



Interim report

TO : INVESTMENT COMMUNITY
FROM : GARANTI BANK / Investor Relations
Tel: (90 212) 335 3150
Fax: (90-212) 286 0486
E-mail: investorrelations@garanti.com.tr
www.garantibank.com.tr

SUBJECT : June 30, 2001 Financial Statements, TGAAP
DATE : August 24, 2001

I. TURKISH ECONOMY IN H1/2001

The Turkish economy continued to contract in the second quarter of 2001 due to market uncertainty and high interest rates in the aftermath of the sudden, unannounced abandonment of the crawling peg exchange rate regime on February 22nd.

Industrial output, a reliable proxy for national income trends, declined by 10.1% in April, and 9.7% in May in comparison to the same period a year earlier. These declines were sharper than those registered in any month during the first quarter of the year suggesting that national income fell even sharper in the second quarter than the first. GNP had fallen by 4.2% in 2001Q1, whilst GDP had declined by 1.9% year-on-year. The dismal state of affairs was also apparent from capacity utilization data, reaching a new trough of 67.9% in seasonally adjusted terms. Aggregate demand contraction was again led by a decline in consumption expenditures, with durables on the forefront. Auto sales fell by 72.6% year-on-year in April, and 72.3% in May.

Contraction in aggregate demand was not across the board, however, with net exports contributing positively to national income growth. Net exports had fallen sharply in 2000 as the crawling peg exchange rate regime altered preferences to the benefit of traded goods. The fast pace of national income growth - understated in some part due to a construction moratorium in twenty-seven provinces following the earthquake of August 1999 and the damage at a major refinery facility – in conjunction with the crawling peg exchange rate regime had also translated to a massive boom in imports in 2000. The reverse was the result of the Lira's float and national income contraction, with imports falling significantly after February 2001. Value of merchandise imports fell by 33% year-on-year to US\$ 3 Billion in April 2001 from US\$ 4.5 Billion in 2000. Value of merchandise exports rose by 5.4% in April 2001 to US\$ 2.6 billion. Exports were up by 8.7% in the first four months. Net exports will continue to rise as imports fall from a year earlier, and exports respond to a more competitive valuation for the Lira. Indeed, data from the Exporters' Union suggest that export growth has reached double digits in the period to August.

Balance of payments developments are expected to be positive due to sharply higher tourism and shuttle trade revenues. The current account deficit was US\$ 2.1 billion in the first four months in comparison to US\$ 5.4 billion a year earlier.

A better than expected fiscal performance in the first quarter was the result of higher indirect tax rates, GSM license fee receipt in February 2001, and profit transfer from the Central Bank to the Treasury. Expenditures rose by 17.7% year-on-year in nominal terms in the first five months. Revenues rose by a nominal 50% in the same period. The government thus ran a strong primary surplus of TL 7,129 trillion between January and May, a 75.2% rise from 2000 same period.

Annual consumer price inflation had fallen continuously during 2000 to 39% year-on-year from 68.8% year-on-year in 1999. Wholesale price inflation had fallen to 32.7% year-on-year from 62.9% a year earlier. The inflation rate had thus dropped to a fourteen year low despite the inability to meet official year-end targets of 25% and 20% year-on-year, respectively. The decision to float the Lira created a temporary uptick in the monthly and thus annual inflation rates. WPI inflation rose to 65.4% year-on-year in July 2001, whilst CPI inflation rose to 56.3% year-on-year in the same period. Monthly inflation rates have come down, however, with WPI rising by 3.3%, and CPI by 2.4% in July.

II. GARANTI BANK H1/2001

Key Information

Branches	282	Credit Cards	1,390,106
Offices	18	Debit Cards	1,240,406
Employees (Excluding security)	5,077	ATM's	570
Internet Customers*	333,402	POS's	43,639
Telephone Banking Customers*	353,402	ADC Utilization Rate **	68.4%

* *Active bank customers.*

** *As of June 2001. (Percentage of total comparable transactions including cash transactions)*

Developments and Important Subsequent Events

On June 20th, the Boards of Directors of Ottoman Bank, a subsidiary of Garanti Bank, and Korfezbank, which is owned by the Doğuş Group, Garanti's parent company, approved the merger of the two banks, which will create the ninth largest bank in Turkey. Combining the assets and operations of Körfezbank with those of Ottoman Bank will have a positive impact on the consolidated financial position of Garanti Bank. The merger decision was approved by the Banking Regulation and Supervisory Board in July. At end-March 2001, Ottoman Bank was the 10th largest bank by asset size in Turkey while Körfezbank ranked 19th. Combined assets amount to TL5,139.4 Trillion (US\$5,335 Million). Körfezbank, founded in 1991, is a respected name in corporate and private banking, cash management and PTT payment systems while Ottoman Bank, with 56 domestic branches, is an important player in corporate, commercial and personal banking, with a strong presence in brokerage activities, custody services and alternative distribution channels. Established in 1863 by English, French and

Turkish shareholders, Ottoman Bank is the forerunner and historically, the most prestigious bank in Turkey. It was acquired by Dođuş Group in 1996. The formal merger, which follows the unification of operations, securities trading, information technology and human resources management in 1999 and 2000, will strengthen the structure of the Dođuş Group banks by improving operational efficiency, enhancing productivity and promoting economies of scale.

