



Interim report

TO : INVESTMENT COMMUNITY
FROM : GARANTI BANK / Investor Relations
Mrs. Didem Gordon
Senior Vice President
Tel: (90 212) 335 3150
Fax: (90-212) 286 0486
E-mail: didemgo@garanti.com.tr
www.garantibank.com.tr

SUBJECT : 2000/Q1 FINANCIAL STATEMENTS
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I. TURKISH ECONOMY IN 2000 FIRST QUARTER

GNP shrank by 6.4% in 1999 to level at US\$ 187.3 billion. The conclusion of a stand-by agreement in December 1999 between Turkey and IMF has led to the implementation of a 3-year exchange rate based stabilization program. Removal of exchange rate uncertainty has led to a sharp drop in nominal and real interest rates. Hints of economic recovery in the new year have come in the form of higher automotive (up by 76.9%¹ in 2000/Q1 from 1999/Q1) and durable goods (up by 62% in January and 77% in February²) sales, two sectors which tend to anticipate the business cycle.

Coincident indicators such as industrial production have mirrored these data. Industrial output rose by 2.8% in January, and 6% in February 2000 from a year earlier. Meanwhile, significant inroads have been made in improving the public sector fiscal imbalance, long thought to be the culprit behind chronic inflation and the frequent boom-bust cycle of economic activity. First quarter primary expenditures were up by 54% (a decline of 7.3% adjusted for WPI inflation), while revenues were up by 149.8% in the same period. Privatization has come along impeccably, with first quarter sales alone adding up to around US\$ 5.6 billion.

The solid record of economic reforms has yet to reflect fully on the rate of inflation, however. Wholesale prices had risen by 66.1% y-o-y in March, down slightly from 67.5% in February 2000. Consumer prices had risen by 67.9% y-o-y, again below February's 69.7%.

¹ *Automotive Industry Association*

² *State Planning Organization*

II. GARANTİ BANK 2000/Q1

KEY INFORMATION

Branches	233	Credit Cards	686,445
Offices	16	Debit Cards	901,572
Employees (Excluding security)	4,929	ATM's	442
Internet Customers	127,824	POS's	26,991
Telephone Banking Customers	175,995	ADC Utilization Rate *	53.2%

- Percentage of total comparable transactions

Developments and Important Subsequent Events

Garanti Bank achieved solid financial performance in the first quarter of 2000, in a period, which the economic reform process has begun in Turkey. The disinflationary economic policy that was put into effect in the beginning of year 2000 has important implications for the financial markets and the banking sector particularly.

In the first quarter of 2000, the interest rates fell substantially from 80% to 30% levels reflecting the goals of the economic and monetary program as well as expectations for a low-inflationary environment. The Turkish Lira denominated deposit rates fell continuously and reached 34%, 33%, and 35% for 3, 6, and 12 month deposits, respectively. Similarly, the rates started falling on the lending side, despite showing a much wider range depending on the type of loan. The 12-month consumer loans were down to 3.70-5.00% per month, whereas the rates for car loans for the same maturity were at 2.90-4.95%, per month levels.

Following a year of economic contraction, the loans of the Turkish banking sector continued to be lower compared to the same period last year, based on the Turkish Central Bank data for the first two months of 2000 which we believe is reasonable. In our opinion, as the inflation starts falling down faster in the coming months together with expected further decline in interest rates, the loan demand should start picking up.

Parallel to developments in the economy and financial markets, Garanti Bank maintained its asset mix since year-end 1999 keeping its highly liquid position and solid asset quality. Further, the Bank focused more on increasing its core deposits as cost of funding for Turkish Lira denominated deposits started declining. On the operations side, Garanti's concentration on efficiency continued with various projects and proactive measures taken within the bank.

The ratio of transactions done through alternative delivery channels to total comparable transactions increased from 50.2% at year-end 1999 to 53.2%. As at March 2000, the share of Internet banking, call center and ATMs in total comparable transactions were 8.3%, 7.4% and 37.5%, respectively.

Similarly, Garanti used an opportunity to realize some of the profit it made on the purchase of its participation Tansaş by selling a 10% of its stake in February 2000 and reported a substantial gain in its income statement for the interim period.

In March 2000, Garanti Bank raised 400 million Euros in international markets as a syndicated loan to rollover its existing credit facility for 120 million Euros. This successful transaction was subscribed by 70 banks and closed at Euribor + 115bp, 10 basis points lower than the existing facility.

Moreover, Garanti accomplished a secondary offering of 8.05% of its shares at international markets again in March 2000 in a deal co-managed by Credit Suisse First Boston and Merrill Lynch at TL7,900 share price (or a corresponding market capitalization of US\$3,536 Million).

During the first quarter, the implementation of “Nokta” project proceeded as planned. As part of Garanti’s Internet strategy, the Bank participated with 38% stake in the formation of Ixir, a group company in charge of providing ISP, multi-portal and B2C functions and services.

As of April 1, 2000, the CEO of Garanti Bank, Mr. Akin Ongor has left his post to Mr. Ergun Ozen via a pre-announced succession plan. While Mr. Ongor has taken a Managing Director responsibility at the board of directors of Garanti, Mr. Ozen assumed his new duty as the CEO and General Manager in the beginning of 2000/2Q.

On April 14th, 2000, Garanti launched “BONUS CARD” which is the first multi-branded chip credit card in Turkey that offers installment and reward facility at the same time. Bonus Card network includes Tansaş, YKM, Bosch and other big retailers.

We have provided a discussion and analysis of our 2000/1Q results below:

Operating Performance

In the first quarter of 2000, Garanti Bank successfully increased its net interest income by 19.5% as compared to the same period in 1999 and posted TL175,460 Billion (US\$312 Million) of net interest income.

Interest income was TL336,566 Billion (US\$598 Million) which declined slightly by 5% mostly as a reflection of smaller loan book and lower yield on loans. On the other hand, interest income from securities increased which more than offset the decline in other interest income. The share of interest earned from loans was 29.3% as at March 31, 2000, slightly lower than 31.1% as at March 31, 1999.

Interest expense was TL161,107 Billion (US\$286 Million) as of March 31, 2000. As a result of positive developments in the economy, interest expense fell 26.2% in real terms in 2000/Q1 as compared to 1999/1Q. This is mainly an outcome of lower interest rates paid to deposits. Interest paid to deposits was TL128,341 Billion and made up 79.7% of total interest expense during the first quarter of 2000. The share of interest paid to deposits to total interest expense was 85.2% as at March 31, 1999. Although total deposits were up, though slightly by 3.0% in real terms compared to a year earlier, expectations for lower inflation based on the disinflationary economic program brought the cost of deposits down considerably in the first quarter of the year. Interest paid to funds borrowed, 18.7% of total interest expense, was TL30,093 Billion and increased by 18.3% compared to 1999/Q1 which reflects the increase in borrowed funds.

