

**TURKLAND BANK
ANONİM ŐİRKETİ**

**FINANCIAL STATEMENTS
FOR THE PERIOD ENDED
JUNE 30, 2007**

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

Report on Review of Interim Financial Information

Introduction

We have reviewed the accompanying condensed balance sheet of Turkland Bank A.Ş. as of June 30, 2007 and the related condensed statements of income, changes in equity and cash flows for the six-month period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with International Financial Reporting Standards ("IFRS"). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IFRS.

DRT BAĞIMSIZ DENETİM VE SERBEST MUHASEBECİ MALİ MUŞAVİRLİK A.Ş.
Member of **DELOITTE TOUCHE TOHMATSU**

İstanbul, August 17, 2007

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TURKLAND BANK ANONİM ŞİRKETİ
BALANCE SHEET AS AT JUNE 30, 2007

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

	Notes	June 30, 2007	December 31, 2006
ASSETS			
Cash and cash equivalents		2,500	3,713
Balances with central banks		10,627	14,974
Deposits with banks and other financial institutions		74,470	58,366
Reserve deposits at central banks		20,405	21,658
Financial assets at fair value through profit and loss		116,970	97,966
Derivative financial instruments		606	51
Loans and advances		295,135	300,512
Investment securities:			
- Available-for-sale		79	2,336
Premises and equipment		2,065	7,009
Intangible assets		366	286
Deferred tax asset		685	1,422
Other assets		2,502	1,885
Assets held for sale	8	-	133,481
Total assets		526,410	643,659
LIABILITIES AND EQUITY			
LIABILITIES			
Deposits from other banks		6,825	1,873
Customers' deposits		300,077	335,553
Other money market deposits		43,545	20,046
Derivative financial instruments		19	4
Funds borrowed		87,618	87,672
Other liabilities		10,361	5,756
Provisions		2,581	2,329
Payables related to assets held for sale	8	-	116,202
Total liabilities		451,026	569,435
EQUITY			
Share capital issued		35,000	35,000
Adjustment to share capital		148,164	148,164
Legal reserves		5,207	5,847
Other reserves and retained earnings		(117,442)	(117,861)
Profit / (loss) for the period		4,455	(221)
Equity attributable to equity holders of the parent		75,384	70,929
Minority interest		-	3,295
Total equity		75,384	74,224
Total liabilities and equity		526,410	643,659

The accompanying policies and explanatory notes are integral parts of these financial statements.

TURKLAND BANK ANONİM ŞİRKETİ

INCOME STATEMENT FOR THE PERIOD FROM JANUARY 1 TO JUNE 30, 2007

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

	Notes	June 30, 2007	June 30, 2006
Interest income			
Interest on loans and advances		23,222	16,539
Interest on securities		11,184	4,425
Interest on deposits with banks and other financial institutions		1,202	324
Interest on financial leases		132	684
Interest on factoring		2,125	8,689
Other interest income		1,311	1,390
Total interest income		39,176	32,051
Interest expense			
Interest on customer deposits		(20,209)	(14,938)
Interest on funds borrowed		(4,013)	(5,807)
Other interest expense		(1,210)	(1,992)
Total interest expense		(25,432)	(22,737)
Net interest income		13,744	9,314
Fees and commissions and other operating income			
Fees and commissions income		3,495	4,096
Fees and commissions expenses		(429)	(301)
Foreign exchange gain/(loss)		314	(99)
Gains less losses on securities		611	(434)
Other income		2,844	1,712
Net banking income		20,579	14,288
Operating expenses			
Salaries and employee benefits		(8,374)	(7,330)
Other expenses		(5,657)	(5,406)
Depreciation and amortization		(632)	(706)
Gross operating income		5,916	846
(Provisions for) / recoveries from impairment of loan receivables		(667)	(5,703)
Net operating income		5,249	(4,857)
Income from associates		5	28
Gain/(loss) on sale of investments	8	69	-
Profit from operating activities before income tax		5,323	(4,829)
Income tax – current		(121)	-
Income tax – deferred		(747)	(126)
Net profit for the year		4,455	(4,955)
Attributable to :			
Equity holders of the parent		4,455	(5,620)
Minority interest		-	665
Net profit		4,455	(4,955)

The accompanying policies and explanatory notes are integral parts of these financial statements.