Meanwhile, talks with Banca Intesa Banca Commerciale Italiano S.p. A. (IntesaBci S.p.A) to acquire a stake in Garanti have entered the due diligence phase and agreement is expected to be reached soon.

Bonus Card, Turkey's first multi-branded chip-based credit card, celebrated its first anniversary with 450,000 cardholders and total acquiring volume of \$250 million. Bonus Card targets reaching one million cardholders and 36 participating merchants by the end of 2001. According to Europay, Virtual Card, an innovative non-physical debit card for use on the Internet that was launched in April 2000, has captured a 71% share in the total number of Internet purchases made in Turkey. The Bank is increasing its market share in general credit card business as well. As at June 30, 2001, Garanti Bank has increased its number of POS to 43,639 with a market share of 13.1%. The efficiency of Garanti's POS machines was 31%, above the market average, as calculated by transaction amount per POS. Number of credit cards increased to 1,390,106 by the end of the first half of 2001. Similarly, Garanti's market share in number of credit cards was also up to 10.3% from 9.3% as in the previous quarter. Total issuing volume market share of Garanti rose to 9.7% in H1/2001 from 8.6% in Q1/2001. On the acquirer side, the Bank also increased its market share to 15.4% in H1/2001, up from 14.8% in the previous quarter.

Garanti participated in two medium term syndicated loan facilities for Turkish infrastructure projects. Garanti Bank Luxembourg acted as co-leader for a 136.7 million five-year Euro syndicated facility to finance to the first stage of the Bozova Pumping Irrigation project which will irrigate a large area in Bozova, a district of Sanliurfa as part of the Southeast Anatolian Project (GAP). The agreement was signed on May 31, 2001. Garanti Bank Luxembourg also acted as an arranger for a \$95 million five-year syndicated loan to finance the Ankara-Pozanti Motorway, taking a \$50 million commitment.

Garanti has successfully completed a one year US\$350 Million syndicated loan facility in August 2001. In spite of the recent economic turmoil, 52 banks joined the facility and confirmed their commitment to Garanti and Turkish economy. The facility, which carry an interest rate of Libor+80 basis points, was significantly oversubscribed from its initial launch of US\$200 Million.

Garanti is getting closer to its target of 70% ADC utilization ratio. As of end of June 2001, usage of alternative delivery channels was 68.4% including cash withdrawals, and 61.1% excluding cash withdrawals, up from 59.0% and 46.5%, respectively as at YE2000. In non-cash transactions, the share of Internet banking rose to 39.8%. When the cash transactions are included, ATM utilization rate was 39.5%.

On April 20, Mr.Ferit Şahenk was appointed Chairman of the Board of Garanti Bank following the passing of his father, Mr.Ayhan Şahenk, earlier in the month. In addition, Sincar Toker, a veteran banker, was appointed as Managing Director to the Board of Directors.

Garanti was named "Turkey's Best Bank" by New York-based Emerging Markets Investor magazine in its April issue. The magazine noted Garanti's strong management, sophisticated risk management techniques and active stance in Internet and telephone banking. Furthermore, according to Global Finance, the New York based monthly magazine, Garanti is the best internet bank in Turkey. The magazine based its evaluation on product diversity, user friendliness, web design and functionality, successful web partnerships and the variety of delivery channels.

A discussion and analysis of the Bank's H1/2001 results (according to TGAAP) are provided below:

Operating Performance

As of June 30, 2001, Garanti posted a net income of TL55,406 Billion (US\$57 Million) as compared to a net income of TL116,545 Billion (US\$199 Million) on June 30, 2000. On a quarterly basis, net income was TL18,616 Trillion. The relatively lower net income figure is mainly attributable to lower net interest income as a result of rising funding costs and economic disgrowth after the February economic crisis.

