-	(2,664)
16.4.2	Current year income/ (loss)		2,642	-	2,642	602	-	602
16.5	Minority shares	(16)	-	-	-	-	-	-
TOTAL LIABILITIES AND EQUITY			474,816	345,269	820,085	374,002	262,450	636,452

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

TURKLANDBANK ANONİM ŞİRKETİ
STATEMENTS OF OFF-BALANCE SHEET CONTINGENCIES AND COMMITMENTS
AS OF MARCH 31, 2008 AND DECEMBER 31, 2007

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

II. STATEMENT OF OFF-BALANCE SHEET CONTINGENCIES AND COMMITMENTS

		Reviewed Current Period 31.03.2008			Audited Prior Period 31.12.2007		
	Note Ref.	TRY	FC	TOTAL	TRY	FC	TOTAL
A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)		203,366	449,443	652,809	218,311	279,158	497,469
I. GUARANTEES	(1), (3)	177,003	249,643	426,646	196,334	181,992	378,326
1.1. Letters of guarantee		177,003	110,804	287,807	196,334	87,939	284,273
1.1.1. Guarantees subject to State Tender Law		21,616	3,395	25,011	21,311	4,750	26,061
1.1.2. Guarantees given for foreign trade operations		-	28,618	28,618	-	21,738	21,738
1.1.3. Other letters of guarantee		155,387	78,791	234,178	175,023	61,451	236,474
1.2. Bank loans		-	14,565	14,565	-	10,303	10,303
1.2.1. Import letter of acceptance		-	-	-	-	-	-
1.2.2. Other bank acceptances		-	14,565	14,565	-	10,303	10,303
1.3. Letters of credit		-	105,236	105,236	-	72,984	72,984
1.3.1. Documentary letters of credit		-	105,236	105,236	-	72,984	72,984
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		-	19,038	19,038	-	10,766	10,766
1.9. Other collaterals		-	-	-	-	-	-
II. COMMITMENTS	(1), (3)	26,363	5,430	31,793	21,977	10,256	32,233
2.1. Irrevocable commitments		26,363	5,430	31,793	21,977	10,256	32,233
2.1.1. Forward asset purchase commitments		-	5,430	5,430	-	8,513	8,513
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		7,757	-	7,757	5,574	-	5,574
2.1.5. Securities underwriting commitments		-	-	-	-	-	-
2.1.6. Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7. Payment commitment for checks		17,136	-	17,136	14,940	-	14,940
2.1.8. Tax and fund liabilities from export commitments		-	-	-	-	-	-
2.1.9. Commitments for credit card expenditure limits		1,470	-	1,470	1,463	-	1,463
2.1.10. Commitments for promotions related with credit cards and banking activities		-	-	-	-	-	-
2.1.11. Receivables from short sale commitments		-	-	-	-	-	-
2.1.12. Payables for short sale commitments		-	-	-	-	-	-
2.1.13. Other irrevocable commitments		-	-	-	-	1,743	1,743
2.2. Revocable commitments		-	-	-	-	-	-
2.2.1. Revocable loan granting commitments		-	-	-	-	-	-
2.2.2. Other revocable commitments		-	-	-	-	-	-
III. DERIVATIVE FINANCIAL INSTRUMENTS	(2)	-	194,370	194,370	-	86,910	86,910
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		-	194,370	194,370	-	86,910	86,910
3.2.1. Forward foreign currency buy/sell transactions		-	-	-	-	-	-
3.2.1.1. Forward foreign currency transactions-buy		-	-	-	-	-	-
3.2.1.2. Forward foreign currency transactions-sell		-	-	-	-	-	-
3.2.2. Swap transactions related to f.c. and interest rates		-	194,370	194,370	-	86,910	86,910
3.2.2.1. Foreign currency swap-buy		-	96,828	96,828	-	43,277	43,277
3.2.2.2. Foreign currency swap-sell		-	97,542	97,542	-	43,633	43,633
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)		1,194,860	671,798	1,866,658	910,122	457,898	1,368,020
IV. ITEMS HELD IN CUSTODY		217,380	31,123	248,503	169,380	19,528	188,908
4.1. Assets under management		11,500	-	11,500	11,500	-	11,500
4.2. Investment securities held in custody		8,130	5,177	13,307	3,558	4,599	8,157
4.3. Checks received for collection		193,817	24,816	218,633	150,194	14,774	164,968
4.4. Commercial notes received for collection		3,933	1,086	5,019	4,128	149	4,277
4.5. Other assets received for collection		-	44	44	-	6	6
4.6. Assets received for public offering		-	-	-	-	-	-
4.7. Other items under custody		-	-	-	-	-	-
4.8. Custodians		-	-	-	-	-	-
V. PLEDGED ITEMS		977,480	640,675	1,618,155	740,742	438,370	1,179,112
5.1. Marketable securities		-	-	-	-	-	-
5.2. Guarantee notes		7,450	4,736	12,186	8,310	4,029	12,339
5.3. Commodity		-	-	-	-	-	-
5.4. Warranty		-	-	-	-	-	-
5.5. Properties		158,926	130,913	289,839	149,623	77,048	226,671
5.6. Other pledged items		811,104	505,026	1,316,130	582,809	357,293	940,102
5.7. Pledged items-depository		-	-	-	-	-	-
VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES		-	-	-	-	-	-
TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)		1,398,226	1,121,241	2,519,467	1,128,433	737,056	1,865,489

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

TURKLANDBANK ANONİM ŞİRKETİ
STATEMENTS OF INCOME FOR THE PERIODS
ENDED MARCH 31, 2008 AND MARCH 31, 2007

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

III. STATEMENT OF INCOME

			Reviewed Current Period 01.01-31.03.2008	Reviewed Prior Period 01.01-31.03.2007
	Note Ref			
I. INTEREST INCOME	(1)		22,930	18,232
1.1 Interest on loans			17,455	11,577
1.2 Interest received from reserve deposits			566	517
1.3 Interest received from banks			461	780
1.4 Interest received from money market placements			65	150
1.5 Interest received from marketable securities portfolio			4,331	5,185
1.5.1 Held-for-trading financial assets			3,134	5,143
1.5.2 Financial assets at fair value through profit and loss			-	-
1.5.3 Available-for-sale financial assets			415	42
1.5.4 Investments held-to-maturity			782	-
1.6 Finance lease Income			-	-
1.7 Other interest income			52	23
II. INTEREST EXPENSE	(2)		(14,129)	(12,175)
2.1 Interest on deposits			(11,452)	(10,349)
2.2 Interest on funds borrowed			(2,144)	(1,573)
2.3 Interest on money market borrowings			(10)	(16)
2.4 Interest on securities issued			-	-
2.5 Other interest expense			(523)	(237)
III. NET INTEREST INCOME (I - II)			8,801	6,057
IV. NET FEES AND COMMISSIONS INCOME			2,236	1,542
4.1 Fees and commissions received			2,349	1,649
4.1.1 Non-cash loans			1,545	1,100
4.1.2 Other			804	549
4.2 Fees and commissions paid			(113)	(107)
4.2.1 Non-cash loans			(7)	(12)
4.2.2 Other			(106)	(95)
V. DIVIDEND INCOME	(3)		-	-
VI. NET TRADING INCOME	(4)		18	638
6.1 Securities trading gains/ (losses)			(4,717)	37
6.2 Foreign exchange gains/ (losses)			4,735	601
VII. OTHER OPERATING INCOME	(5)		4,014	685
VIII. NET OPERATING INCOME (III+IV+V+VI+VII)			15,069	8,922
IX. PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)	(6)		(1,698)	(212)
X. OTHER OPERATING EXPENSES (-)	(7)		(10,768)	(6,346)
XI. NET OPERATING INCOME/(LOSS) (VIII-IX-X)			2,603	2,364
XII. AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER			-	-
XIII. PROFIT / (LOSS) ON EQUITY METHOD			-	-
XIV. GAIN / (LOSS) ON NET MONETARY POSITION			-	-
XV. PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+...+XIV)	(8)		2,603	2,364
XVI. TAX PROVISION FOR CONTINUED OPERATIONS (±)	(9)		39	(458)
16.1 Provision for current income taxes			-	-
16.2 Provision for deferred taxes			39	(458)
XVII. NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)	(10)		2,642	1,906
XVIII. INCOME ON DISCONTINUED OPERATIONS			-	-
18.1 Income on assets held for sale			-	-
18.2 Income on sale of associates, subsidiaries and jointly controlled entities (Joint ventures)			-	-
18.3 Income on other discontinued operations			-	-
XIX. LOSS FROM DISCONTINUED OPERATIONS (-)			-	-
19.1 Loss from assets held for sale			-	-
19.2 Loss on sale of associates, subsidiaries and jointly controlled entities (Joint ventures)			-	-
19.3 Loss from other discontinued operations			-	-
XX. PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)	(8)		-	-
XXI. TAX PROVISION FOR DISCONTINUED OPERATIONS (±)	(9)		-	-
21.1 Provision for current income taxes			-	-
21.2 Provision for deferred taxes			-	-
XXII. NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)	(10)		-	-
XXIII. NET PROFIT/LOSS (XVII+XXII)	(11)		2,642	1,906
23.1 Group's profit/loss			-	-
23.2 Minority shares			-	-
Earnings per share			-	-

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

TURKLANDBANK ANONİM ŞİRKETİ
STATEMENTS OF PROFIT LOSS ACCOUNTED FOR UNDER EQUITY
FOR THE PERIODS ENDED MARCH 31, 2008 AND MARCH 31, 2007
(Amounts expressed in thousands of New Turkish Lira (TRY) unless otherwise stated.)

IV. STATEMENT OF PROFIT AND LOSS ACCOUNTED FOR UNDER EQUITY

	Reviewed Current Period 01.01-31.03.2008	Reviewed Prior Period 01.01-31.03.2007
I. Additions to marketable securities revaluation differences for available for sale financial assets	(308)	-
II. Tangible assets revaluation differences	-	-
III. Intangible assets revaluation differences	-	-
IV. Foreign currency translation differences for foreign currency transactions	-	-
V. Profit/Loss from derivative financial instruments for cash flow hedge purposes (Effective portion of fair value differences)	-	-
VI. Profit/Loss from derivative financial instruments for hedge of net investment in foreign operations (Effective portion of fair value differences)	-	-
VII. The effect of corrections of errors and changes in accounting policies	-	-
VIII. Other profit loss items accounted for under equity due to TAS	-	-
IX. Deferred tax of valuation differences	62	-
X. Total Net Profit/Loss accounted under equity (I+II+...+IX)	(246)	-
XI. Profit/Loss	-	-
1.1 Change in fair value of marketable securities (Recycling to Profit/Loss)	-	-
1.2 Reclassification of and recycling derivatives accounted for cash flow hedge purposes to Income Statement	-	-
1.3 Recycling hedge of net investments in foreign operations to Income Statement	-	-
1.4 Other	-	-
XII. Total Profit/Loss accounted for in the period (X±XI)	(246)	-

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

TURKLANDBANK ANONİM ŞİRKETİ
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIODS ENDED MARCH 31, 2008 AND MARCH 31, 2007
(Amounts expressed in thousands of New Turkish Lira (TRY) unless otherwise stated.)

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Reviewed	Note Ref	Paid-in Capital	Effect of inflation Accounting on Capital and Other Reserves	Share premium	Share certificate cancellation profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/(Loss)	Prior Period Net Income/(Loss)	Marketable Securities Value Increase Fund	Tangible and Intangible Assets Revaluation Differences	Bonus shares obtained from Associates	Hedging Funds	Acc. val. diff. from assets held for sale and from disc. op.	Total Equity Before Minority Shares	Minority Shares	Total Equity
I	Prior Period – 01.01.-31.03.2007																			
II	Beginning Balance – 31.12.2006		35,000	25,432	-	-	624	-	11,852	11	(2,571)	(93)	1	-	-	-	-	-	-	70,256
2.1	Corrections according to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	The effect of corrections of errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	The effects of changes in accounting policies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III	New Balance (I+II)		35,000	25,432	-	-	624	-	11,852	11	(2,571)	(93)	1	-	-	-	-	-	-	70,256
IV	Changes in the period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V	Increase/Decrease related to merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI	Marketable securities valuation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1	Hedging Funds (Effective Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Cash-flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2	Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII	Tangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII	Intangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX	Bonus shares obtained from associates, subsidiaries and jointly controlled entities (Joint ventures)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X	Foreign exchange differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI	The disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII	The reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII	The effect of change in associates' equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV	Capital increase		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.1	Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2	Internal sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV	Share premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI	Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII	Inflation adjustment to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIX	Period net income/(loss)		-	-	-	-	-	-	-	-	1,906	-	-	-	-	-	-	-	-	1,906
XX	Profit distribution		-	-	-	-	-	-	-	-	2,571	(2,571)	-	-	-	-	-	-	-	-
20.1	Dividends distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.2	Transfers to reserves		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
20.3	Other		-	-	-	-	-	-	-	-	2,571	(2,571)	-	-	-	-	-	-	-	-
Closing Balance 31.03.2007																				
(III+IV+V+VI+VII+VIII+IX+X+XI+XII+XIII+XIV+XV+XVI+XVII+XVIII+XIX+XX)			35,000	25,432	-	-	624	-	11,852	11	1,906	(2,664)	1	-	-	-	-	-	-	72,162

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

TURKLANDBANK ANONİM ŞİRKETİ
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIODS ENDED MARCH 31, 2008 AND MARCH 31, 2007
(Amounts expressed in thousands of New Turkish Lira (TRY) unless otherwise stated.)

V. STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Reviewed		Note Ref	Paid-in Capital	Effect of inflation Accounting on Capital and Other Reserves	Share premium	Share certificate cancellation profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income/ (Loss)	Prior Period Net Income/ (Loss)	Marketable Securities Value Increase Fund	Tangible and Intangible Assets Revaluation Differences	Bonus shares obtained from Associates	Hedging Funds	Acc. valuation diff. from assets held for sale and assets from disc. op.	Total Equity Before Minority Shares	Minority Shares	Total Equity
I	Current Period – 01.01.-31.03.2008																			
	Prior period balance – 31.12.2007		70,000	25,432	-	-	624	-	11,852	11	602	(2,664)	1	-	-	-	-	-	-	105,858
	Changes in the period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II.	Increase/Decrease related to merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Marketable securities valuation differences		-	-	-	-	-	-	-	-	-	-	(246)	-	-	-	-	-	-	(246)
IV.	Hedging Funds (Effective Portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1	Cash-flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2	Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Tangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Intangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Bonus shares obtained from associates, subsidiaries and jointly controlled entities (Joint ventures)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Foreign exchange differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	The disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	The reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	The effect of change in associate's equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Capital increase		66,667	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	66,667
12.1	Cash		66,667	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	66,667
12.2	Internal sources		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Share premium		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Inflation adjustment to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Period net income/(loss)		-	-	-	-	-	-	-	-	2,642	-	-	-	-	-	-	-	-	2,642
XVIII.	Profit distribution		-	-	-	-	-	-	-	-	(602)	602	-	-	-	-	-	-	-	-
18.1	Dividends distributed		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
18.2	Transfers to reserves		-	-	-	-	-	-	-	-	(602)	602	-	-	-	-	-	-	-	-
18.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance 31.03.2008																				
(I+II+III+IV+V+VI+VII+VIII+IX+X+XI+XII+XIII+XIV+XV+XVI+XVII+XVIII)			136,667	25,432	-	-	624	-	11,852	11	2,642	(2,062)	(245)	-	-	-	-	-	-	174,921

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

TURKLANDBANK ANONİM ŞİRKETİ
CASH FLOWS STATEMENTS FOR THE PERIODS
ENDED MARCH 31, 2008 AND MARCH 31, 2007

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

VI. STATEMENT OF CASH FLOWS

	Note Ref	Reviewed Current Period 01.01-31.03.2008	Reviewed Prior Period 01.01-31.03.2007
A. CASH FLOWS FROM BANKING OPERATIONS			
1.1 Operating profit before changes in operating assets and liabilities		(18,382)	772
1.1.1 Interest received		4,894	17,014
1.1.2 Interest paid		(16,448)	(13,587)
1.1.3 Dividend received		-	-
1.1.4 Fees and commissions received		2,236	1,624
1.1.5 Other income		(909)	336
1.1.6 Collections from previously written off loans		206	386
1.1.7 Payments to personnel and service suppliers		(6,857)	(3,687)
1.1.8 Taxes paid		-	-
1.1.9 Others		(1,504)	(1,314)
1.2 Changes in operating assets and liabilities		10,465	(16,496)
1.2.1 Net (increase) decrease in financial assets held for trading		63,642	(3,750)
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss		-	-
1.2.3 Net (increase) decrease in due from banks and other financial institutions		-	8,473
1.2.4 Net (increase) decrease in loans		(150,636)	33,296
1.2.5 Net (increase) decrease in other assets		(16,002)	357
1.2.6 Net increase (decrease) in bank deposits		4,665	(1,738)
1.2.7 Net increase (decrease) in other deposits		42,696	(52,180)
1.2.8 Net increase (decrease) in funds borrowed		25,310	(4,147)
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities		40,790	3,193
I. Net cash provided from banking operations		(7,917)	(15,724)
B. CASH FLOWS FROM INVESTING ACTIVITIES			
II. Net cash provided from investing activities		(58,378)	11,198
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries		-	-
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries		-	11,245
2.3 Fixed assets purchases		(2,319)	(87)
2.4 Fixed assets sales		256	-
2.5 Cash paid for purchase of financial assets available for sale		(29,707)	40
2.6 Cash obtained from sale of financial assets available for sale		-	-
2.7 Cash paid for purchase of investment securities		(25,733)	-
2.8 Cash obtained from sale of investment securities		-	-
2.9 Others		(875)	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
III. Net cash provided from financing activities		66,470	-
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		66,667	-
3.4 Dividends paid		-	-
3.5 Payments for finance leases		(197)	-
3.6 Other		-	-
IV. Effect of change in foreign exchange rate on cash and cash equivalents		2,713	(957)
V. Net increase / (decrease) in cash and cash equivalents		2,888	(5,483)
VI. Cash and cash equivalents at beginning of the period		36,276	18,292
VII. Cash and cash equivalents at end of the period		39,164	12,809

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

TURKLANDBANK ANONİM ŞİRKETİ NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2008

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

SECTION THREE ACCOUNTING PRINCIPLES

I. Basis of Presentation

The Bank prepares financial statements and notes according to Communique on Banks' Accounting Practice and Maintaining Documents, Turkish Accounting Standards (TAS), Turkish Financial Reporting Standards (TFRS), other regulations, communiques and circulars in respect of accounting and financial reporting and pronouncements made by Banking Regulation and Supervision Agency (BRSA), Turkish Commercial Code and Tax Legislation.

Certain classifications have been made to the prior year financial statements to comply with the current year presentation.

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

The Bank focuses its activities in corporate banking. The primary objective of the Bank is to sustain liquidity while fulfilling customer needs. Thus, the Bank places approximately 13.3% of its resources in liquid assets, while the Bank also aims for the highest yield possible with effective maturity management.

Besides its principle activity, the main financial instruments of the Bank are money market placements, treasury bills and government bonds.

Marketable securities comprising 14.2% of total assets are assets with low risk and high yield. Placements in domestic banks and abroad are 1.83% of the total assets and these assets provide liquidity with low risk and yield.

The Bank aims at creating an optimum maturity risk and working with a positive margin between cost of resource and product yield in the process of asset and liability management.

As a component of the risk management strategy of the Bank, the management of risk bearing short positions of currency, interest or price movements is performed only by the Treasury and using the limits defined by the Board of Directors.

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"). Realized gains or losses on these instruments 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.

IV. Interest Income and Expenses

Interest income and expenses are recognized in the income statement on an accrual basis using the effective interest method. In accordance with the related regulation, interest accruals of the non-performing loans are reversed and interest income related to these loans are recorded as interest income only when collected.

TURKLANDBANK ANONİM ŞİRKETİ NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2008

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

V. Fees and Commission Income and Expenses

Fees for various banking services are recorded as income when collected.

VI. Explanations and Disclosures on Financial Assets

Financial instruments comprise financial assets, financial liabilities and derivative instruments. 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. The settlement date is 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.

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.

Financial Assets at Fair Value Through Profit and Loss

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

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

TURKLANDBANK ANONİM ŞİRKETİ NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2008

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

VI. Explanations and Disclosures on Financial Assets (continued)

Held to Maturity Investments, Financial Assets Available for Sale and Loans

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 and excluding 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.

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

Financial Assets Available for Sale

Available for sale financial assets include all securities other than loans and receivables, securities held to maturity and securities held for trading.

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

After the initial recognition, available for sale securities are measured at fair value and the unrealized gains/losses originating from the difference between the amortized cost and the fair value is recorded in "Marketable Securities Value Increase Fund" under the equity. Fair values of debt securities that are traded in an active market are determined based on quoted prices or current market prices. In the absence of prices formed in an active market, fair values of these securities are determined by using the Official Gazette prices or other valuation methods stated in TAS.

The Bank has an equity investment with participation rate of 0.0025% in the available for sale financial assets portfolio. Since this equity investment does not have fair value, it is recognized at cost

The Bank classifies its securities as referred to above at the acquisition date of related assets.

Loans and Provisions for Impairment

Loans are financial assets which have fixed or determinable payments and are not traded.

The Bank initially records loans and receivables at cost. In subsequent periods, in accordance with TAS, loans are measured at amortized cost using effective interest rate method.

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.

Foreign exchange gains and losses on the foreign currency indexed loans are presented under foreign exchange gains and losses.

Specific reserves are provided for Group III, IV and V loans in accordance with the regulation on "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" published in the Official Gazette No. 26333 dated November 1, 2006. These provisions are reflected in the income statement under "Provision and Impairment Expenses - Special Provision Expense".

TURKLANDBANK ANONİM ŞİRKETİ NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2008

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

VI. Explanations and Disclosures on Financial Assets (continued)

Loans and Provisions for Impairment (continued)

The collections made related to loans for which provision is made in the current period are reversed from the “Provision for Loans and Other Receivables” account in the income statement. The collections made related to loans written off or provisioned in prior years are recorded to “Collections Related to the Prior Period Expenses” under “Other Operating Income” account and related interest income is credited to the “Interest Received from Non-performing Loans” account.

In addition to specific loan loss provisions, within the framework of the regulation and principles referred to above; Bank records general loan loss provisions for loans and other receivables. Bank calculated the general loan provision as 0.5% for cash loans and other receivables, and 0.1% for non-cash loans until November 1, 2006. Subsequent to the change in the regulation on “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves” published in the Official Gazette No. 26333 dated November 1, 2006; Bank started to book general loan loss provision of 1% for cash loans and other receivables; and 0.2% for non-cash loans on the increase in the cash and non-cash loan portfolio as compared to their October 31, 2006 balances whereas allocating 0.5% general loan loss provision for cash loans and other receivables, and 0.1% for non-cash loans for the balances as of October 31, 2006. Together with the change in the same regulation made on February 6, 2008, the Bank started to book general loan loss provision of 2% for cash loans under watch-list and 0.4% for non-cash loans under watch-list.

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 Assets and Liabilities

Financial assets and liabilities are offset when the Bank has a legally enforceable right to set off, and the intention of collecting or paying the net amount of related assets and liabilities or 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

The sales and purchase of government securities under repurchase agreements made with the customers are being recorded in balance sheet accounts in accordance with the Uniform Chart of Accounts. Accordingly in the financial statements, the government bonds and treasury bills sold to customers under repurchase agreements are classified under securities held for trading, available for sale and held to maturity depending on the portfolio they are originally included in and are valued according to the valuation principles of the related portfolios. 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.

TURKLANDBANK ANONİM ŞİRKETİ NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2008

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

IX. Explanations on Sales and Repurchase Agreements and Lending of Securities (continued)

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.

As of March 31, 2008, the Bank does not have any reverse repo transactions (December 31, 2007: None).

As of March 31, 2008, the Bank does not have any marketable securities lending transaction (December 31, 2007: None).

X. Explanations on Assets Held for Sale and Discontinued Operations

Assets held for sale, that is high probability of sale, are those under a plan prepared 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.

The Bank does not have any assets held for sale as of March 31, 2008. (December 31, 2007: None)

A discontinued operation is a division of a bank that is either disposed or held for sale. Results of discontinued operations are included in the income statement separately. The Bank does not have any discontinued operations.

XI. Explanations on Goodwill and Other Intangible Assets

There is no goodwill regarding the investments in associates and subsidiaries.

Other intangible assets are accounted for at cost less accumulated amortization. Other intangible assets are amortized with straight-line method based on their economic lives. There is no anticipated change in the amortization method in the current period

The intangible assets comprising purchased softwares are in the other intangible fixed asset. As of the balance sheet date, all softwares are purchased and there are no completed 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. Those acquired before January 1, 2004 are depreciated with the rates valid in prior periods, however the fixed assets acquired after January 1, 2004 are depreciated with the rates determined by the Ministry of Finance based on useful lives.

TURKLANDBANK ANONİM ŞİRKETİ NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2008

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

XII. Explanations on Tangible Fixed Assets (continued)

Depreciation of assets held less than one year as of the balance sheet date is accounted for proportionately. Applied amortization method is not changed in the current period. The annual rates used, which approximate rates based on the estimated economic useful lives of the related assets, are as follows:

	%
Motor vehicles	20
Furniture, fixtures and office equipment and others	3 – 50

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.

XIII. Explanations on Leasing Transactions

Tangible fixed assets acquired by financial leases are accounted for in accordance with TAS No:17. In accordance with this standard, the leasing transactions, which consist only foreign currency liabilities, are translated to New Turkish Lira with the exchange rates prevailing at the transaction dates and they are recorded as an asset or a liability. The foreign currency liabilities are translated to New Turkish Lira with the Bank's period end exchange rates. The increases/decreases resulting from the differences in the foreign exchange rates are recorded as expense/income in the relevant period. The financing cost resulting from leasing is distributed through the lease period to form a fixed interest rate.

In addition to the interest expense, the Bank records depreciation expense for the depreciable leased assets in each period. The depreciation rate is determined in accordance with TAS No:16 "Accounting Standard for Tangible Fixed Assets" and the depreciation rate used is 20% for the leased assets acquired before July 31, 2003 and 3%-50% for leased assets acquired after July 31, 2003 which is in line with Turkish Tax Legislation.

Operating lease payments are recognized as expense in the income statement on a straight line basis over the lease term.

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

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.

According to the legal department of the Bank; the total number of ongoing cases against the Bank is 15. The total amount of those cases consists of TRY 421 Thousand and 626,800 US Dollars. Considering these cases, it is determined that 2 of 15 cases have rejection possibility and there is a provision of TRY 362 Thousand in the accompanying financial statements for these cases. (December 31, 2007: TRY 362 Thousand)

TURKLANDBANK ANONİM ŞİRKETİ NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2008

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

XV. Explanations on Liabilities Regarding Employee Benefits

Defined Benefit Plans

In accordance with existing social legislation in Turkey, the Bank is required to make lump-sum termination indemnities over a 30 day salary to each employee who has completed over one year of service, whose employment is terminated due to retirement or for reasons other than resignation or misconduct. The Bank is also required to make a payment for the period of notice calculated over each service year of the employee whose employment is terminated for reasons other than resignation or misconduct. Total benefit is calculated in accordance with TAS No:19 “Turkish Accounting Standard on Employee Benefits”.

Such benefit plans are unfunded since there is no funding requirement in Turkey. The cost of providing benefits to the employees for the services rendered by them under the defined benefit plan is determined by independent actuaries annually using the projected unit credit method. All actuarial gains and losses are recognized in the income statement.

The Bank forecasted present value of future possible liability for defined benefit plans to be recorded in the financial statements before 2007. Commencing from 2007, the Bank started to use independent actuaries in calculating the related liability to be recorded in the financial statements for these defined benefit plans. The Bank makes assumptions and estimations relating to the discount rate to be used, turnover of employees, future change in salaries/limits, etc.. The carrying value of employee termination benefit provisions as of March 31, 2008 is TRY 1,372 Thousand (December 31, 2007: TRY 1,240 Thousand).

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

XVI. Explanations on Taxation

Corporate tax

According to the Article 32 of the Corporate Tax Law No. 5520, accepted in the meeting of Grand National Assembly of Turkey (TBMM) on June 13, 2006 and announced in the Official Gazette dated June 21, 2006, the corporate tax rate has been decreased from 30% to 20%, effective from January 1, 2006 as per the Article 37 of the Corporate Tax Law.

The tax legislation, requires advance tax of 20% to be calculated and paid based on earnings generated for each quarter. Such advance taxes calculated and paid are offset against the final tax liability for the year.

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

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

Deferred Tax Liability / Asset

The Bank calculates and reflects deferred tax asset or liability on timing differences which will result in taxable or deductible amounts in determining taxable profit of future periods.

In accordance with TAS No: 12 “Turkish Accounting Standard on Income Taxes” and the circular of BRSA numbered BDDK.DZM.2/13/1-a-3 dated December 8, 2004, the Bank calculates deferred tax asset on all deductible temporary differences except for general loan reserves, if sufficient taxable profit in future periods to recover such amounts is probable; as well as deferred tax liability on all taxable temporary differences. Deferred tax assets and liabilities are reflected in the accompanying financial statements on a net basis.

TURKLANDBANK ANONİM ŞİRKETİ NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2008

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

XVI. Explanations on Taxation (continued)

Deferred Tax Liability / Asset (continued)

The net deferred tax asset is included in deferred tax asset and the net deferred tax liability is reflected under deferred tax liability on the balance sheet. The deferred tax benefit is stated under the tax provision amounting to TRY 39 Thousand in the income statement (March 31, 2007: TRY 458 Thousand TRY deferred tax charge).

Furthermore, as per the above circular of BRSA, deferred tax benefit balance resulting from netting of deferred tax assets and liabilities should not be used in dividend distribution and capital increase.