Net Interest Margin (NIM) rose to 20.28% as at March 31, 2000, as compared to 19.41% in December 31, 1999 and 18.52% as at March 31, 1999. Adjusted NIM increased to 16.59% in the current period, compared to 13.05% in 1999/Q1. Total interest expense to total interest income decreased to 47.9% in the current period, down from 58.5% in 1999/Q1.

Garanti Bank posted TL224,489 Billion (US\$399 Million) of non-interest income for 2000/1Q, declining 13.9%, in real terms, over the same period in 1999. An analysis of the components of non-interest income indicates that fees and commissions declined slightly by 3.5% due to lower commissions from non-cash loans while commissions from cash loans and other banking products and services expanded. Foreign exchange gains that made up 70% of non-interest income reported a decline of 27.1% over this period. Nevertheless, trading account income rose 78.4%, about 75% of which (TL26,875 Billion or US\$47.6 Million) came from the sale of 10% stake in Tansaş in February 2000.

Non-interest expenses declined 5.2% in real terms as compared to 1999/1Q and reached TL299,913 Billion (US\$533 Million) mainly benefiting from a substantial, 27.8%, fall in foreign exchange losses (62.7% of non-interest expenses as of 2000/1Q). Most of this fall was compensated by increases in other non-interest expense items at varying degrees but more noticeably due to the inclusion of an extraordinary item constituting 13.1% of non-interest expenses. The extraordinary item of TL 39,369 Billion (US\$70 Million) represents the burden of earthquake-related, one-time only taxes (on interest income from Turkish government securities).

Garanti's Cost/Income ratio seems to have increased to 48.5% for the period from 32.16% in 1999/Q1. However, when the extraordinary expenses and the income from sale of Tansaş shares are excluded this ratio reduces to 33.04% which is in line with 1999/Q1 value.

During the first quarter of 2000, Garanti raised its earnings before taxes by 9.6% in real terms to reach TL100,035 Billion (US\$178 Million), from TL57,821 Billion (US\$168 Million) in 1999/Q1. Without the extraordinary expenses, the earnings before taxes would have grown by 52.8%.

The effective tax rate for the period was 30% while tax provision was up by 33.4% in real terms as compared to the same period in 1999. Consequently, Garanti posted TL70,035 Billion (US\$125 Million) of net income in 2000/Q1 with 1.86% real growth over the net income of 1999/1Q.

Balance Sheet

Total assets were TL5,193,909 Billion (US\$8,829 Million) as at March 31, 2000, up by 10.3% in real terms year-over-year. The composition of assets, overall, is similar to the one as at FYE 1999, reflecting continued high liquidity and is in line with our budget for the period.

As at March 31, 2000, cash and due from banks were TL690,153 Billion (US\$1,173 Million) and constituted 13.3% of total assets. Investment securities made up 23% of total assets and increased 24.9% in real terms compared to 1999/1Q figures. On the other hand, in comparison to FYE 1999 figures, investment securities actually fell about 9% in real terms due to a small amount of profit taking on our portfolio as a response to massive decline in interest rates in the first quarter of this year. Liquid assets to total assets were 36.2% in 2000/Q1, as compared to 36.6% in 1999 year-end and 37.6% in 1999/Q1.

Cash loans were TL1,565,477 Billion (US\$2,661 Million), down by 3% since FYE 1999 and 9.9% compared to March 31, 1999, both in real terms. Cash loans made up 30.1% of

total assets as at March 31, 2000, compared to 31.4% at FYE 1999, and 36.9% as at March 31, 1999. There was a decline in medium-to-long term loan book while short-term loans showed a mere 1.05% growth year-over-year. The share of foreign currency loans declined a bit and constituted 67.8% of total loans as compared to 72% in FYE 1999. Accrued interest on loans to total cash loans was 4.5% as at March 31, 2000, down from 5.23% as at March 31, 1999. Garanti continued to stress asset quality in the first quarter of 2000. Allowances for loan losses were 100%. Non-performing loans to total cash loans were 1.91% in 2000/Q1, down from 1.94% in 1999 year-end. Similarly, non-performing loans to total cash and non-cash loans declined to 0.90% in the first quarter of 2000, from 0.92% in 1999.

On the funding side, deposits remained as an important source of funds constituting 52.7% of total liabilities and stockholders' equity. Total deposits were TL2,737,091 Billion (US\$4,653 Million) as of March 31, 2000, up by 3.0% in real terms year-over-year. Bank deposits made up a lesser portion of deposits at the end of 2000/1Q: 21.3% which fell from 25.0% at FYE 1999 and 31.3% at 1999/1Q. Demand deposits made up 24.2% of total deposits as compared to 22% at FYE 1999 and 25.0% at 1999/1Q. 33.4% of deposits were in Turkish Lira while the remaining 66.6% was in foreign currency.

Funds borrowed made up 23.2% of total liabilities and stockholders' equity and rose by 22.7% in real terms year over year, reaching TL1,204,382 Billion (US\$2,047 Million). On the other hand, funds borrowed declined 5.2% in real terms since year-end 1999. Securities issued were TL13,809 Billion (US\$24 Million), down by 72.4% in real terms as compared to the first quarter of 1999.

As at March 31, 2000, total provisions were TL164,596 Billion (US\$280 Million), representing a 20.0% real increase in comparison to 1999/Q1. General provision for loans was down by 42.4% in real terms, on a year-on-year basis, due to application of lower regulatory provision rates. On the other hand, provision for taxes increased by 10.9% in real terms due to earthquake related taxes.

Total stockholders' equity reached at TL600,835 Billion (US\$1,021 Million) growing by 21.3% in real terms year-over-year. Total stockholders' equity made up 11.6% of total assets in the current period, up from 10.5% in 1999/Q1.

The short foreign currency position of US\$117 Million corresponds to 19.01% of Garanti's equity base as calculated based on Central Bank's guidelines and is in line with the requirements. The short foreign currency position at FYE 1999 and 1999/Q1 were US\$157 Million and US\$194 Million, respectively.

Net repo position was TL 716,900 Billion (US\$1,219 Million) which corresponds to 13.8% of total assets as at March 31, 2000.