Total interest income increased by 25.8% in real terms on a yearly basis to TL1,117,516 Billion (US\$1,152 Million) as at June 30, 2001 from TL620,110 Billion (US\$1,058 Million) as at June 30, 2000. On a quarterly basis, interest income was down by 32.9% in real terms as compared to the first quarter of 2001. This is a reflection of the fact that the Bank had achieved above average interest income in the first quarter of 2001 as a result of soaring interest rates during the crisis. The interest rates in the second quarter gradually fell to lower levels. The Bank also obtained strong growth in interest income from Turkish Lira and foreign currency loans on a y-o-y basis. Interest income from total loans was up by 73.1% in real terms from TL193,076 Billion (US\$330 Million) in H1/2000 to TL478,923 Billion (US\$494 Million) in H1/2001. The devaluation of the Turkish Lira in February 2001 and a high interest rate environment were the main reasons for the strong growth in this item on a y-o-y basis. On a quarter-only basis, the decrease in interest earned on loans stemmed from lower interest income earned from short-term TL loans. Interest earned on loans composed 42.9% of total interest income in H1/2001, in comparison with 31.1% in H1/2000 and 45.9% in YE2000. As a result of falling interest income, the share of interest on Turkish lira loans in total interest income from loans was down to 69.2% in Q2/2001 from 76.2% in the previous quarter. On the other hand interest income from FC loans was up by 6.2% in real terms on a quarterly basis. During the second quarter of 2001, interest income from banks fell to TL162,183 Billion (US\$167 Million) from TL223,095 Billion (US\$288 Million) and made up 14.3% of total interest income as compared to 35.1% in Q1/2001 and 13.0% in YE2000. Although interest earned on securities was down by 19.8% in real terms from TL366,165 Billion (US\$625 Million) as on June 30, 2000 to TL420,824 Billion (US\$434 Million) as in June 30, 2001, this item went up by 144.4% in real terms on a quarterly basis over the first quarter of 2001. This increase was mainly attributable to a high yield bonds acquired during the month of March. Interest income from securities composed 38.4% of the total interest income in H1/2001, as compared with 17.6% in Q1/2001 and 39.7% in YE2000.

The key factor behind the 104.5% real increase in total interest expenses in H1/2001 on a y-o-y basis was that the general level of interest rates was much higher as compared to H1/2000. Total interest expenses went up to TL873,171 Billion (US\$900 Million) as at June 30, 2001 from TL298,024 Billion (US\$509 Million) as at June 30, 2000. However, total interest

expenses went down by 23.6% in real terms on a quarterly basis as compared to Q1/2001 as interest rates fell gradually after the February crisis. Interest paid on deposits composed 82.0% of total interest expense in H1/2001 as compared to 80.7% in H1/2000 and 78.6% in YE2000. Interest paid on deposits increased by 107.9% y-o-y in real terms from TL240,518 Billion (US\$410 Million) in H1/2000 to TL716,381 Billion (US\$738 Million) in H1/2001. On a quarterly basis, interest paid on deposits were down by 21.9% in real terms as compared to Q1/2001, despite expanding FC deposits and further depreciation of the TL. Interest paid on foreign currency deposits was up by 47.3% in real terms y-o-y and by 36.3% on a quarterly basis as a result of these factors. The share of interest paid on bank deposits in total interest on deposits fell to 47.5% on June 30, 2001 from 53.1% on March 31, 2001. Interest paid to deposits to total average deposits (cost of deposits) was 34.8% as of June 30, 2001, as compared to 41.7% as of March 31, 2001. However, this figure is still higher than 18.4% as in H1/2000. Also, cost of core deposits showed a downward trend on a quarterly basis, whilst core deposits increased by 13% in real terms. Interest paid on borrowed funds was up by 41.8% y-o-y in real terms to TL106,013 Billion (US\$109 Million) as compared to H1/2000. However, this figure went down by 1.7% as compared to the previous quarter on a quarterly basis.

Net interest income was TL244,345 Billion (US\$252 Million) as of June 30, 2001 as compared to TL322,086 Billion (US\$550 Million) on June 30, 2000. Net interest income was also down by 58.9% in real terms on a quarterly basis as compared to Q1/2001 as a result of relatively lower gains achieved through short term money market transactions. Accordingly, NIM was down to 8.3% in H1/2001, from 12.3% in Q1/2001. NIM adjusted by foreign exchange losses was realized as 0.3% on June 30, 2001, as compared to 8.4% as in the previous quarter as a result of increased foreign exchange loss the after pegged exchange rate regime was abandoned in Q1/2001.