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 in the period they are incurred.

The Bank has not issued convertible bonds.

XVIII. Explanations on Share Certificates

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

Based on the decision at the meeting of the Extraordinary General Assembly on February, 12 2008, the Bank decided to increase the paid-in capital of the Bank from TRY 70,000 Thousand to TRY 170,000 Thousand by TRY 100,000 Thousand. The Bank's capital increase amounting to TRY 100,000 Thousand was registered with İstanbul Trade Registry Office on February 22, 2008. The capital increase procedures were completed.

It is decided that 2 /3 (two thirds) of the Bank's capital increase will be paid in three months at the latest from the registry and 1/3 the remaining part will be paid in nine months at the latest from the registry.

First call payment of TRY 66,667 Thousand was realised on February 28, 2008 and was approved by BRSA's March 25, 2008 dated and 4334 numbered correspondence.

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.

XXI. Explanations on Segment Reporting

Income and expenses are not segmented by corporate and retail transactions in the current IT system. However, management believes that such segmentation and the omission of the respective disclosure would not have a material effect on readers' conclusion with respect to the accompanying financial statements since the bank mainly operates in corporate banking.

**TURKLANDBANK ANONİM ŞİRKETİ NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2008**

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

XXII. Explanations on Other Matters

None, other than above explanations.

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.

**TURKLANDBANK ANONİM ŞİRKETİ NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2008**

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

SECTION FOUR

INFORMATION ON FINANCIAL STRUCTURE

I. Explanations Related to the Capital Adequacy Standard Ratio

The method used for risk measurement in determining capital adequacy standard ratio; Capital Adequacy Standard Ratio is calculated in accordance with the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks", which was published on November 1, 2006 in the Official Gazette numbered 26333 and the Communiqué on "The Amendment in the Communiqué on Measurement and Assessment of Capital Adequacy of Banks" which was published on October 10, 2007 in the Official Gazette numbered 26669. The Bank's unconsolidated capital adequacy ratio in accordance with the related communiqué is 21.12%. (December 31, 2007: 18.90%)

In the computation of capital adequacy standard ratio, information prepared in accordance with statutory accounting requirements are used. Additionally, the market risk amount is calculated in accordance with the communiqué on the "Measurement and Assessment of Capital Adequacy of Banks" and is taken into consideration in the capital adequacy standard ratio calculation.

The values deducted from the capital base in the shareholders' equity computation are excluded while calculating risk-weighted assets, non-cash loans and contingent liabilities. Assets subject to depreciation and impairment among risk-weighted assets are included in the calculations over their net book values after deducting the relative depreciations and provisions.

While calculating the basis of non-cash loans subject to credit risk, the net receivable amount from the counter parties net of provision amount set in accordance with the "Communiqué on Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves" is multiplied by the loan conversion rates presented in the Article 5, the Clause 1 of the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks", and calculated by applying the risk weights presented in the Capital Adequacy Analysis Form.

Receivables from counter parties from derivative foreign currency and interest rate transactions are multiplied by the loan conversion rates presented in the Article 5, the Clause 2 of the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks", and calculated by applying the risk weights presented in the Capital Adequacy Analysis Form.

**TURKLANDBANK ANONİM ŞİRKETİ NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2008**

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

I. Explanations Related to the Capital Adequacy Standard Ratio (continued)

Information related to the capital adequacy ratio:

	Risk Weight						
	0%	10%	20%	50%	100%	150%	200%
Risk Weighted Assets, Liabilities and Non-Cash Loans							
Balance Sheet items (Net)							
Cash	4,754	-	-	-	-	-	-
Matured Marketable Securities							
Due From Central Bank of Turkey	19,440	-	-	-	-	-	-
Due From Domestic Banks, Foreign Banks, Branches and Head Office Abroad	-	-	12,343	-	2,627	-	-
Interbank Money Market Placements	-	-	-	-	-	-	-
Receivables From Reverse Repo Transactions	-	-	-	-	-	-	-
Reserve Deposits	38,494	-	-	-	-	-	-
Loans	10,792	-	739	54,773	499,747	-	-
Non-performing loans (Net)	-	-	-	-	805	-	-
Financial Lease Receivables	-	-	-	-	-	-	-
Available-For-Sale Financial Assets	-	-	-	-	75	-	-
Held to Maturity Investments	25,733	-	-	-	-	-	-
Receivables From Installment Sales of Assets	-	-	-	-	-	-	-
Sundry Debtors	-	-	-	-	3,773	-	-
Interest and Income Accruals	1,458	-	29	1,072	22,096	-	-
Subsidiaries, Associates and Entities Under Common Control (Net)	-	-	-	-	-	-	-
Tangible Assets	-	-	-	-	9,643	-	-
Other Assets	14,445	-	-	-	4,452	-	-
Off-Balance Sheet Items							
Guarantees and Commitments	1,453	-	26,133	10,144	175,680	-	-
Derivative Financial Instruments	-	-	-	-	188	-	-
Non Risk Weighted Accounts	-	-	-	-	-	-	-
Total Value at Risk	116,569	-	39,244	65,989	719,086	-	-
Total Risk Weighted Assets	-	-	7,848	32,995	719,086	-	-

Summary information related to the capital adequacy ratio:

	Current Period	Prior Period
Total Risk Weighted Assets (TRWA)	759,929	477,104
Amount Subject to Market Risk (ASMR)	9,413	20,088
Amount Subject to Operational Risk (ASOR)	65,709	57,364
Shareholders' Equity	176,341	104,831
Shareholders' Equity / (TRWA + ASMR + ASOR) *100	21.12%	18.90%

TRWA: Total Risk Weighted Assets

ASMR: Amount Subject to Market Risk

ASOR: Amount Subject to Operational Risk

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I. Explanations Related to the Capital Adequacy Standard Ratio (continued)

Information related to the components of shareholders' equity:

	Current Period	Prior Period
CORE CAPITAL		
Paid-in capital	136,667	70,000
Nominal capital	136,667	70,000
Capital commitments (-)	-	-
Paid-in Capital Indexation Difference	25,432	25,432
Share premium	-	-
Cancellation Profits	-	-
Legal reserves	-	-
First legal reserve (Turkish Commercial Code 466/1)	-	-
Second legal reserve (Turkish Commercial Code 466/2)	-	-
Other legal reserve per special legislation	-	-
Statutory reserves	-	-
Extraordinary reserves	10,425	9,823
Reserves allocated by the General Assembly	10,414	9,812
Retained earnings	11	11
Accumulated losses	-	-
Foreign currency share capital exchange difference	-	-
Indexation differences of legal, statutory and extraordinary reserves	-	-
Profit	-	-
Current period net profit	2,642	602
Prior years' profits	-	-
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	-	-
Prior years' losses	-	-
Leasehold improvements (-)	-	(1,561)
Prepaid expenses (-)	(1,534)	(1,390)
Intangible assets (-)	(1,726)	(997)
Deferred tax asset exceeding 10% of the Core Capital (-)	-	-
Excess amount in the Article 56, Clause 3 of the Banking Law (-)	-	-
Total Core Capital	175,166	105,857
SUPPLEMENTARY CAPITAL	4,435	2,922
General Loan Loss Reserves	4,435	2,922
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 (joint ventures)	-	-
Primary subordinated loans excluded in the calculation of the Core Capital	-	-
Secondary subordinated loans	-	-
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	4,435	2,922
TIER III CAPITAL	-	-
CAPITAL	179,601	108,779
DEDUCTIONS FROM THE CAPITAL	(3,260)	(3,948)
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 Shareholders' Equity	176,341	104,831

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II. Explanations Related to Credit Risk

Credit risk is the risk that the Bank is a party in a contract whereby the counterparty fails to meet its obligation and cause to incur a financial loss.

The credit allocation is performed on a debtor and a debtor group basis within the limits. In the credit allocation process, many financial and non-financial criteria are taken into account within the framework of the internal rating procedures of the Bank. These criteria include geographical and sector concentrations. The sector concentrations for loans are monitored closely. In accordance with the Bank's loan policy, the rating of the companies, credit limits and guarantees are considered together, and credit risks incurred are monitored.

Risks and limits related to treasury activities and customer based commercial activities are monitored daily. Moreover, the limits of the correspondent banks that are determined by their ratings and the control of the maximum acceptable risk level in relation to the equity of the Bank are monitored daily. Risk limits are determined in connection with these daily transactions, and risk concentration is monitored systematically concerning off-balance sheet operations.

The credit worthiness of the debtors of the loans and other receivables is monitored regularly as prescribed in the Communiqué on "Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves". Most of the statement of accounts for the loans has been tried to derive from audited financial statements. The unaudited documents result from the timing differences between the loan allocation and the audit dates of the financial statements of the companies and subsequently the audited financial statements are obtained from the companies when the companies are audited. Credit limits are determined according to the audited statement of accounts, and guarantee factors are developed in accordance with the decision of the credit committee considering the characteristics of the transactions and the financial structures of the companies.

For the forward transactions and other similar positions of the Bank, operational limits are set by the Board of Directors and the transactions take place within these limits.

The fulfillment of the benefits and acquirements related to forward transactions is normally realized at maturity. However, in order to minimize the risk, counter positions of existing risks are entered into in the market.

Indemnified non-cash loans are subject to the same risk weight as outstanding loans matured but not yet paid.

Financial institutions abroad and country risks of the Bank are generally taken for the financial institutions and countries whose investment level is rated by international rating agencies and which do not have the risk of failing to meet minimum obligations. Therefore, the probable risks are not material when the financial structure of the Bank is concerned.

As of March 31, 2008, the receivables of the Bank from its top 100 cash loan customers amount to TRY 346,396 Thousand (December 31, 2007: TRY 269,240 Thousand) with a share of 58.69% in the total cash loans (December 31, 2007: 64.27%).

As of March 31, 2008, the receivables of the Bank from its top 100 non-cash loan customers amount to TRY 329,778 Thousand (December 31, 2007: TRY 297,230 Thousand) with a share of 71.94% in the total non-cash loans (December 31, 2007: 72.40%).

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II. Explanations Related to Credit Risk (continued)

The share of cash and non-cash receivables of the Bank from its top 100 customers in total balance sheet and off-balance sheet assets is 16.39% as of March 31, 2008 (December 31, 2007: 18.21%). As of March 31, 2008, the general loan loss provision related with the credit risk taken by the Bank is TRY 4,435 Thousand (December 31, 2007: TRY 2,922 Thousand).

Credit risk by types of borrowers and geographical concentration:

	Loans to Real Person and Legal Entities		Loans to Banks and Other Financial Institutions		Marketable Securities(*)		Other Loans(**)	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Loans according to borrowers	554,190	386,564	35,175	31,722	116,116	127,212	14,972	20,127
Private Sector	548,994	382,065	35,175	31,722	-	-	-	-
Public Sector	-	-	-	-	116,041	127,137	-	-
Banks	-	-	-	-	-	-	14,972	20,127
Retail	5,196	4,499	-	-	-	-	-	-
Share Certificates	-	-	-	-	75	75	-	-
Information according to geographical concentration	554,190	386,564	35,175	31,722	116,116	127,212	14,972	20,127
Domestic	549,696	382,344	35,175	31,722	116,116	127,212	4,361	3,309
European Union Countries	178	139	-	-	-	-	1,655	7,775
OECD Countries (***)	653	581	-	-	-	-	2,828	316
Off-shore Banking Regions	-	-	-	-	-	-	-	-
USA, Canada	340	281	-	-	-	-	6,128	8,727
Other Countries	3,323	3,219	-	-	-	-	-	-
Total	554,190	386,564	35,175	31,722	116,116	127,212	14,972	20,127

(*) Includes marketable securities designated at fair value through profit or loss, available-for-sale and held-to-maturity.

(**) Includes the on balance sheet transactions classified in the Uniform Chart of Accounts except the ones in the first three categories and the transactions defined as loan in the Article 48 of the Banking Act No: 5411.

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

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II. Explanations Related to Credit Risk (continued)

Information according to geographical concentration :

	Assets	Liabilities	Non-Cash Loans	Equity Investments	Net Income
Current Period					
Domestic	804,905	477,788	399,076	75	2,642
European Union Countries	1,833	108,059	9,553	-	-
OECD Countries (*)	3,481	5,094	2,953	-	-
Off-shore Banking Regions	-	-	-	-	-
USA, Canada	6,468	18,706	-	-	-
Other Countries	3,323	35,517	15,064	-	-
Associates, Subsidiaries and Entities Under Common Control	-	-	-	-	-
Unallocated Assets/Liabilities (**)	-	-	-	-	-
Total	820,010	645,164	426,646	75	2,642
Prior Period					
Domestic	615,342	385,932	359,858	75	602
European Union Countries	7,787	93,077	16,071	-	-
OECD Countries (*)	1,016	4,195	2,397	-	-
Off-shore Banking Regions	-	-	-	-	-
USA, Canada	9,007	16,405	-	-	-
Other Countries	3,225	30,985	-	-	-
Associates, Subsidiaries and Entities Under Common Control	-	-	-	-	-
Unallocated Assets/Liabilities (**)	-	-	-	-	-
Total	636,377	530,594	378,326	75	602

(*) OECD countries other than EU countries, USA and Canada.

(**) Assets and liabilities that cannot be allocated on a coherent basis.