For the first quarter of 2000, on an annualized basis, after-tax return on average assets was 5.76% and return on average equity was 44.56%. At year-end 1999, after-tax ROAA and ROAE were 5.26% and 41.40%, respectively. On a pre-tax basis, ROAA and ROAE were 8.23% and 63.64%, respectively in 2000/Q1. In FYE 1999, pre-tax ROAE was 55.57% and ROAE was 7.06%.

Exchange Rates

US\$1=588,250	As of March 31, 2000	US\$1=TL562,660	2000 Jan.-March. Average
US\$1= TL369,150	As of March 31, 1999	US\$1=TL343,310	1999 Jan.-March. Average

Inflation Rate (WPI)

1999 March - 2000 March	66.1%
1999 March – 2000 March (average)	57.8%
1999 December - 2000 March	13.5%

KEY RATIOS

	March 31, 2000	December 31, 1999	March 31, 1999
<i>Asset Quality and Liquidity Ratios</i>			
NPL / Cash Loans	1.91%	1.94%	1.17%
NPL/ Cash +Non-Cash Loans	0.90%	0.92%	0.55%
Allowance for Loan Losses/NPL	100.00%	100.00%	100.00%
Deposits/Total Assets	52.70%	52.82%	56.46%
Cash Loans/Total Assets	30.14%	31.37%	36.89%
Liquid Assets/Total Assets	36.18%	36.56%	37.55%
<i>Profitability Ratios</i>			
NIM	20.28%	19.41%	18.52%
Adjusted NIM	16.59%	13.81%	13.05%
Non-interest Income/Total Operating Income	23.34%	18.86%	18.84%
Other Operating Expense (excl. FX loss)/Total Assets	7.63%	5.28%	4.14%
Cost / Income (1) (2)	56.29%	60.05%	49.57%
Effective Tax Rate	29.99%	25.50%	24.65%

(1) Excluding the extraordinary earthquake taxes for March 31, 2000 and December 31, 1999, Cost/Income ratio reduces to 39.05% and 56.06%, respectively.

(2) Excluding TL26.9 trillion income obtained from the sale of Tansaş, Cost / Income ratio reduces to 44.30% for March 31, 2000.

Türkiye Garanti Bankası Anonim Şirketi

**Financial Statements
31 March 2000 and 1999**

TÜRKİYE GARANTİ BANKASI A.Ş.

BALANCE SHEETS-ASSETS (in millions TL)	Unaudited	
	31.03.00	31.03.99
Liquid assets	24,795,762	19,438,572
Cash, local currency	5,003,962	2,540,715
Cash, foreign currency	14,821,341	11,572,044
Others	4,970,459	5,325,813
Due from banks	665,356,815	471,812,070
Central Bank of Turkey	69,386,653	24,406,675
Other banks	595,970,162	447,405,395
-Domestic banks	241,440,266	100,482,413
-Foreign banks	354,529,896	346,922,982
Other financial institutions	-	-
Interbank funds sold	3,000,000	-
Securities (Net)	1,188,797,244	572,963,030
Government bonds and treasury bills	673,707,444	412,403,787
Other bonds	-	-
Equity shares	439,854	167,501
Other securities	514,649,946	160,391,742
Loans	1,565,477,373	1,045,701,460
Short-term	947,493,014	564,497,474
Medium and long-term	617,984,359	481,203,986
Non-performing loans (Net)	-	-
Loans under follow-up (Net)	-	-
-Uncollateralised	17,590,617	3,899,226
-Collateralised	12,279,119	8,298,126
-Provision (-)	29,869,736	12,197,352
Doubtful commissions and other receivables	-	-
-Gross receivables	-	-
-Provision (-)	-	-
Accrued interest and income	500,513,933	272,126,440
On loans	70,536,791	54,685,588
On securities	291,389,688	153,827,490
Others	138,587,454	63,613,362
Receivables from financial leasing activities (Net)	-	-
Receivables from financial leasing activities	-	-
Unearned income (-)	-	-
Reserve deposits	196,080,838	72,051,331
Government bonds funding legal reserves	-	12,704,115
Miscellaneous receivables	16,366,112	2,588,861
Investments (Net)	93,406,207	29,907,534
Financial companies	4,390,001	8,015,044
Non-financial companies	89,016,206	21,892,490
Affiliated companies (Net)	272,021,738	42,883,678
Financial companies	242,735,124	21,082,637
Non-financial companies	29,286,614	21,801,041
Other long-term investments (Net)	267,411,146	63,635,365
Equity shares	3,019,766	648,050
Others	264,391,380	62,987,315
Bank premises and equipment (Net)	220,657,441	131,013,725
Carrying value	265,883,002	153,674,742
Accumulated depreciation (-)	45,225,561	22,661,017
Other assets	180,024,049	97,634,929
TOTAL ASSETS	5,193,908,658	2,834,461,110

TÜRKİYE GARANTİ BANKASI A.Ş.

BALANCE SHEETS-LIABILITIES AND

SHAREHOLDERS' EQUITY (in millions TL)

Unaudited

	31.03.00	31.03.99
Deposits	2,737,091,391	1,600,336,674
Saving deposits	252,564,628	138,282,775
Certificate of deposits	416	440
Deposits of official authorities and organisations	14,084,281	15,099,192
Commercial deposits	129,939,261	62,939,596
Deposits of other organisations	43,637,510	3,500,066
Bank deposits	582,008,793	499,932,680
Foreign currency deposits	1,711,675,033	879,172,381
Gold deposits	3,181,469	1,409,544
Interbank funds borrowed	93,861,250	10,000,000
Funds borrowed	1,204,381,763	591,043,618
From Central Bank of Turkey	-	-
Others	1,204,381,763	591,043,618
-Domestic banks and organisations	65,618,435	48,336,168
-Foreign banks and organisations	1,138,763,328	542,707,450
-Subordinated debts	-	-
Funds	-	-
Securities issued (Net)	13,808,916	30,163,263
Notes	-	-
Asset backed securities	-	-
Bonds	13,808,916	30,163,263
Accrued interest and expense	181,248,702	90,797,434
On deposits	140,913,061	71,844,292
On funds borrowed	20,582,584	8,882,154
Others	19,753,057	10,070,988
Payables from financial leasing activities (Net)	-	-
Payables from financial leasing activities	-	-
Deferred expenses (-)	-	-
Taxes, stamps, premiums and other duties	8,797,662	5,818,603
Transfer orders	8,088,277	6,078
Other payables	45,185,685	30,621,145
Reserves	164,596,213	82,590,718
Reserve for retirement pay	5,168,205	2,568,205
General provision for loan losses	9,610,412	10,051,734
Reserve for taxes on income	108,713,836	59,016,811
Other provisions	41,103,760	10,953,968
Other liabilities	65,978,399	51,214,181
Shareholders' equity	600,835,039	298,298,351
Share capital	260,000,000	50,000,000
-Nominal capital	260,000,000	50,000,000
-Unpaid capital (-)	-	-
Legal reserves	216,900,749	186,770,144
Reserve for possible loan losses (Banking Act, article 32/1)	-	11,362,534
Revaluation surplus	60,908,338	49,854,322
Valuation increment	63,025,952	311,351
Loss	-	-
-Loss for the period	-	-
-Prior years' losses	-	-
Income	70,035,361	43,571,045
-Income for the period	70,035,361	43,571,045
-Prior years' income	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	5,193,908,658	2,834,461,110
COMMITMENTS AND CONTINGENCIES		
Guarantees and endorsements	1,768,390,670	1,153,885,276
Commitments	743,443,416	291,279,307
Derivative transactions	1,951,563,574	1,504,079,021
TOTAL	4,463,397,660	2,949,243,604