As of June 30, 2001, non-interest income, net of foreign exchange loss, fees and commissions paid and trading expense (net non-interest income), was TL287,266 Billion (US\$296 Million) as compared to TL110,874 Billion (US\$189 Million) as of June 30, 2000. This indicates a 80.8% year-on-year increase in real terms over H1/2000. However, on a quarterly basis, net non-interest income was up by 329.8% as the Bank posted a net trading income of TL223,167 Billion during Q2/2001 as opposite to a net trading loss of TL30,678 Billion in Q1/2001. As outlined in section III footnote 3, the securities received through debt-swap on 18 June 2001, were valued by discounting with “internal rate of return” and taking into account the repurchase price of such securities following trading transactions with other financial institutions. This application is in accordance with the BRSA’s letter dated 2 August 2001 and numbered 6398. The income recognized on such trading transactions and the foreign exchange gains amounted to TL217,311 and TL15,350, respectively, as at 30 June 2001. As such securities were not actively traded in the markets, in accordance with the BRSA’s letter mentioned above and to be in compliance with the IAS39 application, had the Bank valued such securities using discounting method with internal rate of return taking into account the market interest rates of similar instruments in the foreign markets, the net income recognized in the accompanying financial statements as at 30 June 2001, would be lower by TL49,089. Netted fees and commissions were TL28,450 Billion (US\$29 Million) as of June 30, 2001, up by 9.9% in real terms over TL18,066 Billion (US\$31 Million) as on June 30, 2000. Accordingly, net fees and commissions to net interest margin ratio was 11.6% in H1/2001 up from 5.6% in H1/2000 and 9.6% in Q1/2001. Net fees and commissions earned on credit card commissions composed 30.6% of total net fees and commissions income. Dividends received grew by 138.9% year-on-year basis in real terms, reaching TL33,177 Billion (US\$34 Million)

as of June 30, 2001. On June 30, 2001, other income, 36.8% of which was generated from sale of fixed assets, was realized as TL33,150 Billion (US\$34 Million), up by 64.2% in real terms from TL14,084 Billion (US\$24 Million) as on June 30, 2000.

Total other expenses, excluding the extraordinary item, foreign exchange loss, fees and commission expenses and trading account loss (netted other expenses) was TL254,677 Billion (US\$262 Million) as at June 30, 2001, up by 28.6% in real terms from TL138,184 Billion (US\$236 Million) as at June 30, 2000. On a quarterly basis, the increase in real terms was 21.8% as compared to Q1/2001. Personnel costs were down by 20.6% to TL57,870 Billion (US\$60 Million) as at June 30, 2001 as compared with TL50,883 Billion (US\$87 Million) on June 30, 2000. Personnel expenses composed 22.7% of netted other expenses in H1/2001 down from 36.8% in H1/2000 and 24.5% in Q1/2001. Provisions for possible loan losses increased to TL31,878 Billion (US\$33 Million) in H1/2001 up from TL2,263 Billion (US\$4 Million), reflecting the increased NPL's as a result of the current recession in the economy. Other provisions were also up by 147.6% y-o-y in real terms to TL40,000 Billion (US\$41 Million). Other non-interest expenses, namely the expenses regarding "Garanti Payment Systems", human resources and operations, increased by 12.2% on a yearly basis in real terms to TL83,442 Billion (US\$86 Million). However, this figure decreased by 6.3% as compared to the previous quarter and composed 32.8% of netted other operating expenses versus 37.6% in H1/2000. Extraordinary expenses reflecting the one-time earthquake taxes were mostly covered in 2000 and only TL5,518 Billion were set aside in Q2/2001 increasing the accumulated figure to TL17,276 Billion (US\$18 Million) in H1/2001.

As the TL continued to depreciate during Q2/2001, net foreign exchange loss climbed to TL204,252 Billion (US\$211 Million) as at June 30, 2001, up from TL52,302 Billion (US\$89 Million) as at June 30, 2000.

Garanti's Cost/Income ratio excluding the extraordinary item was 65.5% as at June 30, 2001 up from 43.1% as at December 31, 2000. Cost/Income ratio deteriorated in the second quarter mainly as a result of lower net interest income and higher loan loss provisioning and other provisions. The Bank is applying a comprehensive cost cutting program since November 2000 with the aim of reducing this ratio to below 50% levels.

Earnings before taxes were TL55,406 Billion (US\$57 Million) on June 30, 2001. No tax provision was set aside in the said period, thus net income was TL55,406 Billion as well. Return on average assets (ROAA) and Return on average equity (ROAE) ratios of the Bank as of June 30, 2000 are 1.43% and 12.65%, respectively.

Balance Sheet

Total assets of Garanti increased by 3.9% in real terms year-on-year to TL8,876,706 Billion (US\$7,336 Million) as at June 30, 2001, up from TL5,281,272 Billion (US\$7,499 Million) as at June 30, 2000. Total assets were down by 7.1% in real terms since YE2000 mainly as a result of the real decline in loans and securities after the devaluation and economic slowdown in the country.