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II. Explanations Related to Credit Risk (continued)

Sector concentrations for cash loans :

	Current Period				Prior Period			
	TRY	(%)	FC	(%)	TRY	(%)	FC	(%)
Agricultural	24,951	5.32	1,410	1.17	25,016	7.41	903	1.12
Farming and Raising Livestock	23,452	5.00	1,410	1.17	18,595	5.51	903	1.12
Forestry, Wood and Paper	1,285	0.27	-	0.00	6,411	1.91	-	0.00
Fishery	214	0.05	-	0.00	10	0.00	-	0.00
Manufacturing	254,859	54.39	66,734	55.26	87,886	26.03	29,630	36.71
Mining and Quarry	58,981	12.59	5,612	4.65	21,477	6.36	5,384	6.67
Production	195,582	41.74	61,122	50.61	59,648	17.67	22,860	28.32
Electricity, Gas and Water	296	0.06	-	-	6,761	2.00	1,386	1.72
Construction	38,482	8.21	6,324	5.24	35,355	10.47	4,103	5.08
Services	137,721	29.39	45,475	37.65	141,644	41.96	32,061	39.72
Wholesale and Retail Trade	50,616	10.80	841	0.70	41,849	12.40	913	1.13
Hotel, Tourism, Food and Beverage Services	7,739	1.65	16,755	13.87	7,826	2.32	11,920	14.77
Transportation and Communication	16,556	3.53	27,226	22.54	51,234	15.18	19,228	23.82
Financial Institutions	35,175	7.51	-	0.00	31,722	9.40	-	0.00
Real Estate and Renting Services	21,346	4.56	-	0.00	-	0.00	-	0.00
Self-Employment Services	5,322	1.14	653	0.54	634	0.19	-	0.00
Education Services	197	0.04	-	0.00	376	0.11	-	0.00
Health and Social Services	770	0.16	-	0.00	8,003	2.37	-	0.00
Other	12,579	2.68	830	0.69	47,673	14.12	14,015	17.36
Total	468,592	100	120,773	100	337,574	100	80,712	100

The analysis of Bank's financial assets per sectors by considering and not considering existing guarantees is as follows:

Current Period	Maximum Gross Amount Exposure to risk (*)	Maximum Net Amount Exposure to risk (*)
Agricultural	34,366	26,997
Farming and Raising Livestock	32,591	26,922
Forestry, Wood and Paper	1,551	-
Fishery	224	75
Manufacturing	479,852	213,390
Mining and Quarry	104,684	24,673
Production	374,837	188,607
Electricity, Gas and Water	331	110
Construction	196,651	140,155
Services	454,735	147,645
Wholesale and Retail Trade	75,108	34,671
Hotel, Tourism, Food and Beverage Service	25,463	-
Transportation and Communication	59,264	48,356
Financial Institutions	242,040	43,817
Real Estate and Renting Services	21,426	-
Self-Employment Services	30,195	19,658
Education Services	216	216
Health and Social Services	1,023	927
Other	33,958	21,164
Total	1,199,562	549,351

(*) Total amount of Cash loan risks and Non-cash loans risks

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II. Explanations Related to Credit Risk (continued)

Prior Period	Maximum Gross Amount Exposure to risk (*)	Maximum Net Amount Exposure to risk (*)
Agricultural	37,824	19,440
Farming and Raising Livestock	28,471	19,416
Forestry, Wood and Paper	9,329	-
Fishery	24	24
Manufacturing	202,542	108,513
Mining and Quarry	60,158	43,355
Production	111,429	39,265
Electricity, Gas and Water	30,955	25,893
Construction	198,456	135,845
Services	428,960	280,117
Wholesale and Retail Trade	63,251	43,189
Hotel, Tourism, Food and Beverage Services	20,486	-
Transportation and Communication	94,244	41,247
Financial Institutions	231,566	191,994
Real Estate and Renting Services	286	4
Self-Employment Services	3,329	1,706
Education Services	400	400
Health and Social Services	15,398	1,577
Other	120,191	84,533
Total	987,973	628,448

(*) Total amount of Cash loan risks and Non-cash loans risks

The table below shows the maximum exposure to credit risk for the components of the financial statements:

	Current Period	Prior Period
Central Bank of Turkey	19,856	11,170
Due from banks	14,972	20,127
Trading financial assets	60,015	127,137
Derivative financial instruments	9	-
Financial assets available-for-sale	29,586	75
Held to maturity investment	26,515	-
Loans	590,170	418,905
Total	741,123	577,414
Contingent liabilities	426,646	378,326
Commitments	31,793	32,233
Total	458,439	410,559
Total credit risk exposure	1,199,562	987,973

The maximum credit risk exposure to any client or counterparty as of March 31 2008 for cash loans and non cash loans was TRY 26,380 Thousand and TRY 22,586 Thousand, respectively. (December 31, 2007: TRY 18,479 Thousand, TRY 19,826 Thousand) before taking into account collaterals and other credit enhancements and TRY 26,380 Thousand and TRY 22,586 Thousand (December 31,2007: TRY 17,947 Thousand for cash loans, TRY 19,826 Thousand) net of such items.

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II. Explanations Related to Credit Risk (continued)

Credit quality per class of financial assets as of March 31, 2008 is as follows:

Current Period	Neither past due nor impaired	Past due or individually impaired	Total
Due from banks	14,972	-	14,972
Financial assets designated at fair value through profit or loss	60,024	-	60,024
Loans to customers			
Corporate lending	495,416	4,848	500,264
Small business lending	77,811	1,490	79,301
Consumer lending	6,663	165	6,828
Other	3,777	-	3,777
Total	658,663	6,503	665,166
Financial investments			
Quoted on a stock exchange - <i>domestic public sector debt securities</i>	-	-	-
Quoted on a stock exchange - <i>Other debt securities</i>	-	-	-
Unquoted on a stock exchange - <i>Debt securities</i>	-	-	-
Total	-	-	-
Total	658,663	6,503	665,166

Credit quality per class of financial assets as of December 31, 2007 is as follows:

Prior Period	Neither past due nor impaired	Past due or individually impaired	Total
Due from banks	20,127	-	20,127
Financial assets designated at fair value through profit or loss	127,137	-	127,137
Loans to customers			
Corporate lending	364,770	2,443	367,213
Small business lending	44,103	996	45,099
Consumer lending	6,430	163	6,593
Other	-	-	-
Total	562,567	3,602	566,169
Financial investments			
Quoted on a stock exchange - <i>domestic public sector debt securities</i>	-	-	-
Quoted on a stock exchange - <i>Other debt securities</i>	-	-	-
Unquoted on a stock exchange - <i>Debt securities</i>	-	-	-
Total	-	-	-
Total	562,567	3,602	566,169

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II. Explanations Related to Credit Risk (continued)

	Internal Rating Grade	Total	(%)
High			
Risk rating class 1	A+ Excellent	6,905	01.17
Risk rating class 2	A- Excellent	7,660	01.30
Good			
Risk rating class 3	B+ Very Good	21,667	03.68
Risk rating class 4	B- Very Good	64,702	10.98
Standard			
Risk rating class 5	C+ Good	118,794	20.16
Risk rating class 6	C- Good	127,387	21.61
Substandard			
Risk rating class 7	D+ Ordinary	73,974	12.55
Risk rating class 8	D- Ordinary	107,571	18.25
Risk rating class 9	E Bad	36,688	06.23
Risk rating class 10	F Very Bad	7,314	01.24
Unrated		16,703	02.83
Total		589,365	100

The Bank use 3 main factors for internal credit rating system. These are financial data, non-financial data and specialist decisions. Financial data consist of liquidity, financial structure, profitability, growth ratios and turnover rate. Non financial data consist of loan client business, relation with finance sector and sector analysis. The Bank measures the credit rating of companies by making comparisons regarding the financial data and non financial-data.

In the above internal loan rating table, Loans rated as D+ and D- contain customers that are operating in manufacturing, wholesale-retail trade, sea transportation and car rental business. Their proportions in the D+ and D- rated loans are 37%, 12%, 15% and 10% respectively. There are specific features in the financials of these businesses to affect the rating. Since these companies are operating with a high leverage and negative working capital especially in the sea transportation and car rental businesses, these customers have low rating grades despite their high credit worthiness.

In the existing rating system, the collateral assigned to loans are not taken into account in the rating.

The Bank made an agreement with a consulting firm which is authorized distributor of Dun and Bradstreet Ltd to establish a new credit scoring model which is applicable to small business and commercial/corporate segments to comply with Basel II and remediate the difficulties referred to above that will be in use starting from mid 2008.

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II. Explanations Related to Credit Risk (continued)

As of December 31, 2007:

	Internal Rating Grade	Total	(%)
High			
Risk rating class 1	A+ Excellent	3,898	0.93
Risk rating class 2	A- Excellent	341	0.08
Good			
Risk rating class 3	B+ Very Good	14,059	3.36
Risk rating class 4	B- Very Good	37,704	9.01
Standard			
Risk rating class 5	C+ Good	77,046	18.42
Risk rating class 6	C- Good	95,142	22.75
Substandard			
Risk rating class 7	D+ Ordinary	66,910	16.00
Risk rating class 8	D- Ordinary	61,517	14.71
Risk rating class 9	E Bad	16,765	4.01
Risk rating class 10	F Very Bad	6,778	1.62
Unrated		38,126	9.11
Total		418,286	100

Recorded amount of financial assets whose terms or maturities have been renegotiated:

	Current Period	Prior Period
Due from banks	-	-
Financial assets designated at fair value through profit or loss	-	-
Loans and advances to customers	167	176
Corporate lending	137	120
Small business lending	30	56
Consumer lending	-	-
Other	-	-
Total	167	176

III. Explanations Related to Market Risk

The Bank has established market risk management operations and taken the necessary precautions in order to hedge market risk within its financial risk management purposes, in accordance with the Communiqué on "Measurement and Assessment of Capital Adequacy of Banks" issued in the Official Gazette dated November 1, 2006 numbered 26333.

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

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III. Explanations Related to Market Risk (continued)

Interest rate and exchange rate risks, arising from the volatility in the financial markets are measured, and in the computation of capital adequacy, the amount subject to VAR calculated by using the standard method (summarised below) is taken into consideration. Beside the standart method, market risk (VAR) is calculated by using internal model as supported by scenario analysis and stress tests. VAR is calculated daily by two different methods which are historic simulation and parametric method, and these results are also reported daily to the management.

Market risk (Value at risk) is also calculated by using internal model beside the standart method and results are supported by using scenario analysis and stress tests

a) Information Related to Market Risk

	Amount
(I) Capital Requirement to be Employed For General Market Risk - Standard Method	407
(II) Capital Requirement to be Employed For Specific Risk - Standard Method	-
(III) Capital Requirement to be Employed For Currency Risk – Standard Method	346
(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)	753
(IX) Amount Subject to Market Risk (12.5 x VIII) or (12.5 x VII)	9,413

b) Average market risk table calculated at the end of the months during the period:

	Current Period			Prior Period		
	Average	Maximum	Minimum	Average	Maximum	Minimum
Interest Rate Risk	5,904	7,938	4,688	1,105	1,341	798
Common Stock Risk	-	-	-	18	51	-
Currency Risk	2,479	4,325	1,275	211	449	102
Commodity Risk	-	-	-	-	-	-
Settlement Risk	-	-	-	-	-	-
Option Risk	-	-	-	-	-	-
Total Value Subject to Risk	8,383	12,263	5,963	1,334	1,841	900

Other price risks:

The Bank does not invest in share certificates quoted on a stock exchange hence it is not subject to share price risk.

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IV. Explanations Related to Currency Risk

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

The Board of Directors sets limits for the positions and stop losses which are followed up daily. Any possible changes in the foreign currency transactions in the Bank's positions are also monitored.

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

The announced current foreign exchange buying rates of the Bank at March 31, 2008 and the previous five working days in full TRY are as follows (Bank's FC evaluation rates) :

	24.03.2008	25.03.2008	26.03.2008	27..03.2007	28..03.2008	31.03.2008
USD	1.2355	1.2496	1.2658	1.2718	1.2999	1.3207
CHF	1.2065	1.2385	1.2685	1.2801	1.3047	1.3280
GBP	2.4483	2.4968	2.5301	2.5578	2.5926	2.6261
100 JPY	1.2276	1.2518	1.2767	1.2774	1.3066	1.3267
EURO	1.8991	1.9471	1.9903	2.0075	2.0510	2.0887

The simple arithmetic averages of the major current foreign exchange buying rates of the Bank for the thirty days before March 31, 2008 are as follows:

	Monthly Average Foreign Exchange Rate
USD	1.2417
CHF	1.2246
GBP	2.4865
JPY	1.2304
EURO	1.9257

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IV. Explanations Related to Currency Risk (continued)

Information on the foreign currency risk of the Bank:

Current Period	EUR	USD	YEN	OTHER	TOTAL
Assets					
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey.	1,567	1,981	-	201	3,749
Banks	939	10,475	157	756	12,327
Financial Assets at Fair Value Through Profit and Loss	-	-	-	-	-
Money Market Placements	-	-	-	-	-
Available-For-Sale Financial Assets	-	-	-	-	-
Loans (*)	162,785	124,892	-	-	287,677
Subsidiaries, Associates and Entities Under Common Control	-	-	-	-	-
Held-To-Maturity Investments	-	-	-	-	-
Derivative Financial Assets for Hedging Purposes	-	-	-	-	-
Tangible Assets	-	-	-	-	-
Intangible Assets	-	-	-	-	-
Other Assets	9,789	29,110	-	-	38,899
Total Assets	175,080	166,458	157	957	342,652
Liabilities					
Bank Deposits	16	48	-	-	64
Foreign Currency Deposits	51,104	124,957	1	120	176,182
Money Market Borrowings	-	-	-	-	-
Funds Provided From Other Financial Institutions	22,303	142,515	-	-	164,818
Marketable Securities Issued	-	-	-	-	-
Sundry Creditors	172	348	-	-	520
Derivative Financial Liabilities for Hedging Purposes	-	-	-	-	-
Other Liabilities	2,951	39	-	-	2,990
Total Liabilities	76,546	267,907	1	120	344,574
Net Balance Sheet Position	98,534	(101,449)	156	837	(1,922)
Net Off-Balance Sheet Position	(97,542)	96,828	-	-	(714)
Financial Derivative Assets	-	96,828	-	-	96,828
Financial Derivative Liabilities	97,542	-	-	-	97,542
Non-Cash Loans (**)	64,069	180,187	916	4,471	249,643
Prior Period					
Total Assets	109,127	150,460	140	1,054	260,781
Total Liabilities	64,478	197,905	12	55	262,450
Net Balance Sheet Position	44,649	(47,445)	128	999	(1,669)
Net Off-Balance Sheet Position	(43,633)	43,277	-	-	(356)
Financial Derivative Assets	-	43,277	-	-	43,277
Financial Derivative Liabilities	43,633	-	-	-	43,633
Non-Cash Loans (**)	59,144	118,824	704	3,320	181,992

(*) Foreign currency indexed loans amounting to TRY 166,904 Thousand (December 31, 2007: TRY 122,916 Thousand) are included in the loan portfolio

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

Foreign currency sensitivity:

The Bank holds EUR and USD currencies positions mainly.

The following table details the Bank's sensitivity to a 10% increase or decrease in the TRY against USD and EUR. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the possible change in foreign exchange rates. Positive/(Negative) number indicates a change in profit or loss and other equity where USD and EUR increase %10 against TRY.

	Change in currency rate in %	Effect on profit or loss		Effect on equity	
		Current Period	Prior Period	Current Period	Prior Period
USD	10	(462)	(417)	-	-
EURO	10	99	102	-	-

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V. Explanations Related to Interest Rate Risk

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

Risk Department performs duration, maturity and sensitivity analysis to protect the effect of interest rate volatility and reported to the Asset-Liability Committee

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

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

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

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

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Non-interest bearing	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.	-	-	-	-	-	24,610	24,610
Banks	12,395	-	-	-	-	2,577	14,972
Financial Assets at Fair Value Through Profit and Loss	41,813	-	9,026	9,185	-	-	60,024
Money Market Placements	-	-	-	-	-	-	-
Available-For-Sale Financial Assets	-	-	22,627	6,884	-	75	29,586
Loans (*)	492,137	26,508	41,166	29,504	50	-	589,365
Held-To-Maturity Investments	-	-	-	26,515	-	-	26,515
Other Assets (**)	38,635	-	-	-	-	36,378	75,013
Total Assets	584,980	26,508	72,819	72,088	50	63,640	820,085
Liabilities							
Bank Deposits	6,003	-	-	-	-	110	6,113
Other Deposits	242,194	72,711	3,576	-	-	53,689	372,170
Money Market Borrowings	62,728	-	-	-	-	-	62,728
Sundry Creditors	-	-	-	-	-	1,816	1,816
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Provided From Other Financial Institutions	10,356	4,524	154,664	-	-	-	169,544
Other Liabilities (***)	829	186	865	1,760	-	204,074	207,714
Total Liabilities	322,110	77,421	159,105	1,760	-	259,689	820,085
Balance Sheet Long Position	262,870	-	-	70,328	50	-	333,248
Balance Sheet Short Position	-	(50,913)	(86,286)	-	-	(196,049)	(333,248)
Off-Balance Sheet Long Position	-	-	-	-	-	96,828	96,828
Off-Balance Sheet Short Position	-	-	-	-	-	(97,542)	(97,542)
Total Position	262,870	(50,913)	(86,286)	70,328	50	(196,763)	(714)

(*) Up to 1 month column consist of rotative loans and corporate FC indexed loans.