TÜRKİYE GARANTİ BANKASI A.Ş.

		Unaudited	
STATEMENTS OF INCOME (in millions TL)		31.03.00	31.03.99
I.	INTEREST INCOME	336,566,143	224,406,713
	Interest on loans	98,636,939	69,816,457
	On TL loans	65,894,250	45,943,159
	-On short-term loans	65,592,939	45,724,717
	-On medium and long-term loans	301,311	218,442
	On foreign currency loans	32,594,318	23,866,485
	-On short-term loans	16,327,384	10,673,988
	-On medium and long-term loans	16,266,934	13,192,497
	Interest on loans under follow-up	148,371	6,813
	Interest from banks	22,338,867	41,205,610
	Central Bank of Turkey	-	-
	Domestic banks	13,532,996	22,910,416
	Foreign banks	8,805,871	18,295,194
	Interest on interbank funds sold	319,967	95,988
	Interest on securities	212,378,047	108,216,946
	On government bonds and treasury bills	192,122,634	97,536,601
	On other securities	20,255,413	10,680,345
	Other interest income	2,892,323	5,071,712
II.	INTEREST EXPENSE	161,106,552	131,347,923
	Interest expense on deposits	128,341,279	111,891,107
	Saving deposits	26,449,291	29,178,837
	Deposits of official authorities and organisations	792,649	458,591
	Commercial deposits	9,104,628	32,712,296
	Deposits of other organisations	291,106	299,161
	Bank deposits	63,506,062	32,828,980
	Foreign currency deposits	28,196,550	16,413,242
	Gold deposits	993	-
	Interest on interbank funds borrowed	2,001,111	2,025,020
	Interest on funds borrowed	30,092,549	16,118,315
	Central Bank of Turkey	-	-
	Domestic banks	3,338,209	1,508,067
	Foreign banks	16,521,658	8,924,095
	Other organisations	10,232,682	5,686,153
	Interest on securities issued	501,747	1,180,479
	Other interest expense	169,866	133,002
III.	NET INTEREST MARGIN (I-II)	175,459,591	93,058,790
IV.	OTHER INCOME	224,488,957	165,218,190
	Commissions and fees received	20,512,254	13,475,991
	On loans	631,100	357,614
	On documentary credits and letters of guarantee	2,855,103	2,774,645
	Others	17,026,051	10,343,732
	Trading account income	36,269,031	12,882,108
	Foreign exchange gain	157,044,962	136,473,072
	Dividends received	8,388,346	652,721
	Extraordinary income	-	-
	Others	2,274,364	1,734,298
V.	OPERATING EXPENSES	299,913,187	200,455,935
	Commissions and fees paid	12,505,005	6,203,862
	On funds borrowed	1,973,519	309,478
	On documentary credits	-	25,984
	Others	10,531,486	5,868,400
	Trading account loss	1,519,612	940,242
	Foreign exchange loss	186,769,098	163,968,261
	Personnel expenses	23,330,859	14,193,618
	Provision for retirement pay	500,000	100,000
	Rent expenses	2,984,226	1,067,345
	Depreciation and amortisation expenses	3,655,226	1,313,904
	Taxes, stamps and other duties	3,200,572	937,432
	Extraordinary expenses	39,369,157	-
	Provision for loan losses	2,259,451	-
	Other provisions	826,012	2,323,065
	Others	22,993,969	9,408,206
VI.	NET OTHER INCOME/(EXPENSE) (IV-V)	(75,424,230)	(35,237,745)
VII.	INCOME BEFORE TAXES (III+VI)	100,035,361	57,821,045
VIII.	PROVISION FOR TAXES ON INCOME	30,000,000	14,250,000
IX.	NET INCOME FOR THE PERIOD (VII-VIII)	70,035,361	43,571,045

(Currency - Millions of Turkish Lira)**I- GENERAL NOTES ON THE BANK'S FINANCIAL POSITION****A. Notes to the current period operations**

(1) The financial statements were approved on **21 April 2000 (1999: 22 April 1999)**.

(2) Changes in the accounting policies and effects of such changes on the financial statements:-

There were no changes in the accounting policies.

(3) Application of the basic accounting principles; going-concern, accrual basis accounting and consistency concepts:-

The financial statements were prepared on the basis of going-concern, accrual basis accounting and consistency principles.

The components of statement of income are accounted for under accrual basis of accounting.

(4) Changes to the valuation policies, if any, and effects of such changes on the financial statements:-

There were no changes in the valuation policies.

(5) Valuation methods of securities (including investments, affiliated companies and other long-term investments):-

Treasury bills, government bonds and similar securities are valued on a "simple interest rate basis".

Securities quoted on the Istanbul Stock Exchange are marked to market. The valuation increments are booked under the "valuation increment" heading as a component of shareholders' equity.

(6) Method of depreciation applied, any changes in methodology and effects of such changes:-

Bank premises and equipment are depreciated on a "straight-line basis". No changes have been made in depreciation methods used during the current period.

(7) US dollar exchange rate for the Turkish lira (TL) at the date of balance sheet, 31 March 2000, used in the translation of foreign currency items in the financial statements and US dollar exchange rates for TL announced by the Bank applicable to its transactions for the last five working days of the period:-

The US dollar exchange rate for TL used for the preparation of the financial statements at 31 March 2000, was TL588,250 (1999: TL369,150).