Cash and due from banks made up 17.3% of total assets and were up by 12.9% in real terms to TL1,537,002 Billion (US\$1,270 Million) in H1/2001 as compared to TL942,410 Billion

(US\$1,391 Million) in YE2000. This figure made up 14.3% of total assets in YE2000 and 13.7% of total assets in Q1/2001. On a quarterly basis, cash and due from banks was 17.7% higher in real terms as compared to the previous quarter. Garanti further strengthened its cash position during Q2/2001 and benefited from the higher interest rates relative to a year ago. Investment securities were down by 87.2% in real terms to TL176,633 Billion (US\$146 Million) as at June 30, 2001 from TL954,818 Billion (US\$2,021 Million) as at December 31, 2000. The real decrease as compared to the previous quarter is 74.0%. However, other long term investments increased by 59.9% in real terms to TL1,959,859 Billion (US\$1,620 Million) as compared to the year-end. The primary reason behind this increase was the addition of securities to the portfolio through the debt-swap in June. The share of total securities (investment securities and other long-term investments) in total assets came down to 24.1% on June 30, 2001 from 27.3% on December 31, 2000. Total securities were TL2,136,492 Billion (US\$1,776 Million) on June 30, 2001, down by 34.3% in US\$ terms from TL1,803,146 Billion (US\$2,705 Million) as on December 31, 2000. Bank's net repo position was TL133,211 Billion (US\$110 Million) as at end of H1/2001 as compared to TL361,811 Billion (US\$543 Million) as of YE2000. Net repo portfolio to assets ratio was 1.5% in H1/2001, much below 5.2% as in YE2000. The share of liquid assets in total assets rose to 41.4% in H1/2001, up from 38.1% in the previous quarter.

Cash loans were up by 4.5% y-o-y in real terms to TL2,952,877 Billion (US\$2,440 Million) on June 30, 2001 from TL1,746,030 Billion (US\$2,826 Million) on June 30, 2000. However, as a result of the slow-down in the economy led by the devaluation of TL, cash loans decreased by 18.6% in real terms since YE2000. Accordingly cash loans composed 33.3% of total assets on June 30, 2001 down from 38.0% on December 31, 2000. The share of FC loans in total loans increased to 72.7% on June 30, 2001 up from 69.5% on March 31, 2001 and 61.4% on December 31, 2000. Short-term cash loans made up 47.2% of total cash loans as of the same period as compared to 63.1% in H1/2000. The shares of corporate and commercial loans in the total cash loans were 44.2% and 34.1% respectively, whereas the share of retail loans, including small business, were 21.7% as at June 30, 2001. The decline in the share of retail loans is mainly attributable to relatively high interest rates and economic slowdown. Gross non-performing loans were TL181,506 Billion (US\$150 Million) as of H1/2001. NPL ratio was above the previous quarter parallel to expectations. Non-performing loans to cash loans were 6.2% as of June 30, 2001, up from 3.1% at the end of Q1/2001. Non-performing loans to total cash and non-cash loans were 2.9% as at the same period as compared to 1.5% in the previous quarter. The Bank has set aside a 51.2% of provisioning for non-performing loans.

Total deposits of Garanti Bank increased by 4.7% in real terms y-o-y to TL4,796,501 Billion (US\$3,964 Million) as of June 30, 2001 as compared to TL2,832,022 Billion (US\$4,584 Million) as of June 30, 2000 and TL3,437,096 Billion (US\$5,157 Million) as of December 31, 2000. Total deposits slightly decreased by 0.9% since Q1/2001. Core deposits (total deposits excluding the bank deposits) were up by 21.6% year-on-year and 12.8% quarter-on-quarter. Especially, saving deposits demonstrated a strong growth, going up by 61.2% since H1/2000 and by 2.3% since Q1/2001 in real terms. This performance is attributable to both the "flight to quality" from state banks and Garanti's increasing number of branches. The share of total deposits in total liabilities and shareholders' equity was also up from 50.7% in Q1/2001 to 54.0% in H1/2001. Excluding bank deposits and gold, foreign currency deposits increased by 21.4% in real terms to TL3,110,780 Billion (US\$2,571 Million) on a quarterly basis. Foreign currency deposits composed 64.9% of total deposits of the Bank in H1/2001.

Total funds borrowed including the interbank takings increased by %25.0 in real terms y-o-y and reached TL2,651,860 Billion (US\$2,192 Million). However, this figure is 11.5% below its value in Q1/2001 and 7.9% below its value in YE2000 in real terms. Total funds borrowed composed 29.9% of total liabilities and shareholders' equity, as compared to 30.2% in YE2000 and 31.4% on March 31, 2001.

Total shareholders' equity including net income was TL933,893 Billion (US\$772 Million) on June 30, 2001. Total equity to total assets ratio was 10.5% as of June 30, 2001 as compared to 12.4% on December 31, 2000 and 13.5% on June 30, 2000. Capital adequacy ratio in H1/2001 was 9.31% as compared with 12.7% in YE2000.

On June 31, 2001, gross long foreign currency position of the Bank was US\$53 Million as compared to a gross short position of US\$1,231 Million in year-end 2000 and US\$552 Million on March 31, 2001. As of June 30, 2001, the Bank holds a net long position of US\$48 Million which corresponds to 14.7% of the Bank's equity base, calculated in line with the Central Bank's guidelines.