(**)The other assets line in the non-interest bearing column consist of tangible assets amounting to TRY 9,643 Thousand intangible assets amounting to TRY 1,726 Thousand, deferred tax asset amounting to TRY 1,113 Thousand, net non performing loans amounting to TRY 805 Thousand and other assets amounting to TRY 23,091 Thousand .

(***)The other liabilities line in the non-interest bearing column consist of shareholders' equity amounting to TRY 174,921 Thousand.

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V. Explanations Related to Interest Rate Risk (continued)

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	1.88	0.95	-	11.43
Banks	-	2.80	-	17.07
Financial Assets At Fair Value Through Profit And Loss	-	-	-	17.02
Money Market Placements	-	-	-	-
Available-For-Sale Financial Assets	-	-	-	18.54
Loans	7.04	7.24	-	21.26
Held-To-Maturity Investments	-	-	-	16.58
Liabilities				
Bank Deposits	-	-	-	17.02
Other Deposits	4.84	4.60	-	18.40
Money Market Borrowings	-	-	-	16.68
Sundry Creditors	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Provided From Other Financial Institutions	5.31	3.71	-	15.88

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V. Explanations Related to Interest Rate Risk (continued)

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	3-12 Months	1-5 Years	Over 5 Years	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.	-	-	-	-	-	16,528	16,528
Banks	16,588	-	-	-	-	3,539	20,127
Financial Assets at Fair Value Through Profit and Loss	-	7,297	50,809	65,254	3,777	-	127,137
Money Market Placements	-	-	-	-	-	-	-
Available-For-Sale Financial Assets	-	-	-	-	-	75	75
Loans(*)	346,915	19,551	32,619	19,147	54	-	418,286
Held-To-Maturity Investments	-	-	-	-	-	-	-
Other Assets (**)	21,133	5,405	1,615	-	-	26,146	54,299
Total Assets	384,636	32,253	85,043	84,401	3,831	46,288	636,452
Liabilities							
Bank Deposits	1,000	-	-	-	-	446	1,446
Other Deposits	206,084	80,167	8,951	98	-	34,724	330,024
Money Market Borrowings	22,032	-	-	-	-	-	22,032
Sundry Creditors	-	-	-	-	-	2,793	2,793
Marketable Securities Issued	-	-	-	-	-	-	-
Funds Provided From Other Financial Institutions	8,109	123,337	14,559	-	-	-	146,005
Other Liabilities (***)	885	75	351	776	-	132,065	134,152
Total Liabilities	238,110	203,579	23,861	874	-	170,028	636,452
Balance Sheet Long Position	146,526	-	61,182	83,527	3,831	-	295,066
Balance Sheet Short Position	-	(171,326)	-	-	-	(123,740)	(295,066)
Off-Balance Sheet Long Position	-	-	-	-	-	47,531	47,531
Off-Balance Sheet Short Position	-	-	-	-	-	(47,892)	(47,892)
Total Position	146,526	(171,326)	61,182	83,527	3,831	(124,101)	(361)

(*) Up to 1 month column consist of rotative loans and corporate FC indexed loans.

(**)The other assets line in the non-interest bearing column consist of tangible assets amounting to TRY 5,952 Thousand, intangible assets amounting to TRY 997 Thousand, deferred tax asset amounting to TRY 1,012 Thousand, net non performing loans amounting to TRY 619 Thousand and other assets amounting to 17,566 Thousand TRY.

(***)The other liabilities line in the non-interest bearing column consist of shareholders' equity amounting to TRY 105,858 Thousand.

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V. Explanations Related to Interest Rate Risk (continued)

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	1.70	2.33	-	12.93
Banks	3.41	4.54	-	-
Financial Assets At Fair Value Through Profit And Loss	5.88	6.75	-	16.73
Money Market Placements	-	-	-	-
Available-For-Sale Financial Assets	-	-	-	-
Loans	6.76	6.66	-	22.62
Held-To-Maturity Investments	-	-	-	-
Liabilities				
Bank Deposits	-	-	-	16.65
Other Deposits	3.85	5.37	-	19.46
Money Market Borrowings	-	-	-	16.72
Sundry Creditors	-	-	-	-
Marketable Securities Issued	-	-	-	-
Funds Provided From Other Financial Institutions	4.97	5.79	-	15.43

Interest rate sensitivity:

If interest rates had been increased by 0.5% in TRY and by % 0.5 in FC and all other variables were held constant, the Bank's:

- Net profit would change by TRY 374 Thousand decrease. The main reason of this is TRY interest rate risk. (December 31, 2007: TRY 293 Thousand change)

Interest rate swap contracts:

The Bank does not have any interest rate swap contracts outstanding as of balance sheet date.

VI. Explanations Related to Liquidity Risk

Liquidity risk occurs when there is insufficient cash or cash inflows to meet the cash outflows completely and timely.

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

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

According to the general policies of the Bank, the matching of the maturity and interest rate structure of assets, and liabilities is always established within the asset liability management strategies. A positive difference is tried to be established between the yields of TRY and foreign currency assets and liabilities on the balance sheet and their costs. In this sense, various crisis scenarios which are prepared by risk management group are presented to management and inspection committee.

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VI. Explanations Related to Liquidity Risk (continued)

When the funding and liquidity sources are considered, the Bank covers majority of its liquidity need by deposits, and in addition to this source, it makes use of pre-financing and syndication products to generate additional sources.

During current period, liquidity ratios were as follows:

	Current Period		Prior Period	
	FC	Total	FC	Total
31 March	%233.44	%386.47	278.21%	532.11%
Period Average	%313.51	%574.32	269.67%	340.84%
Maximum	%404.91	%693.97	645.14%	700.46%
Minimum	%219.03	%386.47	100.82%	107.23%

(*) Calculated as per BRSA decree "The decree on banks' liquidity measurement and evaluation"

Presentation of assets and liabilities according to their remaining maturities:

Current Period	Demand	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Undistributed (*)	Total
Assets								
Cash (Cash in Vault, Foreign Currency Cash, Money in Transit, Cheques Purchased, Precious Metals) and Balances with the Central Bank of Turkey	24,610	-	-	-	-	-	-	24,610
Banks	2,577	12,395	-	-	-	-	-	14,972
Financial Assets at Fair Value Through Profit and Loss	-	41,814	-	2,085	10,715	5,410	-	60,024
Money Market Placements	-	-	-	-	-	-	-	-
Available-For-Sale Financial Assets	-	-	-	22,627	6,884	75	-	29,586
Loans	-	492,137	26,508	41,166	29,504	50	-	589,365
Held-To-Maturity Investments	-	-	-	-	26,515	-	-	26,515
Other Assets	-	51,529	11,020	290	-	-	12,174	75,013
Total Assets	27,187	597,875	37,528	66,168	73,618	5,535	12,174	820,085
Liabilities								
Bank Deposits	110	6,003	-	-	-	-	-	6,113
Other Deposits	53,689	242,194	72,711	3,576	-	-	-	372,170
Funds Provided From Other Financial Institutions	-	9,754	4,524	155,266	-	-	-	169,544
Money Market Borrowings	-	62,728	-	-	-	-	-	62,728
Marketable Securities Issued	-	-	-	-	-	-	-	-
Sundry Creditors	-	1,816	-	-	-	-	-	1,816
Other Liabilities	-	22,955	186	865	1,763	-	181,945	207,714
Total Liabilities	53,799	345,450	77,421	159,707	1,763	-	181,945	820,085
Liquidity Gap	(26,612)	252,425	(39,893)	(93,539)	71,855	5,535	(169,771)	-
Prior Period								
Total Assets	20,067	402,202	24,956	85,043	86,013	9,156	8,655	636,452
Total Liabilities	35,170	261,780	84,854	142,587	874	-	111,187	636,452
Liquidity Gap	(15,103)	140,422	(59,898)	(57,544)	85,139	9,156	(102,532)	-

(*) 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.

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VI. Explanations Related to Liquidity Risk (continued)

Analysis of financial liabilities by remaining contractual maturities:

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Adjustments	Total
As of March 31, 2008							
Bank Deposits	6,115	-	-	-	-	(2)	6,113
Other deposits	304,167	75,831	3,769	-	-	(11,597)	372,170
Funds provided from other financial institutions	9,764	4,576	160,179	-	-	(4,975)	169,544
Money market borrowings	62,734	-	-	-	-	(6)	62,728
Total	382,780	80,407	163,948	-	-	(16,580)	610,555
As of December 31, 2007							
Bank Deposits	1,447	-	-	-	-	(1)	1,446
Other deposits	241,853	81,760	9,305	116	-	(3,010)	330,024
Funds provided from other financial institutions	11,520	4,668	134,391	-	-	(4,574)	146,005
Money market borrowings	22,042	-	-	-	-	(10)	22,032
Total	276,862	86,428	143,696	116	-	(7,595)	499,507

Analysis of contractual expiry by maturity of the Bank's derivative financial instruments:

	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
As of March 31, 2008						
Gross settled	97,542	-	-	-	-	97,542
Foreign exchange forward contracts	-	-	-	-	-	-
Currency swaps	97,542	-	-	-	-	97,542
Total	97,542	-	-	-	-	97,542
As of December 31, 2007						
Gross settled	43,633	-	-	-	-	43,633
Foreign exchange forward contracts	-	-	-	-	-	-
Currency swaps	43,633	-	-	-	-	43,633
Total	43,633	-	-	-	-	43,633

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SECTION FIVE

**EXPLANATIONS AND DISCLOSURES ON
UNCONSOLIDATED FINANCIAL STATEMENTS**

I. Explanations Related to the Assets

1. a) Information on Cash and Balances with the Central Bank of Turkey:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Cash in TRY/Foreign Currency	1,507	3,247	1,069	4,289
Balances with the Central Bank of Turkey	19,354	502	10,702	468
Other	-	-	-	-
Total	20,861	3,749	11,771	4,757

b) Information related to the account of the Central Bank of Turkey:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Unrestricted demand deposits (*)	19,354	502	10,702	468
Unrestricted time deposits	-	-	-	-
Restricted time deposits	-	-	-	-
Total	19,354	502	10,702	468

(*) Unrestricted demand deposits include TRY 10,348 Thousand (December 31, 2007: TRY 10,695 Thousand) domestic currency unrestricted demand deposit balance comprising reserve deposits. Unrestricted demand deposits balance also include average reserve deposits held in the Central Bank. The interest rates applied for reserve deposits are 11.43% for TRY deposits and 0.95% - 1.875% for foreign currency deposits (December 31, 2007: TRY 11.81% and FC 1.80%-1.95%), respectively.

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

a.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	3,729	-	44,696	-
Other	-	-	-	-
Total	3,729	-	44,696	-

a.2) Financial assets at fair value through profit and loss subject to repurchase agreements:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Government bonds	42,093	-	24,161	-
Treasury bills	-	-	-	-
Other public sector debt securities	-	-	-	-
Bank bonds and bank guaranteed bonds	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	42,093	-	24,161	-

Net book value of unrestricted financial assets at fair value through profit and loss is TRY 14,193 Thousand. (December 31, 2007: TRY 54,467 Thousand).

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I. Explanations Related to the Assets (continued)

a.3) Positive differences related to derivative financial assets held-for-trading:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Forward Transactions	-	-	-	-
Swap Transactions	-	9	-	-
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	-	9	-	-

3.a) Information on banks :

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Banks				
Domestic	25	4,336	15	3,294
Foreign	2,620	7,991	-	16,818
Branches and head office abroad	-	-	-	-
Total	2,645	12,327	15	20,112

b) Information on foreign bank accounts:

	Unrestricted Amount		Restricted Amount	
	Current Period	Prior Period	Current Period	Prior Period
European Union Countries	1,655	7,775	-	-
USA and Canada	6,128	8,727	-	-
OECD Countries*	2,828	316	-	-
Off-shore banking regions	-	-	-	-
Other	-	-	-	-
Total	10,611	16,818	-	-

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

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

a.1) Information on financial assets available-for-sale given as collateral or blocked:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Share certificates	-	-	-	-
Bond, Treasury bill and similar securities	2,508	-	-	-
Other	-	-	-	-
Total	2,508	-	-	-

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I. Explanations Related to the Assets (continued)

4. Information on financial assets available-for-sale: (continued)

a.2) Information on financial assets available for sale subject to repurchase agreements:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Government bonds	23,561	-	-	-
Treasury bills	-	-	-	-
Other public sector debt securities	-	-	-	-
Bank bonds and bank guaranteed bonds	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	23,561	-	-	-

Net book value of unrestricted financial assets available-for-sale is TRY 3,442 Thousand. (December 31, 2007: None)

b) Information on financial assets available for sale portfolio:

	Current Period	Prior Period
Debt securities	29,515	-
Quoted on a stock exchange	-	-
Not quoted	29,515	-
Share certificates	75	75
Quoted on a stock exchange	-	-
Not quoted	75	75
Impairment provision(-)	(4)	-
Total	29,515	75

All unquoted available for sale equities are recorded at fair value except for the Bank's investment of TRY 75 Thousand which is recorded at cost since its fair value cannot be reliably estimated. (December 31, 2007: TRY 75 Thousand)

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5. Information on loans:

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

	Current Period		Prior Period	
	Cash Loans	Non-Cash Loans	Cash Loans	Non-Cash Loans
Direct loans granted to shareholders	5	323	74	253
Corporate shareholders	-	-	-	-
Real person shareholders	5	323	74	253
Indirect loans granted to shareholders	4,381	9,061	420	11,849
Loans granted to employees	196	41	155	40
Total	4,582	9,425	649	12,142

b) Information on the first and second group loans and other receivables including restructured or rescheduled 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
Cash Loans				
Non-specialized loans	583,500	167	5,698	-
Discount notes	-	-	-	-
Export loans	125,238	137	500	-
Import loans	-	-	-	-
Loans given to financial sector	35,175	-	-	-
Foreign loans	4,493	-	-	-
Consumer loans	4,904	-	-	-
Credit cards	414	-	-	-
Precious metals loans	-	-	-	-
Other	413,276	30	5,198	-
Specialized loans	-	-	-	-
Other receivables	-	-	-	-
Total	583,500	167	5,698	-

c) Loans according to their maturity structure:

	Standard Loans and Other Receivables		Loans and Other Receivables Under Close Monitoring	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
Cash Loans				
Short-term loans and other receivables	513,142	167	5,267	-
Non-specialized loans	513,142	167	5,267	-
Specialized loans	-	-	-	-
Other receivables	-	-	-	-
Medium and long-term loans and other receivables	70,358	-	431	-
Non-specialized loans	70,358	-	431	-
Specialized loans	-	-	-	-
Other receivables	-	-	-	-
Total	583,500	167	5,698	-

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I. Explanations Related to the Assets (continued)

5. Information on loans: (continued)

- d) 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	194	2,374	2,568
Housing Loans	-	139	139
Car Loans	-	298	298
General Purpose Loans	194	1,898	2,092
Other	-	39	39
Consumer Loans -Indexed to FC	2,130	2,130	2,130
Housing Loans	-	921	921
Car Loans	-	131	131
General Purpose Loans	-	245	245
Other	-	833	833
Consumer Loans-FC	-	-	-
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Individual Credit Cards-TRY	226	-	226
With Installments	-	-	-
Without Installments	226	-	226
Individual Credit Cards-FC	18	-	18
With Installments	-	-	-
Without Installments	18	-	18
Personnel Loans-TRY	112	-	112
Housing Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	106	-	106
Other	6	-	6
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	48	-	48
With Installments	-	-	-
Without Installments	48	-	48
Personnel Credit Cards-FC	-	-	-
With Installments	-	-	-
Without Installments	-	-	-
Overdraft Accounts-TRY(Real Persons) (*)	94	-	94
Overdraft Accounts-FC(Real Persons)	-	-	-
Total	692	4,504	5,196

(*) Overdraft Accounts includes TRY 36 Thousand personnel loans.