The US dollar exchange rates for TL announced by the Bank for the last five working days of the current and previous periods were as follows:-

30.03.2000	586,100	26.03.1999	366,550
29.03.2000	584,500	25.03.1999	365,600
28.03.2000	581,500	24.03.1999	364,800
27.03.2000	578,650	23.03.1999	364,450
24.03.2000	578,850	22.03.1999	364,200

(Currency - Millions of Turkish Lira)**Note I - A- (Continued)**

- (8) US dollar equivalents of assets and liabilities denominated in foreign currencies and foreign currency open positions at the date of balance sheets were as follows:-

	2000	1999
Foreign currency denominated assets	USD 6,083 millions	USD 5,790 millions
Foreign currency denominated liabilities	USD 6,200 millions	USD 5,984 millions
Short position in foreign currency	USD 117 millions	USD 194 millions

- (9) Total insurance coverage on assets amounted to **TL224,945,407 (1999: TL126,722,361)**.

- (10) Significant commitments and contingencies from which probable gains/losses may occur, although amounts can not be reasonably estimated:- **There were no such cases.**

- (11) Other matters which had significant effects on the financial statements and therefore should be disclosed for the purpose of presentation of fair and sufficient information on the financial statements:-

The reserve for retirement pay at 31 March 2000, amounted to TL5,168,205 (1999: TL2,568,205) of which TL500,000 (1999: TL100,000) was provided in the current period. Furthermore, the provision made in the current period against non-performing loans, amounted to TL2,259,451 (1999: TL.....-.....), and accordingly total provision for non-performing loans reached to TL29,869,736 (1999: TL12,197,352) as at 31 March 2000 considering the effects of loans written-off or collected during the period; and the general provision made for cash and non-cash loan portfolios in 1999, amounted to TL826,012 (1999: TL2,323,065) and accordingly total general provision reached to TL9,610,412 (1999: TL10,051,734) considering the effect of changes in the related legislation during the year.

The following provisions for the taxes on the reported income were also made as at 31 March 2000:-

- a) Provision for corporate taxes on the current period statutory corporate tax base in the amount of TL30,000,000 (1999: TL14,250,000),
- b) Provision for interest income taxes in the amount of TL30,000,000 (1999: TL.....-.....)

The Bank sold a 10 percent stake in Tansaş İzmir Büyükşehir Belediyesi İç ve Dış Ticaret A.Ş. ("Tansaş") in the form of class A shares to Start Investments Ltd., for TL34,500,000, thereby reducing its class A shareholding to 19%. The Bank realized a net gain of TL26,874,857 which is fully booked in the accompanying statements of income. The remaining 19% holding of class A shares continues to give the Bank management control of Tansaş through the superior voting rights of the class A shares.

- (12) The external audit firm is **Cevdet Suner Denetim ve Yeminli Mali Müşavirlik Anonim Şirketi (a member firm of KPMG)**.

B. Other disclosures

- (13) Significant events and matters arising subsequent to the date of balance sheet:- **There were no such events or matters.**

(Currency - Millions of Turkish Lira)**II- NOTES TO BALANCE SHEETS AND OFF-BALANCE SHEET ACCOUNTS**

- (1) TL.....-..... (1999: TL.....-.....) of cash at the Central Bank was deposited under blocked accounts.
- (2) TL11,893,639 (1999: TL.....-.....) of cash at foreign banks was deposited under blocked accounts against the "securitisation" transactions on cheques and credit card receivables.
- (3) - TL299,182 (1999: TL31,440), of "securities" balance represents the "valuation increment" on securities.
- Total carrying value of equity shares, included in "securities", of which market values exceeded their costs and which were stated at cost in the balance sheet amounted to TL.....-..... (1999: TL.....-.....), total costs of securities recorded at their market values amounted to TL11,002 (1999: TL6,392).
 - Total carrying value of equity shares, included in "other long-term investments", of which market values exceeded their costs and which were stated at cost in the balance sheet amounted to TL.....-..... (1999: TL.....-.....), total costs of equity shares recorded at their market values amounted to TL839,356 (1999: TL187,761).
 - Total carrying value of investments and affiliated companies of which market values exceeded their costs and which were stated at cost in the balance sheet amounted to TL.....-..... (1999: TL.....-.....), total costs of equity shares recorded at their market values amounted to TL14,487,814 (1999: TL.....-.....).
 - TL70,822,693 (1999: TL20,194,920) of securities and long-term investments comprised of securities blocked in compliance with legal requirements.
 - Market values of bonds, bills and similar securities amounted to TL1,610,204,196 (1999: TL615,271,803) in total at the date of balance sheet (In the calculation, the profit sharing notes-indexed on foreign currency and some Eurobonds issued by the Republic of Turkey were stated at values announced by the Central Bank because of unavailability of market values for such securities. Turkish Lira bonds and bills not traded in the market on the date of balance sheet, were also stated at values announced by the Central Bank.)
 - Values of bonds, bills and similar securities calculated at the rates announced by the Central Bank (Türkiye Cumhuriyeti Merkez Bankası) and published in the Official Gazette amounted to TL1,611,773,896 (1999: TL621,042,311) in total (Some Eurobonds issued by the "Republic of Turkey", government bonds in foreign currency and investment funds of Garanti Fund Management Co. Ltd were stated at market values in the calculation due to the absence of such values published in the Official Gazette.)

Bonds, bills and similar securities sold under repurchase (repo) agreements at the date of balance sheet, were not included in the calculation of market values and values per the Central Bank as explained in the above paragraphs. On the other hand, total accrued interest on such securities of TL195,576,501 (1999: TL57,195,728), reduced by interest expense on repo transactions, was included in "accrued interest on securities" as a component of "accrued interest and income" on the balance sheet.