Exchange Rates

US\$1= TL1,210,000	As of Jun. 30, 2001	US\$1=TL970,219	2001 Jan. – Jun. average
US\$1= TL666,500	As of Dec. 31, 2000	US\$1=TL623,998	2000 Jan. – Dec. average
US\$1= TL617,800	As of Jun. 30, 2000	US\$1=TL585,952	2000 Jan. – Jun. average

Inflation Rate (WPI)

	End of Period	Average
2000 December – 2001 June	44.5%	20.8%
2001 March – 2001 June	25.1%	13.1%
2000 June – 2001 June	61.8%	43.3%

KEY RATIOS

	30.06.2001	31.03.2001	31.12.2000	30.06.2000
<i>Asset Quality and Liquidity Ratios</i>				
NPL / Cash Loans	6.15%	3.10%	2.66%	1.71%
NPL/ Cash +Non-Cash Loans	2.93%	1.48%	1.40%	0.80%
Allowance for Loan Losses/NPL	51.17%	78.94%	91.46%	100.00%
Deposits/Total Assets	54.03%	50.67%	52.00%	53.62%
Cash Loans/Total Assets	33.27%	36.70%	38.00%	33.06%
Liquid Assets/Total Assets	41.38%	38.13%	41.54%	42.81%
<i>Profitability Ratios</i>				
NIM	8.31%	12.30%	10.87%	17.89%
Adjusted NIM	0.28%	8.41%	8.55%	14.86%
ROAA	1.43%	2.07%	3.68%	4.75%
ROAE	12.65%	17.70%	29.24%	35.83%
Non-interest Income/Total Operating Income	54.04%	22.70%	42.02%	25.61%
Cost / Income ⁽¹⁾	72.30%	62.04%	57.54%	51.60%
Cost / Income ⁽²⁾	65.54%	54.25%	43.05%	31.73%
Net Operating Expense ⁽²⁾ (excl. FX loss) / Total Average Assets	6.58%	6.02%	6.52%	5.63%
Effective Tax Rate	-	28.96%	22.61%	31.25%

(1) Including the extraordinary earthquake taxes.

(2) Excluding the extraordinary earthquake taxes.

Türkiye Garanti Bankası Anonim Şirketi

**Interim Financial Statements
30 June 2001 and 2000
With Independent Auditor's Review
Report Thereon**

Cevdet Suner Denetim ve
Yeminli Mali Müşavirlik A.Ş.
3 August 2001

This report contains 31 pages.

<u>Content</u>	<u>Page No</u>
Independent Auditor’s Review Report	1-2
Balance Sheets	3-4
Statements of Income	5
Notes to Financial Statements	6
I. General Notes on the Bank’s Financial Position	6
A. Disclosures on Current Period Operations	6-12
B. Other Disclosures	12-13
II. Notes to Balance Sheet and Off-Balance Sheet Accounts	14-26
III. Notes to Statements of Income	27
IV. Supplementary Financial Statements	28
A. Commitments and Contingencies	28
B. Other Off-Balance Sheet Accounts	29
C. Maturity Profile of Assets, Liabilities, and Certain Commitments and Contingencies according to Remaining Maturities	30-31

Independent Auditor's Review Report

To the Board of Directors of
Türkiye Garanti Bankası Anonim Şirketi,

We have reviewed the accompanying balance sheet of Türkiye Garanti Bankası Anonim Şirketi (the Bank) as of 30 June 2001 and the related statement of income for the six-month period then ended. These financial statements are the responsibility of the Bank's management. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with International Standard on Auditing applicable to review engagements. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of the personnel of the Bank and its affiliates and analytical procedures applied to financial data and thus provides less assurance than an audit. 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 in accordance with the uniform chart of accounts, the uniform financial statements and notes to the financial statements, and related accounting and valuation standards as described in Article 13 "Accounting and Recording Rules" of (Turkish) Banking Law No. 4389 as amended with Law No. 4672.

Without qualifying our report, we want to draw your attention to the following matters:

As explained in "Section III, Note 7", marketable securities exchanged in the debt swap on 18 June 2001 were reflected to the financial statements as of 30 June 2001 at the cost determined by taking into consideration the value that was achieved as a result of the sell and buy back transaction with another financial institution, and this valuation method is in compliance with banking laws in force and the declarations made to public by the regulating authorities. Valuation of the mentioned marketable securities was made by the discounting method using the internal rate of return which is calculated by applying on this cost. Accordingly, the Bank recorded TL 217,311 billion trading account income and TL 15,350 billion foreign exchange gain as a result of this transaction that is accepted by "Banking Regulation and Supervising Agency (BRSA)" with the declaration numbered 6398 and dated 2 August 2001. Since these marketable securities were not traded actively in İstanbul Stock Exchange, reliable market prices were not available on 30 June 2001. By referring to the explanation in the declaration of BRSA that "in cases where the market values are not reliably measured, securities may be valued at their internal rate of returns calculated based on the purchase costs or the market values or interest rates, in the domestic or foreign markets, of securities similar in terms of their issuers, currencies, maturities, interest rates and other characteristics" and also to be in compliance with the International Accounting Standard 39 for valuation of the financial instruments, had the Bank valued the securities using the market rates of similar securities traded in foreign markets, net income would be lower by TL 49,089 billion in the accompanying financial statements as of 30 June 2001.