TURKLAND BANK ANONİM ŞİRKETİ

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE PERIOD ENDED JUNE 30, 2007

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

	Attributable to equity holders of the parent					Minority interest	Total Equity	
	Notes	Share Capital	Inflation adjustment to share capital	Legal reserves	Other reserves and retained earnings	Total		
At January 1, 2006		35,000	148,164	5,317	(115,867)	72,614	1,812	74,426
Total income and expense for the year recognized directly in equity		-	-	-	-	-	-	-
Net profit for the period		-	-	-	(5,620)	(5,620)	665	(4,955)
Total income / expense for the period		-	-	-	(5,620)	(5,620)	665	(4,955)
Transfer to legal reserves		-	-	398	(398)	-	-	-
At June 30, 2006		35,000	148,164	5,715	(121,885)	66,994	2,477	69,471
At January 1, 2007		35,000	148,164	5,847	(118,082)	70,929	3,295	74,224
Total income and expense for the year recognized directly in equity		-	-	-	-	-	-	-
Net profit for the period		-	-	-	4,455	4,455	-	4,455
Total income / expense for the period		-	-	-	4,455	4,455	-	4,455
Disposal of subsidiaries	8	-	-	(640)	640	-	(3,295)	(3,295)
At June 30, 2007		35,000	148,164	5,207	(112,987)	75,384	-	75,384

The accompanying policies and explanatory notes are integral parts of these financial statements.

TURKLAND BANK ANONİM ŞİRKETİ
STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED JUNE 30, 2007

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

	Notes	June 30 ,2007	June 30 ,2006
Cash flow from operating activities			
Net profit/loss for the year		4,455	(5,620)
Adjustments for:			
Depreciation and amortization		632	706
Provision for losses on loans and advances		667	5,703
Provision for employment termination benefits		125	53
Other provision expenses		127	43
(Gains) /losses on sale of subsidiaries	8	(69)	0
Accrued interest, net		(5,151)	13,873
Operating profits before changes in operating assets/liabilities		786	14,758
Changes in operating assets and liabilities:			
Net (increase)/decrease in reserve deposit at Central Bank		1,224	(2,691)
Net (increase) / decrease in marketable securities		(11,401)	(18,839)
Net increase from loans and advances		3,987	(72,087)
Net (increase)/decrease in other assets		(2,027)	7,285
Net increase in deposits		(30,411)	72,181
Net increase/(decrease) in other creditors, taxes & liabilities		28,560	(6,987)
Income taxes paid		-	(3,183)
Net cash provided by/(used in) operating activities		(9,282)	(9,563)
Cash flows from investing activities			
(Additions) to premises and equipment (net)		4,312	(423)
(Additions) to intangible assets (net)		(80)	(69)
Proceeds from disposal of subsidiaries	8	9,876	-
Net cash provided by/(used in) investing activities		14,108	(492)
Cash flows from financing activities			
Proceeds from borrowed funds, net		3,763	13,650
Net cash provided by / (used in) financing activities		3,763	13,650
Net (decrease)/increase in cash & cash equivalents		8,589	3,595
Cash & cash equivalents at the beginning of the year		79,008	23,276
Cash & cash equivalents at the end of the year		87,597	26,871

The accompanying policies and explanatory notes are integral parts of these financial statements.

TURKLAND BANK ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED
JUNE 30, 2007

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

1. CORPORATE INFORMATION

General

Turkland Bank Anonim Şirketi (“the Bank”) was incorporated in Turkey, in 1991 and its head office is at Cumhuriyet Caddesi No: 139 Elmadağ, İstanbul /Turkey.

The Bank was incorporated in 1991 under the name of Bank of Bahrain and Kuwait Bankası Anonim Şirketi (BB&K). In 1992, Doğu Group acquired ownership of the Bank and the name of the Bank was changed to Tasarruf ve Kredi Bankası Anonim Şirketi. In February 1994, the name of the Bank was changed to Garanti Yatırım ve Ticaret Bankası Anonim Şirketi. In October 1997, Mehmet Nazif Günel (the ultimate owner of MNG Group companies) acquired the Bank and the name of the Bank was changed to MNG Bank Anonim Şirketi.

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

As of June 30, 2007, the Bank has 10 branches in Turkey.

The financial statements of the Bank were authorized for issue by the management on August 17, 2007. The General Assembly and certain regulatory bodies have the power to amend the statutory financial statements after issue.

Nature of Activities of the Bank

As of June 30, 2007, the Bank does not hold any direct or indirect equity investments with significant influence or controlling power.

As of December 31, 2006 the Bank held direct equity investments mainly operating in leasing, factoring and securities brokerage. These participations are listed below.