(Currency - Millions of Turkish Lira)**Note II - (Continued)**

- (4) - TL5,070,370 (1999: TL11,708,005) and TL50,042,322 (1999: TL36,661,957) of total loans and advances, aggregating to TL55,112,692 (1999: TL48,369,962), provided to the shareholders and personnel of the Bank, represented cash and non-cash loans (documentary credits, acceptances and similar items), respectively.
- Total of the loans granted for specialisation purposes included in the loan portfolio amounted to TL.....-..... (1999: TL-.....).
- (5) - Total of the loans renewed or rescheduled, amounted to TL1,272 (1999: TL1,989,450).
- As at 31 March 2000, detail of classified receivables by collateral and provisions against such receivables were as follows:-

<u>Collateral group</u>	<u>Classified receivables</u>	<u>Specific provision</u>
Uncollateralised	17,589,876	17,589,876
I st Group collateral	87,546	87,546
II nd Group collateral	5,921,849	5,921,849
III rd Group collateral	5,436,738	5,436,738
IV th Group collateral	832,986	832,986

- TL741 of the classified receivables comprised of foreign currency denominated receivables.
- (6) - Receivables arising from term sale of assets amounted to TL.....-..... (1999: TL-.....).
- (7) - TL61,258,174 (1999: TL279,910) of investments and affiliated companies represented the "valuation increment" arising from the market value adjustments for such investments traded on the Istanbul Stock Exchange.
- Carrying values of investments and affiliated companies traded on the Istanbul Stock Exchange amounted to TL75,745,988 (1999: TL467,671) in total.
- Bonus shares received on investments and affiliated companies amounted to TL5,941,204 (1999: TL3,325,620).
- At 31 March 2000 and 1999, receivables from and payables to affiliated companies and other investees, were as follows:-

	<u>2000</u>	
	<u>Financial investees and affiliated companies</u>	<u>Other investees and affiliated companies</u>
<u>RECEIVABLES:</u>		
-Due from banks and other financial institutions	19,816,054	-
-Loans (including overdue loans)	41,721,799	19,026,230
-Accrued interest and income	1,381,330	1,242,164
<u>PAYABLES:</u>		
-Deposits	23,664,712	-
-Funds borrowed	112,827,220	-
-Accrued interest and expenses	2,042,146	-
<u>DOCUMENTARY CREDITS AND OTHER NON-CASH LOANS</u>	136,339,550	-

(Currency - Millions of Turkish Lira)**Note II - (Continued)**

	1999	
	Financial investees and affiliated companies	Other investees and affiliated companies
RECEIVABLES:		
-Due from banks and other financial institutions	38,700,254	-
-Loans (including overdue loans)	6,470,876	3,726,500
-Accrued interest and income	734,459	309,180
PAYABLES:		
-Deposits	3,933,536	-
-Funds borrowed	-	-
-Accrued interest and expenses	37,419	-
DOCUMENTARY CREDITS AND OTHER NON-CASH LOANS		
	171,941,614	-

- At 31 March 2000 and 1999, investments and affiliated companies included the followings:-

	2000			
	% of ownership	Total capital	Net income for the period	Market value
INDUSTRIAL COMPANIES				
GENOTO GEN. OTO. SAN. TİC. A.Ş.	40.00	64,000	(40,178)*	-
MAN KAMYON VE OTO. SAN. A.Ş.	0.50	2,244,530	(2,125,012)*	-
LASAŞ LASTİK SAN.VE TİC. A.Ş.	99.99	2,500,000	65,797*	-
BANKS				
SINAI YATIRIM BANKASI A.O.	10.00	22,500,000	2,254,282	-
T.SINAI KALKINMA BANKASI A.Ş.	0.78	28,000,000	11,607,000*	481,435**
İ.M.K.B. TAKASBANK A.Ş.	4.86	16,300,000	6,333,346	-
COMMERCIAL COMPANIES				
GARANTİ BİLİŞİM TEKN. TİC. A.Ş.	100.00	994,000	266,248	-
BULL BİLGİSAYAR TEK. A.Ş.	0.02	10,000	(286,745)*	-
YATIRIM FİNANSMAN A.Ş.	0.28	2,000,000	956,947*	-
GENOTO GENERAL OTO. PAZ. A.Ş.	0.20	4,000,000	224,677	-
BANKALARARASI KR. KART. MERKEZİ A.Ş.	9.98	97,500	653,405*	-
GARANTİ FİNANSAL KİR. A.Ş.	80.00	4,400,000	87,022*	-
AKTİF FİN. FACTORİNG HİZ. A.Ş.	9.78	4,999,749	3,891,652*	1,696,847**
TÜRK SUUDİ YATIRIM HOL. A.Ş.	0.06	400,000	8,753*	-
T. KREDİ KAYIT BÜROSU A.Ş.	9.09	275,000	28,152	-
GARANTİ YATIRIM MENKUL KIYM. A.Ş.	51.67	4,000,000	2,615,236	-
GARANTİ PORTFÖY YÖNETİMİ A.Ş.	70.00	500,000	1,430,033	-
PETROTRANS NAKLİYAT TİC. A.Ş.	100.00	5,000	(256)	-
ANA KONUT DANIŞMANLIK A.Ş.	100.00	25,000,000	1,491	-
DOĞUŞ HAVA TAŞIMACILIĞI A.Ş.	49.91	17,000,000	(1,451,512)	-
TANSAŞ İZMİR B. Ş. B. İÇ VE DIŞ TİC. A.Ş.	19.00	3,000,000	(1,693,354)*	75,745,989**
GARANTİ ÖDEME SİSTEMLERİ A.Ş.	99.92	5,000	(17,925)*	-
İKSİR ULUSLARARASI ELEKTRONİK TİC. BİLGİLENDİRME VE HABERLEŞME HİZ. A.Ş.	38.00	18,000,000	(1,264,973)	-
GARANTİ SİGORTA A.Ş.	100.00	2,740,000	300,276*	-
GARANTİ HAYAT SİGORTA A.Ş.	99.13	1,600,000	1,297,843*	-
WOLKSWAGEN DOĞUŞ TÜKETİCİ FİNANSMANI A.Ş.	37.00	7,000,000	(44,884)	-
TOURISM COMPANIES				
GARANTİ TURİZM YAT. VE İŞL. A.Ş.	43.33	950,000	(1,182)*	-
ŞAHİNTUR ŞAHİNLER O. TURZ. YAT. İŞL. A.Ş.	100.00	262,500	80*	-
INVESTMENTS IN FOREIGN CURRENCY				
UNITED GARANTİ BANK INT. N.V.	100.00	NLG 110.2 millions	EUR 3,967,000	-
DOC FINANCE S.A.	50.27	CHF 12 millions	CHF (614,514)	-
CI FINANCE LTD.	100.00	USD 100,000	USD (3,830)	-
CI INVESTMENTS LTD.	100.00	USD 100,000	USD (3,830)	-
BOSPHORUS FINANCE SER. LTD.	100.00	USD 100,000	USD (3,830)	-
GARANTİ FUNDİNG CORP. I	100.00	USD 50,000	-	-
GARANTİ FUNDİNG CORP. II	100.00	USD 50,000	-	-
GARANTİ BANK MOSCOW	99.61	USD 25.5 millions	USD 3,886,000	-
INSTRUMENTS FINANCE COMPANY	100.00	USD 25,000	USD 88,463	-
GARANTİ FINANCIAL SERVICES PLC	99.99	USD 2.6 millions	USD (92,996)	-
GARANTİ FUND MANAGEMENT CO. LTD.	99.00	USD 100,000	USD (7,553)	-
CLOVER BANK OFF-SHORE LTD.	99.10	USD 4.5 millions	USD 11,648,308	-
COMPAGNIE OTTOMANE D'INVESTMENT B.V.	100.00	NLG 165 millions	NLG (3,213,296)	-

(Currency - Millions of Turkish Lira)

Note II - (Continued)

(*) Net income/(loss) for the year ended 31 December 1999.