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I. Explanations Related to the Assets (continued)

5. Information on loans: (continued)

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

	Short Term	Medium and Long Term	Total
Commercial loans with installment facility-TRY	2,429	14,029	16,458
Business Loans	-	1,608	1,608
Car Loans	85	1,684	1,769
General Purpose Loans	-	512	512
Other	2,344	10,225	12,569
Commercial loans with installment facility - Indexed to FC	3,218	37,996	41,214
Business Loans	-	492	492
Car Loans	58	26,078	26,136
General Purpose Loans	-	-	-
Other	3,160	11,426	14,586
Commercial loans with installment facility -FC			
Business Loans	-	-	-
Car Loans	-	-	-
General Purpose Loans	-	-	-
Other	-	-	-
Corporate Credit Cards-TRY	69		69
With Installments	-	-	-
Without Installments	69	-	69
Corporate Credit Cards-FC	53		53
With Installments	-	-	-
Without Installments	53	-	53
Overdraft Accounts-TRY(Legal Entities)	2,603		2,603
Overdraft Accounts-FC(Legal Entities)			
Total	8,372	52,025	60,397

f) Loans according to borrowers:

	Current Period	Prior Period
Public	-	-
Private	589,365	418,286
Total	589,365	418,286

g) Domestic and foreign loans:

	Current Period	Prior Period
Domestic loans	584,872	414,066
Foreign loans	4,493	4,220
Total	589,365	418,286

h) Loans granted to subsidiaries and associates:

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

i) Specific provisions provided against loans:

	Current Period	Prior Period
Specific provisions		
Loans and receivables with limited collectibility	18	2
Loans and receivables with doubtful collectibility	2,818	3,534
Uncollectible loans and receivables	5,684	4,996
Total	8,520	8,532

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I. Explanations Related to the Assets (continued)

5. Information on loans: (continued)

j) Information on non-performing loans (Net):

j.1) Information on loans and other receivables included in non-performing loans which are restructured or rescheduled: None.

j.2) The movement of non-performing loans:

	III. Group Loans and receivables with limited collectibility	IV. Group Loans and receivables with doubtful collectibility	V. Group Uncollectible loans and receivables
Prior period end balance	146	3,798	5,207
Additions (+)	366	3	11
Transfers from other categories of non-performing loans (+)	-	88	715
Transfers to other categories of non-performing loans (-)	(88)	(715)	-
Collections (-)	(85)	(51)	(70)
Write-offs (-)	-	-	-
Corporate and commercial loans	-	-	-
Retail loans	-	-	-
Credit cards	-	-	-
Other	-	-	-
Current period end balance	339	3,123	5,863
Specific provision (-)	(18)	(2,818)	(5,684)
Net Balances on Balance Sheet	321	305	179

j.3) Information on foreign currency non-performing loans and other receivables: None.

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I. Explanations Related to the Assets (continued)

5. Information on loans: (continued)

j.4) Information regarding gross and net amounts of non-performing loans with respect to user groups:

	III. Group Loans and receivables with limited collectibility	IV. Group Loans and receivables with doubtful collectibility	V. Group Uncollectible loans and receivables
Current Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	339	3,123	5,863
Specific provision (-)	(18)	(2,818)	(5,684)
Loans to Real Persons and Legal Entities (Net)	321	305	179
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-
Prior Period (Net)			
Loans to Real Persons and Legal Entities (Gross)	146	3,798	5,207
Specific provision (-)	(2)	(3,534)	(4,996)
Loans to Real Persons and Legal Entities (Net)	144	264	211
Banks (Gross)	-	-	-
Specific provision (-)	-	-	-
Banks (Net)	-	-	-
Other Loans and Receivables (Gross)	-	-	-
Specific provision (-)	-	-	-
Other Loans and Receivables (Net)	-	-	-

k) Main principles of liquidation policies of non performing loans and receivables:

According to the “Methods and Principles for the Determination of Loans and Other Receivables to be Reserved for and Allocation of Reserves” published on Official Gazette No. 26333 dated November 1, 2006; legal action is carried on considering firms, guarantors and existing collaterals and provisions are made for non-performing loans in accordance with the relevant decree.

l) Explanations on write-off policy:

Upon the request of internal legal counsel and credit department for those doubtful loans that have no proven change of recovery, write off is evaluated according to the authority delegated by the Board Of Directors.

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I. Explanations Related to the Assets (continued)

5. Information on loans: (continued)

m) Other explanations and disclosures:

Current Period	Corporate	Small Business	Retail	Other	Total
Neither past due nor impaired	495,279	77,781	6,663	3,777	583,500
Past due not impaired	4,208	1,490	-	-	5,698
Restructured loans	137	30	-	-	167
Individually impaired	8,022	293	1,010	-	9,325
Total gross	507,646	79,594	7,673	3,777	598,690
Less: allowance for individually impaired loans	(7,382)	(293)	(845)	-	(8,520)
Total net	500,264	79,301	6,828	3,777	590,170

Prior Period	Corporate	Small Business	Retail	Other	Total
Neither past due nor impaired	364,650	44,047	6,430	-	415,127
Past due not impaired	1,987	996	-	-	2,983
Restructured loans	120	56	-	-	176
Individually impaired	7,598	236	1,317	-	9,151
Total gross	374,355	45,335	7,747	-	427,437
Less: allowance for individually impaired loans	(7,142)	(236)	(1,154)	-	(8,532)
Total net	367,213	45,099	6,593	-	418,905

A reconciliation of the allowance for impairment losses and advances by classes is as follows;

	Corporate	Small Business	Retail	Other	Total
At January 1, 2008	7,142	236	1,154	-	8,532
Change from business division	206	57	(263)	-	-
Charge for the period	25	-	7	-	32
Recoveries	(8)	-	(66)	-	(74)
Additions	17	-	13	-	30
Amounts written off	-	-	-	-	-
Accrued interest on impaired loans and advances	-	-	-	-	-
At March 31, 2008	7,382	293	845	-	8,520

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I. Explanations Related to the Assets (continued)

5. Information on loans: (continued)

The fair value of collaterals, capped with the respective outstanding loan balance, that the Bank holds relating to loans individually determined to be impaired as at March 31, 2008 is TRY 3,222 Thousand. (December 31, 2007: TRY 2,196 Thousand).

Collaterals and credit enhancements obtained during the period: None. (December 31, 2007: TRY 774 Thousand)

Aging analysis of past due but not impaired loans per class of financial instruments is as follows:

Current Period	Less than 30 days	31-60 Days	61-90 Days	More than 91 Days	Total
Loans and advances to customers					
Corporate lending	3,025		1,183		4,208
Small business lending	873		617		1,490
Consumer lending	-	-	-	-	-
Other	-	-	-	-	-
Total	3,898		1,800		5,698

The fair value of collaterals, capped with the respective outstanding loan balance, that the Bank held as at March 31, 2008 is TRY 12,205 Thousand (December 31, 2007: TRY 27,434 Thousand) for the total aggregate amount of gross past due but not yet impaired loans and advances to customers.

Loans and advances amounting to TRY 459,631 Thousand have floating interest rates (December 31, 2007: TRY 314,041 Thousand) and the rest TRY 129,734 Thousand have fixed interest rates. (December 31, 2007: TRY 104,245 Thousand).

Prior Period	Less than 30 days	31-60 Days	61-90 Days	More than 91 Days	Total
Loans and advances to customers					
Corporate lending	1,987				1,987
Small business lending	958		38		996
Consumer lending	-	-	-	-	-
Other	-	-	-	-	-
Total	2,945		38		2,983

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I. Explanations Related to the Assets (continued)

6. Information on held-to-maturity investments :

a.1) Information on held-to-maturity investments given as collateral or blocked:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Share certificates	-	-	-	-
Bond, Treasury bill and similar securities	26,117	-	-	-
Other	-	-	-	-
Total	26,117	-	-	-

a.2) Held-to-maturity investments subject to repurchase agreements:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Government bonds	398	-	-	-
Treasury bills	-	-	-	-
Other public sector debt securities	-	-	-	-
Bank bonds and bank guaranteed bonds	-	-	-	-
Asset backed securities	-	-	-	-
Other	-	-	-	-
Total	398	-	-	-

b) Information on public sector debt investments held-to-maturity:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Government bonds	26,515	-	-	-
Treasury bills	-	-	-	-
Other public sector debt securities	-	-	-	-
Total	26,515	-	-	-

c) Information on held-to-maturity investments:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Debt securities	-	-	-	-
Quoted on a stock exchange	-	-	-	-
Not quoted on a stock exchange	26,517	-	-	-
Provision for impairment (-)	(2)	-	-	-
Total	26,515	-	-	-

d) Movement of held-to-maturity investments:

	Current period		Prior Period	
	TRY	FC	TRY	FC
Beginning balance	-	-	-	-
Foreign currency differences on monetary assets	-	-	-	-
Purchases during year	26,517	-	-	-
Disposal through sales and redemptions	-	-	-	-
Impairment provision (-)	(2)	-	-	-
Closing Balance	26,515	-	-	-

**TURKLANDBANK ANONİM ŞİRKETİ NOTES TO THE FINANCIAL STATEMENTS
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I. Explanations Related to the Assets (continued)

7. Information on associates (Net):

The Bank has no associates in the current period

8. Information on subsidiaries (Net):

The Bank has no subsidiaries in the current period.

9. Information on entities under common control:

The Bank has no entities under common control in the current period.

10. Information on finance lease receivables (Net):

The Bank has no lease receivables in the current period.

11. Information on derivative financial assets for hedging purposes:

The Bank has no financial assets for hedging purposes in the current period.

12. Information on tangible assets (Net) :

	Opening Balance December 31, 2007	Additions	Disposals	Other	Ending Balance March 31, 2008
Cost:					
Land and buildings					
Leased tangible assets	4,237	1,269		25	5,531
Vehicles	167		(113)		54
Other	12,615	2,932	(37)	(25)	15,485
Total Cost	17,019	4,201	(150)		21,070
	Opening Balance December 31, 2007	Period Charge	Disposals	Other	Ending Balance March 31, 2008
Accumulated Depreciation:					
Land and buildings					
Leased tangible assets	(2,780)	(141)			(2,921)
Vehicles	(166)		113		(53)
Other	(8,121)	(332)			(8,453)
Total Accumulated Depreciation	(11,067)	(473)	113		(11,427)
Net Book Value	5,952	3,728	(37)		9,643

- a) If impairment amount on individual asset recorded or reversed in the current period is material for the overall financial statements:
- a.1) Events and conditions for recording or reversing impairment: None.
- a.2) Amount of recorded or reversed impairment in the financial statements: None.
- b) The impairment provision set or cancelled in the current period according to the asset groups not individually significant but materially affecting the overall financial statements, and the reason and conditions for this: None.
- c) Pledges, mortgages and other restrictions on the tangible fixed assets, expenses arising from the construction for tangible fixed assets, commitments given for the purchases of tangible fixed assets: None.

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I. Explanations Related to the Assets (continued)

13. Information on intangible assets:

	Opening Balance December 31, 2007	Additions	Disposals	Other	Ending Balance March 31, 2008
Cost:					
Software cost	4,658	635	-	-	5,293
Other intangible assets	296	240	-	-	536
Total Cost	4,954	875	-	-	5,829
	Opening Balance December 31, 2007	Period Charge	Disposals	Other	Ending Balance March 31, 2008
Accumulated Depreciation:					
Software cost	(3,837)	(129)	-	-	(3,966)
Other intangible assets	(120)	(17)	-	-	(137)
Total Accumulated Depreciation	(3,957)	(146)	-	-	(4,103)
Net Book Value	997	729	-	-	1,726

- Disclosures for book value, description and remaining depreciation time for a specific intangible fixed asset that is material to the financial statements: None.
- Disclosure for intangible fixed assets acquired through government grants and accounted for at fair value at initial recognition: None.
- The method of subsequent measurement for intangible fixed assets that are acquired through government incentives and recorded at fair value at the initial recognition : None.
- The book value of intangible fixed assets that are pledged or restricted for use: None.
- Amount of purchase commitments for intangible fixed assets: None.
- Information on revalued intangible assets according to their types: None.
- Amount of total research and development expenses recorded in income statement within the period if any: None.
- Positive or negative consolidation goodwill on entity basis: Not applicable for the unconsolidated financial statements.
- Information on goodwill: None.
- Movements on goodwill in the current period: None.

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I. Explanations Related to the Assets (continued)

14. Investment Property (Net): None

15. Explanations on deferred tax asset:

- a) As of March 31, 2008, the carried forward tax losses and tax deductions or exemptions over which deferred tax asset is computed as TRY 591 Thousand. (December 31, 2007: TRY 837 Thousand), deferred tax asset computed on the other temporary differences is TRY 522 Thousand (December 31, 2007: TRY 175 Thousand).
- b) Temporary differences over which deferred tax asset is not computed and recorded in the balance sheet in prior periods: None.
- c) Allowance for deferred tax and deferred tax assets from reversal of allowance: None.
- d) Movement of deferred tax:

	Current Period	Prior Period
At January 1,	1,012	1,051
Effect of change in tax rate	-	-
Deferred tax (charge)/benefit	39	(39)
Deferred tax (charge)/benefit (Net)		-
Deferred tax accounted for under Shareholders' Equity	62	-
Deferred Tax Asset	1,113	1,012

16. Information on assets held for sale and discontinued operations: None.

17. Information on other assets:

- a) Breakdown of other assets:

	Current Period	Prior Period
Prepaid Rent Expenses	795	831
Advances Given	4,376	3,344
Reserve Deposits	38,634	28,145
Settlement accounts	13,280	12,693
Tax receivable (*)	3,611	-
Other	1,030	706
Total	61,726	45,719

(*)The Bank has waived from the lawsuit opened against the Ministry of Finance of the Turkish Republic ("Ministry") based on the requirement about the deduction from the tax base of the Bank based on the Temporary Article 4 with the Banking Law No: 4389 by using the statutory and other reserves as an expense within the framework set out in Paragraph 7 of Article 14 of the annulled Corporate Tax Law No: 5422, and has settled with the Ministry based on Article 3 of Law No: 5736 "Collection of Some Government Receivables by Compromise Procedures" published in the Official Gazette No: 26800 on February 27, 2008 and reflected its receivable amounting to TRY 3,611 Thousand in its financial statements which became collectible with the notification to the Bank.