	Place of Incorporation	Effective Shareholding and Voting Rights %	
		June 30, 2007	December 31, 2006
MNG Menkul Kıymetler Yatırım A.Ş.	Turkey	-	84.56
MNG Finansal Kiralama A.Ş.	Turkey	-	76.00
MNG Factoring Hizmetleri A.Ş.	Turkey	-	76.09

2. BASIS OF PREPARATION

The interim financial statements as of June 30, 2007 have been prepared in accordance with IAS 34 (Interim Financial Reporting).

The interim financial statements have been prepared on a basis consistent with the accounting policies set out in the financial statements of the Bank for the year ended December 31, 2006.

The income statement for the period ended June 30, 2007 includes The Bank’s share on profit/ (loss) of equity investments

TURKLAND BANK ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED
JUNE 30, 2007

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

3. SIGNIFICANT EVENTS AND TRANSACTIONS DURING THE PERIOD

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

MNG Bank A.Ş. and Mehmet Nazif Günel signed off a "Share Purchase Agreement" on August 31, 2006 about the sale of subsidiaries. The sale of MNG Menkul Kıymetler A.Ş. was approved with November 1, 2006 dated and B.02.1.SP.K.0.16-1744 numbered decision of Capital Markets Board of Turkey. The sales of MNG Finansal Kiralama A.Ş. and MNG Factoring Hizmetleri A.Ş. are authorized by BRSA with 2nd article of December 29, 2006 dated and BRSA.UYI 47.1.02-15229 numbered letter.

Sales transactions were realized on January 29, 2007 as shown in detail in note 8.

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

Bank's real estate with net book value of TRY 4,611 Thousand was sold to MNG Factoring A.Ş for TRY 4,440 Thousand on May 31, 2007. TRY 171 Thousand loss on sale of fixed asset was accounted for in the accompanying financial statements.

4. SEGMENT INFORMATION

Business segments

The Bank is organized into two main business segments which are organized and managed separately according to the nature of the products and services provided.

Period ended June 30, 2007

	Retail Banking	Corporate Banking	Other	Eliminations	Total
External revenues	316	22,936	20,565	(221)	43,596
Revenues from other segments	-	-	-	-	-
Total revenues	316	22,936	20,565	(221)	43,596
Segment result (A)	(16,428)	19,389	2,362	-	5,323
Unallocated costs (B)					
Operating profit (A-B)	(16,428)	19,389	2,362	-	5,323
Dividend Income					
Profit before income tax	(16,428)	19,389	2,362	-	5,323
Income tax	-	-	(868)	-	(868)
Net profit	(16,428)	19,389	1,494	-	4,455
Assets and Liabilities					
Segment assets	3,558	291,577	225,657	-	520,792
Investment in associates	-	-	-	-	-
Unallocated assets	-	-	5,618	-	5,618
Total assets	3,558	291,577	231,275	-	526,410
Segment liabilities	222,147	84,755	131,182	-	438,084
Unallocated liabilities	-	-	12,942	-	12,942
Total liabilities	222,147	84,755	144,124	-	451,026

TURKLAND BANK ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED
JUNE 30, 2007

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

4. SEGMENT INFORMATION (continued)

Year ended December 31, 2006 (*)

	Retail Banking	Corporate Banking	Other	Eliminations	Total
External revenues	694	41,615	23,231	(924)	64,616
Revenues from other segments	-	-	-	-	-
Total revenues	694	41,615	23,231	(924)	64,616
Segment result (A)	(26,879)	32,540	(7,637)	(2,832)	(4,808)
Unallocated costs (B)	-	-	-	-	-
Operating profit (A-B)	(26,879)	32,540	(7,637)	(2,832)	(4,808)
Income from associates	-	-	-	-	-
Profit before income tax	(26,879)	32,540	(7,637)	(2,832)	(4,808)
Income tax	-	-	934	-	934
Net profit	(26,879)	32,540	(6,703)	(2,832)	(3,874)
Assets and Liabilities					
Segment assets	5,858	299,537	199,064	(4,884)	499,575
Investment in associates	-	-	-	-	-
Unallocated assets	-	-	144,084	-	144,084
Total assets	5,858	299,537	343,148	(4,884)	643,659
Segment liabilities	233,701	77,900	138,409	(4,863)	445,147
Unallocated liabilities	-	-	124,309	(21)	124,288
Total liabilities	233,701	77,900	262,718	(4,884)	569,435

(*): Comparative income statement segment analysis is prepared for the year ended December 31, 2006 which should have been June 30, 2006 due to the difficulties in capturing such segment analysis from the Bank's IT system for the period ended June 30, 2006.