(**) Quoted shares are valued at the weighted average market rates for the last five working days of March 2000.

	1999			
	<u>% of ownership</u>	<u>Total capital</u>	<u>Net income for the period</u>	<u>Market value</u>
<u>INDUSTRIAL COMPANIES</u>				
GENOTO GEN. OTO. SAN. TİC. A.Ş.	40.00	64,000	219,355*	-
MAN KAMYON VE OTO. SAN. A.Ş.	0.50	2,244,530	219,927**	-
LASAŞ LASTİK SAN.VE TIC. A.Ş.	99.99	2,500,000	96,303*	-
<u>BANKS</u>				
SINAI YATIRIM BANKASI A.O.	10.00	10,000,000	1,533,240	-
T.SINAI KALKINMA BANKASI A.Ş.	0.78	16,000,000	9,012,491*	189,413
İ.M.K.B. TAKASBANK A.Ş.	4.86	7,850,000	3,343,910	-
<u>COMMERCIAL COMPANIES</u>				
GARANTİ TİCARET A.Ş.	100.00	994,000	(4,079)*	-
BULL BİLGİSAYAR TEK. A.Ş.	0.02	10,000	22,687**	-
YATIRIM FİNANSMAN A.Ş.	0.28	1,000,000	102,579	-
GENOTO GENERAL OTO. PAZ. A.Ş.	0.20	80,000	71,290	-
BANKALARARASI KRD. KARTLARI MERKEZİ A.Ş.	9.98	97,500	355,788*	-
GARANTİ FİNANSAL KİR. A.Ş.	80.00	2,000,000	44,760*	-
AKTİF FİN. FACTORİNG HİZ. A.Ş.	9.78	1,256,850	1,337,915*	373,100
TÜRK SUUDİ YATIRIM HOL. A.Ş.	0.06	400,000	(6,327)*	-
T. KREDİ KAYIT BÜROSU A.Ş.	9.09	275,000	37,982	-
GARANTİ YATIRIM MENKUL KIYM. A.Ş.	51.67	1,000,000	1,353,782	-
GARANTİ PORTFÖY YÖNETİMİ A.Ş.	70.00	250,000	242,669	-
PETROTRANS NAKLİYAT TİC. A.Ş.	100.00	5,000	(1,795)	-
ANA KONUT DANIŞMANLIK A.Ş.	100.00	4,250,000	(7,426)	-
DOĞUŞ HAVA TAŞIMACILIĞI A.Ş.	49.91	6,700,000	(3,550,164)*	-
TANSAŞ İZMİR BÜYÜK ŞEHİR BELEDİYESİ İÇ VE DIŞ TİCARET A.Ş.	35.52	750,000	1,142,865*	-
<u>TOURISM COMPANIES</u>				
GARANTİ TURİZM YAT.VE İŞL. A.Ş.	43.33	950,000	227,817***	-
ŞAHİNTUR ŞAHİNLER OTELCİLİK TURZ. YAT. İŞL. A.Ş.	100.00	262,500	17,703	-
<u>INVESTMENTS IN FOREIGN CURRENCY</u>				
UNITED GARANTİ BANK INT. N.V.	100.00	NLG75 millions	NLG33,090*	-
DOC FINANCE S.A.	16.67	CHF12 millions	CHF1,976,999***	-
CI FINANCE LTD.	100.00	USD500,000	USD(230,338)**	-
CI INVESTMENTS LTD.	100.00	USD500,000	USD(230,338)**	-
BOSPHORUS FINANCE SER. LTD.	100.00	USD500,000	USD(230,338)**	-
GARANTİ FUNDING CORP. I	100.00	USD50,000	-*	-
GARANTİ FUNDING CORP. II	100.00	USD50,000	-*	-
GARANTİ BANK MOSCOW	99.33	USD25 millions	USD(20,907)*	-
INSTRUMENTS FINANCE COMPANY	100.00	USD25,000	USD563,000*	-
GARANTİ FINANCIAL SERVICES PLC	99.99	USD138,100	USD(505,089)	-
GARANTİ FUND MANAGEMENT CO. LTD.	99.00	USD100,000	USD258,529	-

(*) Net income/(loss) for the year ended 31 December 1998.

(**) Net income/(loss) for the six-month period ended 30 June 1998.

(***) Net income for the year ended 31 December 1997.

(Currency - Millions of Turkish Lira)**Note II - (Continued)**

- (8) Other long-term investments comprised of government bonds, long-term profit sharing notes-indexed on foreign currency, government bonds in foreign currency, and equity shares in the amount of **TL201,197,212 (1999: TL50,061,036)**, **TL- (1999: TL1,146,520)**, **TL63,194,168 (1999: TL11,779,759)** and **TL3,019,766 (1999: TL648,050)**, respectively.
- (9) In accordance with the Banking Law, assets held for resale amounted to **TL45,151,331 (1999: TL24,853,331)**.
- (10) Items comprising 20%, at minimum, of the other assets and other liabilities representing 10%, at minimum, of the balance sheet total (excluding commitments and contingencies):-

There were no such items.

- (11) - Deposits comprised of demand accounts of **TL648,569,615 (1999: TL403,176,979)** and time accounts of **TL2,088,521,776 (1999: TL1,197,159,695)**, respectively.
- All saving deposits and gold deposit accounts were insured up to **TL1,423,855,585 (1999: TL595,107,376)** under "Saving Deposit Insurance Fund".
- (12) - Issuance premiums for securities issued amounted to **TL321,431 (1999: TL869,515)**.
- Bonds convertible to the capital shares amounted to **TL.....-..... (1999: TL.....-.....)**.
- (13) Cash collateral received amounted to **TL411,114 (1999: TL411,669)**.
- (14) - A portion of the "valuation increment" on securities (including equity shares classified in securities, investments, affiliated companies and other long-term investments) amounting to **TL.....-..... (1999: TL.....-.....)**, was related to securities denominated in foreign currencies. **TL.....-..... (1999: TL.....-.....)** of this portion represented the foreign exchange gain accrual on such equity shares classified in investments, affiliated companies and other long-term investments.
- Presentation of accrued foreign exchange gains on equity shares classified as investments, affiliated companies and other long-term investments in financial statements:-

Foreign exchange gains on equity shares included in investments, affiliated companies and other long-term investments denominated in foreign currencies, were classified under "foreign exchange gain" in the statement of income for the period.