As explained in "Section I, Note 7", in the financial statements as of 30 June 2001, the Bank used its own foreign exchange rate while revaluing foreign currency liabilities amounting to USD 5,931 million and foreign currency assets amounting to USD 5,979 million, since this is a requirement of the uniform chart of accounts. These foreign exchange rates of the Bank differ from the rates declared by Central Bank of Turkey by TL 42,773 per USD as of 30 June 2001. In the uniform chart of accounts, there are no rules for circumstances when exchange rates of the banks differ from the rates of Central Bank of Turkey.

İstanbul,
3 August 2001

Cevdet Suner Denetim ve
Yeminli Mali Müşavirlik
Anonim Şirketi

Memduh Özargun
Partner

As explained in "Section I, Note 2" the accompanying financial statements are not intended to present the financial position and results of operations in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Turkey.

TÜRKİYE GARANTİ BANKASI A.Ş.

BALANCE SHEETS-ASSETS (in billions TL)	Reviewed	
	30.06.2001	30.06.2000
Liquid assets	69,668	37,307
Cash, local currency	11,651	5,399
Cash, foreign currency	46,572	20,268
Others	11,445	11,640
Due from banks	1,443,334	820,704
Central Bank of Turkey	224,157	78,406
Other banks	1,219,177	742,298
-Domestic banks	228,047	439,416
-Foreign banks	991,130	302,882
Other financial institutions	-	-
Interbank funds sold	24,000	1,200
Securities (Net)	176,633	870,324
Government bonds and treasury bills	175,270	171,168
Other bonds	-	-
Equity shares	306	416
Other securities	1,057	698,740
Loans	2,952,877	1,746,030
Short-term	1,393,692	1,101,176
Medium and long-term	1,559,185	644,854
Receivables under follow-up (Net)	88,634	-
Limited collectibility (net)	71,633	-
- Gross receivables	95,473	934
- Provision (-)	23,840	934
Uncertain collectibility (net)	12,167	-
- Gross receivables	19,105	6,851
- Provision (-)	6,938	6,851
Uncollectible (net)	4,834	-
- Gross receivables	66,928	22,087
- Provision (-)	62,094	22,087
Accrued interest and income	587,981	293,853
Loans	242,830	67,941
Securities	137,229	125,063
Others	207,922	100,849
Receivables from financial leasing activities (Net)	-	-
Minimum lease receivables	-	-
Unearned income (-)	-	-
Reserve deposits	359,472	204,825
Miscellaneous receivables	4,627	5,170
Investments (Net)	67,448	79,137
Financial companies	2,590	2,590
Non-financial companies	64,858	76,547
Affiliated companies (Net)	579,603	289,238
Financial companies	531,735	258,141
Non-financial companies	47,868	31,097
Other long-term investments (Net)	1,959,859	531,242
Equity shares	6,443	8,654
Other securities	1,953,416	522,588
Bank premises and equipment (Net)	397,268	241,751
Carrying value	505,898	294,447
Accumulated depreciation (-)	108,630	52,696
Other assets	165,302	160,491
TOTAL ASSETS	8,876,706	5,281,272

TÜRKİYE GARANTİ BANKASI A.Ş.

BALANCE SHEETS-LIABILITIES AND

Reviewed

SHAREHOLDERS' EQUITY (in billions TL)	30.06.2001	30.06.2000
Deposits	4,796,501	2,832,022
Saving deposits	697,760	267,508
Deposits of official authorities and organisations	2,991	13,911
Commercial deposits	436,555	188,179
Deposits of other organisations	17,498	28,903
Bank deposits	492,811	645,369
Foreign currency deposits	3,110,780	1,683,290
Gold deposits	38,106	4,862
Interbank funds borrowed	18,623	110,581
Funds borrowed	2,633,237	1,200,715
Central Bank of Turkey	-	-
Others	2,633,237	1,200,715
-Domestic banks and organisations	96,677	185,114
-Foreign banks and organisations	2,536,560	1,015,601
-Subordinated debts	-	-
Funds	-	-
Securities issued (Net)	-	7,098
Notes	-	-
Asset backed securities	-	-
Bonds	-	7,098
Accrued interest and expense	120,143	147,205
Deposits	46,484	123,934
Funds borrowed	53,238	15,559
Others	20,421	7,712
Payables from financial leasing activities (Net)	-	-
Lease obligations	-	-
Deferred expenses (-)	-	-
Taxes, stamps, premiums and other duties	21,158	9,864
Import transfer orders	148,927	20,800
Miscellaneous payables	93,150	44,608
Reserves	85,105	96,606
Reserve for retirement pay	7,168	5,668
General provision for loan losses	24,650	20,101
Reserve for taxes on income	-	52,964
Other provisions	53,287	17,873
Other liabilities	25,969	97,362
Shareholders' equity	878,487	597,866
Share capital	260,000	260,000
-Nominal capital	260,000	260,000
-Unpaid capital (-)	-	-
Legal reserves	34,773	24,354
-Legal reserves I&II	33,668	23,404
-Other legal reserves	1,105	950
Extraordinary reserves	376,243	188,819
Revaluation surpluses	193,140	75,916
Valuation increments on securities	14,331	48,777
Loss	-	-
-Loss for the period	-	-
-Prior years' losses	-	-
Income	55,406	116,545
-Net income for the period	55,406	116,545
-Prior years' income	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	8,876,706	5,281,272
COMMITMENTS AND CONTINGENCIES		
Guarantees and endorsements	3,249,463	1,992,415
Commitments	220,344	567,486
Derivative transactions	2,792,751	2,675,365
TOTAL	6,262,558	5,235,266