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

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SECTION FIVE

II. Explanations Related to the Liabilities

1. Information on maturity structure of deposits:

a.1) Current period:

	Demand	7 Day Call Accounts	Up to 1 month	1-3 Month	3-6 Month	6 Month-1 Year	1 Year And over	Accumulated Deposits	Total
Saving deposits	4,399	-	21,079	124,776	1,727	612	222	-	152,815
Foreign currency deposits	29,713	-	23,794	94,148	22,078	5,515	934	-	176,182
Residents in Turkey	29,020	-	23,723	92,317	21,272	3,475	558	-	170,365
Residents abroad	693	-	71	1,831	806	2,040	376	-	5,817
Public sector deposits	6,257	-	-	-	-	-	-	-	6,257
Commercial deposits	13,280	-	7,954	14,516	5	16	-	-	35,771
Other institutions deposits	40	-	451	654	-	-	-	-	1,145
Precious metals deposits	-	-	-	-	-	-	-	-	-
Interbank deposits	110	-	6,003	-	-	-	-	-	6,113
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	5	-	6,003	-	-	-	-	-	6,008
Foreign Banks	105	-	-	-	-	-	-	-	105
Special finance houses	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	53,799	-	59,281	234,094	23,810	6,143	1,156	-	378,283

a.2) Prior period:

	Demand	7 Day Call Accounts	Up to 1 month	1-3 Month	3-6 Month	6 Month-1 Year	1 Year And over	Accumulated Deposits	Total
Saving deposits	2,661	-	9,885	137,855	17,237	1,267	99	-	169,004
Foreign currency deposits	14,543	-	26,911	44,577	24,307	4,333	757	-	115,428
Residents in Turkey	14,223	-	26,706	43,395	22,302	2,640	452	-	109,718
Residents abroad	320	-	205	1,182	2,005	1,693	305	-	5,710
Public sector deposits	3,685	-	-	-	-	-	-	-	3,685
Commercial deposits	13,811	-	14,992	12,088	12	8	-	-	40,911
Other institutions deposits	24	-	15	957	-	-	-	-	996
Precious metals deposits	-	-	-	-	-	-	-	-	-
Interbank deposits	446	-	1,000	-	-	-	-	-	1,446
Central Bank of Turkey	-	-	-	-	-	-	-	-	-
Domestic Banks	344	-	1,000	-	-	-	-	-	1,344
Foreign Banks	102	-	-	-	-	-	-	-	102
Special finance houses	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total	35,170	-	52,803	195,477	41,556	5,608	856	-	331,470

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II. Explanations Related to the Liabilities (continued)

b.1) Information on saving deposits under the guarantee of saving deposits insurance:

i. 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 Insurance		Exceeding the Limit of Insurance	
	Current Period(*)	Prior Period	Current Period(*)	Prior Period
Saving deposits	45,258	44,374	106,131	122,436
Foreign currency saving deposits	20,542	20,613	90,650	49,523
Other deposits in the form of saving deposits	159	177	1,714	2,263
Foreign branches' deposits under foreign Authorities' insurance	-	-	-	-
Off-shore banking regions' deposits under foreign authorities' insurance	-	-	-	-
Total	65,959	65,164	198,495	174,222

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

ii. Deposit amounts not under the guarantee of saving deposit

Deposits of real persons not under the guarantee of saving deposit insurance:

	Current Period	Prior Period
Deposits and accounts in branches abroad	-	-
Deposits of ultimate shareholders and their close families	-	-
Deposits of chairman, members of the Board of Directors and assistant general managers and their close families	234	206
Deposits obtained through illegal acts defined in the 282 nd Article of the 5237 numbered Turkish Criminal Code dated September 26, 2004.	-	-
Saving deposits in banks established in Turkey exclusively for off shore banking activities	-	-

2. Information on derivative financial liabilities:

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

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Forward Transactions	-	-	-	-
Swap Transactions	-	695	-	399
Futures Transactions	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Total	-	695	-	399

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II. Explanations Related to the Liabilities (continued)

3. a) 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	4,726	6,305	2,777	4,606
From Foreign Banks, Institutions and Funds	-	158,513	-	138,622
Total	4,726	164,818	2,777	143,228

b) Maturity analysis of borrowings:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Short-term	4,726	157,507	2,777	136,899
Medium and long-term	-	7,311	-	6,329
Total	4,726	164,818	2,777	143,228

c) Additional explanations related to the concentrations of the Bank's major liabilities:

Bank diversifies its funding resources by customer deposits and foreign borrowings.

1.05% of bank deposits and 47.34% of customer deposits are composed of foreign currency deposits.

4. Information on funds provided from repurchase agreement transactions:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
From domestic transactions	62,560	-	22,032	-
Financial institutions and organizations	57,024	-	7,503	-
Other institutions and organizations	5,502	-	14,507	-
Real persons	34	-	22	-
From foreign transactions	-	-	-	-
Financial institutions and organizations	-	-	-	-
Other institutions and organizations	-	-	-	-
Real persons	-	-	-	-
Total	62,560	-	22,032	-

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

6. Explanations on financial lease obligations (Net):

- a) The general explanations on criteria used in determining installments of financial lease agreements, renewal and purchasing options and restrictions in the agreements that create significant obligations to the bank:

In the financial lease agreements, installments are based on useful life, usage periods and provisions of the Tax Procedural Code.

- b) The explanation on modifications in agreements and new obligations resulting from such modifications: None.

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II. Explanations Related to the Liabilities (continued)

6. Explanations on financial lease obligations (Net): (continued)

- c) Explanation on finance lease payables:

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Less than 1 Year	1,365	1,177	560	483
Between 1-4 Years	1,874	1,768	822	777
More than 4 Years	-	-	-	-
Total	3,239	2,945	1,382	1,260

- d) Explanations regarding operational leases:

Head-Office and all branch premises of the Bank are leased under operational leases. During first 3 months of 2008, operational lease expenses amounting to TRY 995 Thousand have been recorded in the profit and loss accounts. The lease periods vary between 5 and 10 years.

- e) Explanations on the lessor and lessee in sale and lease back transactions, agreement conditions, and major agreement terms: None.

7. Information on derivative financial liabilities for hedging purposes: None.

8. Information on provisions:

- a) Information on general provisions:

	Current Period	Prior Period
General Provisions		
Provisions for First Group Loans and Receivables	3,861	2,500
Provisions for Second Group Loans and Receivables	105	18
Provisions for non-Cash Loans	469	404
Other	-	-
Total	4,435	2,922

- b) Foreign exchange losses on the foreign currency indexed loans and finance lease receivables: The foreign exchange losses amounting to TRY 442 Thousand (December 31, 2007: TRY 7,394 Thousand) on the foreign currency indexed loans are netted off from loans on the balance sheet.

- c) The specific provisions of TRY 855 Thousand (December 31, 2007: TRY 805 Thousand) were provided for unindemnified non cash loans.

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II. Explanations Related to the Liabilities (continued)

8. Information on provisions (continued)

d) Information on employee termination benefits and unused vacation accrual:

Bank has calculated the reserve for employee termination benefits by using actuarial valuation methods as set out in the TAS No:19 and reflected this in the financial statements.

d.1) Movement of employee termination benefits:

	Current Period	Prior Period
As of January 1,	1,240	1,030
Benefits paid	(10)	(135)
Arising during the period	142	345
Total	1,372	1,240

e) Information on other provisions:

e.1) Provisions for possible losses: None.

e.2) The breakdown of the subsidiary accounts if other provisions exceed 10% of the grand total of provisions:

	Current Period	Prior Period
The specific provisions provided for unindemnified non cash loans	855	805
Provisions for litigation	362	362
Total	1,217	1,167

f) Liabilities on pension rights: None.

f.1) Liabilities for pension funds established in accordance with "Social Security Institution": None.

f.2) Liabilities resulting from all kinds of pension funds, foundations etc, which provide post retirement benefits for the employees: None.

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II. Explanations Related to the Liabilities (continued)

9. Explanations on taxes payable:

a) Information on current tax liability:

a.1) Corporate taxes:

	Current Period	Prior Period
Provision for corporate taxes	-	-

a.2) Information on taxes payable:

	Current Period	Prior Period
Corporate Tax Payable	-	-
Payroll Tax	442	423
Taxation on Securities	677	493
Property Tax	124	88
Banking and Insurance Transaction Tax (BITT)	621	447
Foreign Exchange Transaction Tax	43	38
Value Added Tax Payable	41	36
Stamp Tax	23	16
Other	3	2
Total	1,974	1,543

b) Information on premiums:

	Current Period	Prior Period
Social Security Premiums-Employee	180	143
Social Security Premiums-Employer	260	207
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	12	10
Unemployment Insurance-Employer	25	19
Other	-	-
Total	477	379

c) Explanations on deferred tax liabilities, if any: None.

10. Information on liabilities regarding assets held for sale and discontinued operations: None.

11. Explanations on the number of subordinated loans the Bank used, maturity, interest rate, institution that the loan was borrowed from, and conversion option, if any:

The Bank does not have subordinated loans.

TURKLANDBANK ANONİM ŞİRKETİ NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED MARCH 31, 2008

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II. Explanations Related to the Liabilities (continued)

12. Information on Shareholders' Equity:

a) Presentation of Paid-in capital:

As of March 31, 2008 the Bank's nominal paid-in-capital amounting to TRY 136,667 Thousand consists of 1,367 million shares.

b) The Bank does not apply registered share capital system.

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

Based on the decision at the meeting of the Extraordinary General Assembly on February, 12 2008, the Bank decided to increase the paid-in capital of the Bank from TRY 70,000 Thousand to TRY 170,000 Thousand by TRY 100,000 Thousand. The Bank's capital increase amounting to TRY 100,000 Thousand was registered with İstanbul Trade Registry Office on February 22, 2008. The capital increase procedures were completed.

It is decided that 2 /3 (two thirds) of the Bank's capital increase will be paid in three months at the latest from the registry and 1/3 the remaining part will be paid in nine months at the latest from the registry.

First call payment of TRY 66,667 Thousand was realised on February 28, 2008 and was approved by BRSA's March 25, 2008 dated and 4334 numbered correspondence.

d) Information on share capital increases from revaluation funds in the current period: None.

e) 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: None.

f) 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:

Prior year income, profitability and liquidity of the Bank is closely monitored by the Financial Reporting Department and reported to the Board of Directors, Asset and Liability Committee. Risk Management tries to forecast the effects of interest, currency and maturity fluctuations that change these indicators with static and dynamic scenario analysis. Net asset value, which is defined as the difference of fair values of assets and liabilities, is measured. Expectations are made for Bank's future interest income via simulations of net interest income and scenario analysis.

g) Information on preferred shares: None.

h) Information on marketable securities value increase fund:

	Current Period	Prior Period
From Associates, Subsidiaries, and Entities Under Common Control (Joint Vent.)	-	-
Valuation Difference	(246)	-
Foreign Exchange Difference	-	-
Total	(246)	-

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II. Explanations Related to the Liabilities (continued)

13. Information on legal reserves:

	Current Period	Prior Period
First legal reserves	624	624
Second legal reserves	-	-
Other legal reserves appropriated in accordance with special legislation	-	-
Total	624	624

14. Information on extraordinary reserves:

	Current Period	Prior Period
Reserves appropriated by the General Assembly	-	-
Retained earnings	11,852	11,852
Accumulated losses	-	-
Foreign currency share capital exchange difference	-	-
Total	11,852	11,852

15. Information on minority shares: None.

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SECTION FIVE

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

1. Information on off-balance sheet liabilities:

- a) Nature and amount of irrevocable loan commitments: Credit card expenditure limit commitments are TRY 1,470 Thousand and TRY 1,463 Thousand; payment commitments for checks are TRY 17,136 Thousand and TRY 14,940 Thousand as of March 31, 2008 and December 31, 2007 respectively.
- b) Possible losses and commitments related to off-balance sheet items including items listed below:

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

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

As of March 31, 2008, the total guarantees and commitments consist of letters of guarantee amounting to TRY 287,807 Thousand (December 31, 2007: TRY 284,273 Thousand) acceptances amounting to TRY 14,565 Thousand (December 31, 2007: TRY 10,303 Thousand), letters of credit amounting to TRY 105,236 Thousand (December 31, 2007: TRY 72,984 Thousand) and other guarantees amounting to TRY 19,038 Thousand (December 31, 2007: TRY 10,766 Thousand).

c) c.1) Total amount of non-cash loans:

	Current Period	Prior Period
Non-cash loans given against achieving cash loans		
With maturity of 1 year or less than 1 year	-	-
With maturity of more than 1 year	17,169	11,298
Other non-cash loans	409,477	367,028
Commitments	26,363	23,720
Total	453,009	402,046

c.2) Information on sectoral risk breakdown of non-cash loans:

	Current Period				Prior Period			
	TRY	(%)	FC	(%)	TRY	(%)	FC	(%)
Agricultural	1,829	0.90	6,176	2.47	3,367	1.54	5,835	3.18
Farming and raising livestock	1,553	0.76	6,176	2.47	2,060	0.94	4,210	2.29
Forestry	266	0.13	-	-	1,293	0.59	1,625	0.88
Fishery	10	-	-	-	14	0.01	-	-
Manufacturing	55,163	27.12	103,096	41.30	36,284	16.62	52,990	28.84
Mining	15,106	7.43	24,984	10.01	20,896	9.57	12,306	6.70
Production	40,020	19.68	78,112	31.29	9,824	4.50	18,147	9.88
Electric, gas and water	37	0.02	-	-	5,564	2.55	22,537	12.27
Construction	71,790	35.30	80,055	32.07	89,287	40.90	69,502	37.83
Services	60,904	29.95	59,690	23.91	67,876	31.09	25,897	14.09
Wholesale and retail trade	20,898	10.28	2,753	1.10	15,863	7.27	1,991	1.08
Hotel, food and beverage services	968	0.48	-	-	739	0.34	-	-
Transportation and telecommunication	7,979	3.92	7,504	3.01	17,349	7.95	6,240	3.40
Financial institutions	27,407	13.48	28,513	11.42	24,083	11.03	17,108	9.31
Real estate and renting services	65	0.03	15	0.01	286	0.13	-	-
Self-employment services	3,314	1.63	20,905	8.37	2,695	1.23	-	-
Education services	20	0.01	-	-	24	0.01	-	-
Health and social services	253	0.12	-	-	6,837	3.13	558	0.30
Other	13,680	6.73	626	0.25	21,497	9.85	29,511	16.06
Total	203,366	100	249,643	100	218,311	100	183,735	100

(*) Non cash loans include commitments.