(Currency - Millions of Turkish Lira)

Note II - (Continued)

- (15) At 31 March 2000 and 1999, maturity structures of some assets and liabilities were as follows:-

	2000			
	<u>Demand</u>	<u>Up to 3 months</u>	<u>3 to 12 months</u>	<u>Over 1 year</u>
<u>ASSETS:</u>				
Liquid assets	24,795,762	-	-	-
Due from banks and other financial institutions	113,209,354	552,147,461	-	-
Interbank funds borrowed	3,000,000	-	-	-
Securities (Net)	-	651,760,961	225,228,411	576,199,252
Performing loans	-	171,833,578	1,029,007,472	364,636,323
Accrued interest and income	2,658,987	54,594,521	247,748,700	195,511,725
Reserve deposits	196,080,838	-	-	-
<u>LIABILITIES:</u>				
Deposits	648,569,615	1,244,927,354	370,038,529	473,555,893
Interbank funds borrowed	93,861,250	-	-	-
Funds borrowed	-	117,651,965	574,077,220	512,652,578
Securities issued (Net)	-	11,127,300	2,681,616	-
Accrued interest and expense	-	61,164,281	52,134,433	67,949,988
Taxes, stamps, premiums and other duties	-	8,797,662	-	-
<u>ASSETS:</u>				
Liquid assets	19,438,572	-	-	-
Due from banks and other financial institutions	42,192,351	429,619,719	-	-
Securities (Net)	-	333,650,640	239,312,390	62,987,315
Performing loans	-	347,705,621	492,006,442	205,989,399
Accrued interest and income	-	160,851,612	93,662,362	17,612,465
Reserve deposits	72,051,332	-	-	-
<u>LIABILITIES:</u>				
Deposits	403,176,979	1,138,924,350	56,376,940	1,858,405
Interbank funds borrowed	10,000,000	-	-	-
Funds borrowed	-	127,059,181	193,621,437	270,363,000
Securities issued (Net)	-	25,783,557	4,379,706	-
Accrued interest and expense	-	86,980,967	3,721,061	95,406
Taxes, stamps, premiums and other duties	-	5,818,603	-	-

- (16) Commitments arising from outstanding agreements for resale and repurchase of government securities at the balance sheet date, amounted to TL.....-..... (1999: TL583,774) and TL716,951,107 (1999: TL277,393,492), respectively.

- (17) - If the Bank applies registered share capital system, ceiling of the registered share capital:-

In accordance with the permission of the Turkish Capital Markets Board with resolution no.83/1049 on 25 August 1999, the Bank accepted to apply the registered share capital system. The ceiling of the registered share capital is TL1,000,000,000 millions and the existing paid-capital is TL260,000,000 millions. The registered share capital was approved by the Turkish Treasury on 2 September 1999 by permission no.63317 and by the Turkish Industry and Commerce Ministry on 3 September 1999 by permission no.7538.

(Currency - Millions of Turkish Lira)

Note II - (Continued)

- Capital increases during the period:-

There has not been any capital increases during the current period. However, at the Ordinary General Shareholders' Meeting held on 21 March 2000, allocation of the 1999 net income of TL 172,043,715 to Extraordinary Reserves, excluding the portion transferred to Legal Reserves at the rate of 5% of TL181,098,648, has been decided.

(Sources of capital increase in the amount of TL210,000,000 in 1999 subsequent to the three-month period ended 31 March 1999:-

Transfer from revaluation surplus	
on bank premises and equipment	39,353,300
Transfer from retained earnings	170,557,054
Transfer from gain on sale of fixed assets	89,646)

- Transfer from revaluation surplus to contribute the capital increase: **None.**

- Priority rights assigned to certain capital shares: **None.**

- Shareholders holding 10% or more interest in the share capital:-

None of the shareholders has 10% or more interest in the issued share capital, except for Doğu Holding A.Ş. which currently holds 40.12% of the issued share capital.

(18) Basis of presentation of financial leasing activities in financial statements and disclosures on such transactions in accordance with International Accounting Standard 17 (IAS 17):-

Financial leasing transactions are accounted for in accordance with Turkish legislation, not IAS17. Per Turkish legislation, financial leasing transactions are accounted for as if they were operating leases. Accordingly, fixed assets acquired through financial leases and the related payables are not reflected in the financial statements; instead the periodic payments of installments, with no distinction between principal and interest portions, were initially recorded as "prepaid expense" to be charged to expense throughout the lease period. During the year ended 31 March 2000, such payments charged to statement of income as expense accumulated to TL958,342 (1999: TL102,911) and the remaining balance recorded as "prepaid expense" in the balance sheet, amounted to TL6,126,675 (1999: TL662,137).

(19) - Other significant matters:-

- Details on assets and liabilities indexed on foreign exchange rates, gold prices and other financial indicators were as follows:-

<u>Assets indexed on foreign exchange rates</u>	<u>Principal</u>	<u>Current period accruals for interests and foreign exchange gains</u>
Loans	40,363,444	5,248,055
Interbank funds sold	680,659	595,737

(Currency - Millions of Turkish Lira)

III- NOTES TO STATEMENTS OF INCOME

- (1) - Interests received from the investee companies amounted to **TL506,898 (1999: TL669,599)**. Fees and commissions received from such companies aggregated to **TL..... (1999: TL)**.
- Interests paid to the investee companies amounted to **TL73,041 (1999: TL33,339)**. Fees and commissions paid to such companies aggregated to **TL..... (1999: TL)**.
- (2) Income on financial leasing transactions amounted to **TL..... (1999: TL.....)**.
- (3) Expenses paid on financial leasing transactions amounted to **TL958,342 (1999: TL102,911)**.
- (4) - General provision for loan losses amounted to **TL826,012 (1999: TL2,323,065)**.
- Provision for valuation allowance on securities amounted to **TL.... (1999: TL)**.
- (5) Items comprising 20%, at minimum, of the other expenses and income classified in groups I, II, IV and V, and representing 10%, at minimum, of the total of the related group that they are included in: **None**.
- (6) Other significant matters: **None**.
-