TURKLAND BANK ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED
JUNE 30, 2007

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

4. SEGMENT INFORMATION (continued)

Geographical segments

The Bank's operations are mainly located in Turkey.

Period ended June 30, 2007

	Turkey	Foreign Countries	Total
Other segment information			
Segment assets	458,114	62,678	520,792
Investment in associates	-	-	-
Unallocated assets	5,618	-	5,618
Total assets	463,732	62,678	526,410

Capital expenditures

Tangible fixed assets	192	-	192
Intangible fixed assets	204	-	204

Year ended December 31, 2006

	Turkey	Foreign Countries	Total
Other segment information			
Segment assets	455,205	44,370	499,575
Investment in associates	-	-	-
Unallocated assets	144,084	-	144,084
Total assets	599,289	44,370	643,659

Capital expenditures

Tangible fixed assets	327	-	327
Intangible fixed assets	66	-	66

TURKLAND BANK ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
DECEMBER 31, 2006

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

5. RELATED PARTY DISCLOSURES

The accompanying financial statements include the following balances due from or due to related parties:

June 30, 2007:

Related party	Cash loans	Non-cash loans	Deposits taken	Deposits with banks	Other liabilities	Interest income	Interest expense	Other operating income
Direct/Indirect shareholders	5,231	7,447	14,400	13,046	540	416	400	108
Others	-	-	-	-	-	-	-	-

December 31, 2006:

Related party	Cash loans	Non-cash loans	Deposits taken	Deposits with banks	Other liabilities	Interest income	Interest expense	Other operating income
Direct/Indirect shareholders	273	7,704	8,412	-	1,026	2	377	73
Others	-	-	-	-	-	-	-	-

No provisions have been recognized in respect of loans given to related parties (2006 - nil).

Compensation of Key Management Personnel of the Group

The executive and non-executive members of Board of Directors and management received remuneration and fees totaling approximately TRY 2,860 Thousand as of June 30, 2007. (December 31, 2006 –TRY 3,732 Thousand) comprising mainly salaries and other short-term benefit.

TURKLAND BANK ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
DECEMBER 31, 2006

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

6. COMMITMENTS AND CONTINGENCIES

In the normal course of business activities, the Bank undertakes various commitments and incurs certain contingent liabilities that are not presented in the financial statements including:

	June 30, 2007	December 31, 2006
Letters of guarantee issued	276,627	288,480
Letters of credit	43,774	62,896
Acceptance credits	8,974	12,496
Total non-cash loans	329,375	363,872
Other commitments	46,024	57,203
Credit card limit commitments	1,551	1,564
Total	376,950	422,639

Fiduciary Activities

As of June 30, 2007, securities at custody include investment funds with market value of TRY 173, 617 Thousand.

Letters of Guarantee Given to Istanbul Stock Exchange (ISE)

As of June 30, 2007, according to general requirements of the ISE, letters of guarantee amounting to TRY 1 Thousand and USD 1,000,000 had been obtained from various local banks and were provided to ISE for bond and stock market transactions.

Litigation

In the normal course of its operations, the Bank can be constantly faced with legal disputes, claims and complaints. The provision of TRY 250 Thousand for those cases was provided based on management estimates and professional advice.

7. SUBSEQUENT EVENTS

According to July 30, 2007 dated General Assembly resolution, it was been decided to increase the Bank's capital from TRY 35,000 Thousand to TRY 70,000 Thousand.

As of July 24, 2007 the Bank has acquired a 364 days club loan with the amount of USD 100 million.

As of July, 1 2007, retirement payment provision ceiling was increased to TRY 2,030 Thousand from TRY 1,961 Thousand.

TURKLAND BANK ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
DECEMBER 31, 2006

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

8. DISPOSAL OF SUBSIDIARIES

	June 30, 2007
Liquid assets	4
Balances with banks	1,434
Interbank money market placements	2,385
Factoring receivables	118,175
Lease receivables	12,398
Other assets	2,267
Provision on assets held for sale	(2,106)
Borrowings	(83,380)
Factoring obligations	(32,523)
Provisions	(460)
Tax liabilities	(419)
Other liabilities	(3,235)
Intercompany balances	2,739
Net assets disposed of	17,279
Minority interest	(3,295)
Intercompany balances	(2,739)
Gain / (loss) on disposal	-
Consideration paid in cash and cash equivalents	11,245
Consideration paid in cash and cash equivalents	11,245
The Bank's share on profit/ (loss) of equity investments	69
Less cash and cash equivalent balances	(1,438)
Net cash inflow on disposal	9,876