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**III. Explanations Related to the Off-Balance Sheet Contingencies and Commitments
(continued)**

1. Information on off-balance sheet liabilities: (continued)

c.3) Information on I st and II nd Group non-cash loans:

	I st Group		II nd Group	
	TRY	FC	TRY	FC
Non-cash loans				
Letters of guarantee	167,168	110,503	9,835	301
Bank acceptances	-	14,565	-	-
Letters of credit	-	105,236	-	-
Endorsements	-	-	-	-
Underwriting commitments	-	-	-	-
Other commitments and contingencies	-	19,038	-	301
Total	167,168	249,342	9,835	301

The Bank provided a reserve of TRY 855 Thousand for non-cash loans not yet indemnified amounting to TRY 1,426 Thousand.

2. Information related to derivative financial instruments:

	Derivative transactions according to purposes			
	Trading		Hedging	
	Current Period	Prior Period	Current Period	Prior Period
Types of trading transactions				
Foreign currency related derivative transactions (I):				
Forward transactions			-	-
Swap transactions	194,370	86,910	-	-
Futures transactions			-	-
Option transactions			-	-
Interest related derivative transactions (II) :				
Forward rate transactions			-	-
Interest rate swap transactions			-	-
Interest option transactions			-	-
Futures interest transactions			-	-
Other derivative transactions for trade (III)				
A.Total trading derivative transactions (I+II+III)				
Types of hedging transactions				
Fair value hedges			-	-
Cash flow hedges			-	-
Net investment hedges			-	-
B.Total hedging related derivatives				
Total Derivative Transactions (A+B)	194,370	86,910		

Forward foreign exchange and swap transactions are based on protection from currency fluctuations. According to TAS, they do not qualify as hedging instruments but trading and are remeasured at fair value.

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**III. Explanations Related to the Off-Balance Sheet Contingencies and Commitments
(continued)**

2. Information related to derivative financial instruments: (continued)

As of March 31, 2008 breakdown of the Bank's foreign currency forward and swap transactions based on currencies are disclosed below in their TRY equivalents:

	Forward Buy	Forward Sell	Swap Buy	Swap Sell	Option Buy	Option Sell	Future Buy	Future Sell
Current Period								
TRY								-
USD			96,828					-
EURO				97,542				-
Other								-
Total			96,828	97,542				-
Prior Period								
TRY								-
USD			43,277					-
EURO				43,633				-
Other								-
Total			43,277	43,633				-

3. Explanations on contingent liabilities and assets:

- a.1) The Bank's share in contingent liabilities arising from entities under common control (joint ventures) together with other venturer: None.
- a.2) Share of entity under common control (joint venture) in its own contingent liabilities: None.
- a.3) The Bank's contingent liabilities resulting from liabilities of other venturers in entities under common control (joint ventures): None.
- b) Accounting and presentation of contingent assets and liabilities in the financial statements:
 - b.1) Contingent assets are accounted for, if probability of realization is almost certain. If probability of realization is high, then it is explained in the footnotes. As of March 31, 2008 there are no contingent assets that need to be explained.
 - b.2) A provision is made for contingent liabilities, if realization is probable and the amount can reliably be determined. If realization is remote or the amount cannot be determined reliably, then it is explained in the footnotes: As of March 31, 2008 there are no contingent liabilities that need to be explained.

4. Custodian and intermediary services:

The Bank provides security purchase-sell and safe keeping services in the name of real persons and legal entities. Details of investment securities held in custody are given in the Statement of Off Balance Sheet Contingencies and Commitments.

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**III. Explanations Related to the Off-Balance Sheet Contingencies and Commitments
(continued)**

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

The results of the rating performed by Fitch Ratings are shown below:

Fitch Ratings: December 2007

Foreign Currency Commitments

Long term	BB
Short term	B
View	Stable

New Turkish Lira Commitments

Long term	BBB-
Short term	F3
View	Stable
National	AAA(tur)
View	Stable

Individual Rating **D**

Support Points **3**

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SECTION FIVE

IV. Explanations Related to the Income Statement

1. a) Information on interest on loans:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Interest on loans (*)				
Short term loans	13,762	2,084	9,162	1,150
Medium and long term loans	1,593	4	1,242	7
Interest on non-performing loans	12	-	16	-
Premiums received from Resource Utilization Support Fund	-	-	-	-
Total	15,367	2,088	10,420	1,157

(*) Includes fees and commissions obtained from cash loans.

b) Information on interest received from banks:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
The Central Bank of Turkey	-	2	-	3
Domestic banks	140	78	159	-
Foreign banks	12	229	80	538
Branches and head office abroad	-	-	-	-
Total	152	309	239	541

c) Interest received from marketable securities portfolio:

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Trading securities	3,134	-	5,143	-
Financial assets at fair value through profit and loss	-	-	-	-
Available-for-sale securities	415	-	-	42
Held-to-maturity securities	782	-	-	-
Total	4,331	-	5,143	42

d) Information on interest income received from associates and subsidiaries:

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

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IV. Explanations Related to the Income Statement (continued)

2. a) Information on interest on funds borrowed :

	Current Period		Prior Period	
	TRY	FC	TRY	FC
Interest on funds borrowed (*)				
Banks				
The Central Bank of Turkey	-	-	-	-
Domestic banks	121	85	144	59
Foreign banks	5	1,933	-	1,370
Branches and head office abroad	-	-	-	-
Other financial institutions	-	-	-	-
Total	126	2,018	144	1,429

(*) Includes fees and commission expenses for borrowings.

b) Information on interest expense to associates and subsidiaries:

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

c) Information on interest expense to marketable securities issued: None.

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

Account Name	Demand Deposits	Time Deposits					Accumulated Deposits	Total
		Up to 1 Month	Up to 3 Months	Up to 6 Months	Up to 1 Year	More than 1 Year		
TRY								
Bank deposits	-	15	-	-	-	-	-	15
Saving deposits	-	503	6,944	285	35	6	-	7,773
Public sector deposits	-	-	-	-	-	-	-	-
Commercial deposits	-	830	1,023	-	-	-	-	1,853
Other deposits	-	5	48	-	-	-	-	53
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	-	1,353	8,015	285	35	6	-	9,694
Foreign Currency								
Foreign currency deposits	-	300	1,035	331	78	14	-	1,758
Bank deposits	-	-	-	-	-	-	-	-
7 days call accounts	-	-	-	-	-	-	-	-
Precious metal deposits	-	-	-	-	-	-	-	-
Total	-	300	1,035	331	78	14	-	1,758
Grand Total	-	1,653	9,050	616	113	20	-	11,452

3. Information on dividend income:

	Current Period	Prior Period
Trading securities	-	-
Financial assets at fair value through profit and loss	-	-
Available-for-sale securities	-	-
Other	-	-
Total	-	-

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IV. Explanations Related to the Income Statement (continued)

4. Information on net trading income:

	Current Period	Prior Period
Income	288,477	26,117
Gains on capital market operations	1,464	656
Gains on derivative financial instruments	1,396	647
Other	68	9
Foreign exchange gains	287,013	25,461
Losses (-)	(288,459)	25,479
Losses on capital market operations	6,181	619
Losses on derivative financial instruments	5,945	596
Other	236	23
Foreign exchange losses	282,278	24,860

5. Information on other operating income:

The information on the factors affecting the Bank's income including new developments, and the explanation on nature and amount of income earned from such items:

The Bank has waived from the lawsuit opened against the Ministry of Finance of the Turkish Republic ("Ministry") based on the requirement about the deduction from the tax base of the Bank based on the Temporary Article 4 with the Banking Law No: 4389 by using the statutory and other reserves as an expense within the framework set out in Paragraph 7 of Article 14 of the annulled Corporate Tax Law No: 5422, and has settled with the Ministry based on Article 3 of Law No: 5736 "Collection of Some Government Receivables by Compromise Procedures" published in the Official Gazette No: 26800 on February 27, 2008 and reflected its receivable amounting to TRY 3,611 Thousand in its financial statements which became collectible with the notification to the Bank.

6. Provision expenses of banks for loans and other receivables:

	Current Period	Prior Period
Specific provisions for loans and other receivables	76	168
III. Group Loans and Receivables	20	54
IV. Group Loans and Receivables	15	8
V. Group Loans and Receivables	41	106
General loan loss provision expenses	1,513	-
Provision expenses for possible losses	-	-
Marketable securities impairment losses	58	22
Financial assets at fair value through profit and loss	58	22
Investment securities available for sale	-	-
Impairment provision expense on investments	-	-
Associates	-	-
Subsidiaries	-	-
Entities under common control	-	-
Investments held to maturity	-	-
Other	51	22
Total	1,698	212

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IV. Explanations Related to the Income Statement (continued)

7. Information on other operating expenses:

	Current Period	Prior Period
Personnel expenses	6,857	3,686
Reserve for employee termination benefits	132	3
Bank social aid fund deficit provision	-	-
Impairment expenses of fixed assets	-	-
Depreciation expenses of fixed assets	468	242
Impairment expenses of intangible assets	-	-
Impairment expense of goodwill	-	-
Amortization expenses of intangible assets	146	59
Impairment for investments accounted for under equity method	-	-
Impairment expenses of assets to be disposed	-	-
Depreciation expenses of assets to be disposed	5	3
Impairment expenses of assets held for sale and discontinued operations	-	-
Other operating expenses	2,563	1,748
Rent expenses	995	275
Maintenance expenses	90	81
Advertisement expenses	33	553
Other expenses	1,445	839
Loss on sales of assets	-	-
Other(*)	597	605
Total	10,768	6,346

(*) Included in other; taxes duties charge expenses are TRY 293 Thousand , the premiums paid to Saving Deposit Insurance Fund is TRY 111 Thousand , assurance and financial services expenses are TRY 166 Thousand.

8. Information on profit/(loss) from continued and discontinued operations before taxes:

The Bank has TRY 2,364 Thousand profit in March 2007 and TRY 2,603 Thousand profit in 2008. In comparison with the prior year, The Bank's net interest income increased by 45.30% and provisions and operating expenses by 90.09%. Net fees and commissions income increased by 45.01%.

9. Information on tax provision for continued and discontinued operations:

- As of March 31, 2008, deferred tax benefit is TRY 39 Thousand (March 2007: TRY 458 Thousand deferred tax charge)
- Deferred tax benefit on temporary differences except carried forward tax losses is TRY 285 Thousand. (March 2007: None)
- Deferred tax charge for temporary differences on carried forward tax losses or tax exemptions or deductions: TRY 246 Thousand. .(March 2007: TRY 458 Thousand deferred tax charge)

**TURKLANDBANK ANONİM ŞİRKETİ NOTES TO THE FINANCIAL STATEMENTS
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(Amounts expressed in thousands of New Turkish Lira (TRY) unless otherwise stated.)

IV. Explanations Related to the Income Statement (continued)

9. Information on tax provision for continued and discontinued operations: (continued)

d) Tax reconciliation:

	Current Period	Prior Period
Profit / loss before tax	2,603	2,364
Additions	2,987	198
Disallowables	(4,359)	(274)
Prior period loss	(4,186)	(4,186)
Corporate Tax Base	-	-
Corporate tax rate	%20	%20
Tax calculated	-	-
Deferred tax (charge) / benefit	39	(458)
Total	39	(458)

10. Information on net profit/(loss) from continued and discontinued operations:

The Bank has TRY 1,906 Thousand profit in March 2007 and TRY 2,642 Thousand profit in March 2008.

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

- 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 understanding of the Bank's performance for the period: None.
- Effect of changes in accounting estimates on income statement for the current and, if any, for subsequent periods: None.
- Profit or loss attributable to minority shares: None.

**TURKLANDBANK ANONİM ŞİRKETİ NOTES TO THE FINANCIAL STATEMENTS
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(Amounts expressed in thousands of New Turkish Lira (TRY) unless otherwise stated.)

IV. Explanations Related to the Income Statement (continued)

11. The explanations on net income / loss for the period: (continued)

- d) 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
<u>Other fees and commissions received</u>		
Credit cards commissions and fees	21	29
Import letters of credit commissions	14	188
Other	769	332
Total	804	549

	Current Period	Prior Period
<u>Other fees and commissions given</u>		
Credit cards commissions and fees	33	30
Other	73	65
Total	106	95

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

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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:

a) Current Period:

Risk Group of The Bank	Subsidiaries, associates and entities under common control		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	-	-	649	12,102	-	-
Balance at end of period	-	-	7,183	9,384	-	-
Interest and commission income	-	-	70	38	-	-

Included in the balances above, balance at the end of period at direct and indirect shareholders cash column contains foreign bank accounts amounting to TRY 2,627 Thousand, and other receivables amounting to TRY 170 Thousand.

b) Prior Period:

Risk Group of The Bank	Subsidiaries, associates and entities under common control		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	-	-	649	12,102	-	-
Interest and commission income received	-	-	-	-	-	-

c.1) Information on related party deposits balances:

Risk Group of The Bank	Subsidiaries, associates and entities under common control		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	24,652	8,412	-	-
Balance at end of period	-	-	10,692	24,652	-	-
Interest on deposits	-	-	437	-	-	-

c.2) Information on forward and option agreements and other similar agreements made with related parties:
None.

2. Disclosures for related parties:

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

In the normal course of its banking activities, the Bank conducted various business transactions with related parties at commercial terms and at rates which approximate market rates.

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V. Explanations on the Risk Group of the Bank (continued)

2. Disclosures for related parties: (continued)

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

	Amount	% Compared to the Amounts in the Financial Statements
Cash loans	4,386	0.74
Non-cash loans	9,384	2.07
Deposits	10,692	2.83
Banks and other financial institutions	2,627	17.55

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

- c) In cases whereby separate disclosure is not necessary, the total of similar items in order to present the total impact on the financial statements: Explained in b).
- d) Transactions accounted under the equity method: None.
- e) Disclosures related to purchase and sale of real estate and other assets, services given/received, agency contracts, leasing contracts, transferring information as a result of research and development, license contracts, financing (including supports in the form of loans, capital in cash and capital in kind), guarantees, and management contracts:

Within the limits of the Banking Law, the Bank renders cash and non-cash loans to its related parties and the ratio of these to the Bank's total cash and non-cash loan portfolio is 1.32 %. Details of these loans are explained in 1a clause.

**TURKLANDBANK ANONİM ŞİRKETİ NOTES TO THE FINANCIAL STATEMENTS
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(Amounts expressed in thousands of New Turkish Lira (TRY) unless otherwise stated.)

SECTION SIX

LIMITED REVIEW REPORT

I. Explanations on the Independent Limited Review Auditors' 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 auditor's limited review report is presented preceding the financial statements.

II. Other Footnotes and Explanations Prepared by Independent Auditors:

There are no other notes and explanations prepared by Independent Auditors.