TÜRKİYE GARANTİ BANKASI A.Ş.

Reviewed

STATEMENTS OF INCOME (in billions TL)		30.06.2001	30.06.2000
I.	INTEREST INCOME	1,117,516	620,110
	Interest on loans	478,923	193,076
	TL loans	331,241	126,984
	-Short-term loans	252,359	125,240
	-Medium and long-term loans	78,882	1,744
	Foreign currency loans	147,501	65,908
	-Short-term loans	68,385	30,702
	-Medium and long-term loans	79,116	35,206
	Interest on loans under follow-up	181	184
	Interest from banks	162,183	53,998
	Central Bank of Turkey	1,769	-
	Domestic banks	143,949	36,790
	Foreign banks	16,465	17,208
	Interest on interbank funds sold	30,495	662
	Interest on securities	420,823	366,165
	Government bonds and treasury bills	384,916	349,521
	Other securities	35,907	16,644
	Other interest income	25,092	6,209
II.	INTEREST EXPENSE	873,171	298,024
	Interest expense on deposits	716,381	240,518
	Saving deposits	201,090	46,480
	Deposits of official authorities and organisations	775	1,006
	Commercial deposits	57,095	4,054
	Deposits of other organisations	7,639	3,102
	Bank deposits	340,088	133,929
	Foreign currency deposits	109,594	51,936
	Gold deposits	100	11
	Interest on interbank funds borrowed	47,999	4,031
	Interest on funds borrowed	106,013	52,181
	Central Bank of Turkey	-	-
	Domestic banks	12,245	8,290
	Foreign banks	79,147	33,651
	Other organisations	14,621	10,240
	Interest on securities issued	-	775
	Other interest expense	2,778	519
III.	NET INTEREST MARGIN (I-II)	244,345	322,086
IV.	OTHER INCOME	4,483,891	650,258
	Commissions and fees received	96,077	45,038
	Loans	7,391	1,571
	Documentary credits and letters of guarantee	13,649	6,234
	Others	75,037	37,233
	Trading account income	386,214	79,012
	Foreign exchange gain	3,935,273	502,434
	Dividends received	33,177	9,690
	Extraordinary income	-	-
	Others	33,150	14,084
V.	OPERATING EXPENSES	4,672,830	802,835
	Commissions and fees paid	67,627	26,972
	Funds borrowed	7,075	2,313
	Documentary credits	169	-
	Others	60,383	24,659
	Trading account loss	193,725	9,978
	Foreign exchange loss	4,139,525	554,736
	Personnel expenses	57,870	50,883
	Provision for retirement pay	500	1,000
	Rent expenses	12,685	6,634
	Depreciation and amortisation expenses	15,357	8,176
	Taxes, stamps and other duties	12,945	6,049
	Extraordinary expenses	17,276	72,965
	Provision for loan losses	31,878	2,263
	Other provisions	40,000	11,275
	Others	83,442	51,904
VI.	NET OTHER INCOME/(EXPENSE) (IV-V)	(188,939)	(152,577)
VII.	INCOME BEFORE TAXES (III+VI)	55,406	169,509
VIII.	PROVISION FOR TAXES ON INCOME	-	52,964
IX.	NET INCOME FOR THE PERIOD (VII-VIII)	55,406	116,545

TÜRKİYE GARANTİ BANKASI A.Ş.

(Currency – Billions of Turkish Lira)

I- GENERAL NOTES ON THE BANK'S FINANCIAL POSITION

A. Disclosures on Current Period Operations

(1) The financial statements were approved on **3 August 2001 (2000: 14 July 2000)**.

(2) a) **Accounting policies:-**

Accounting policies of the Bank are set in accordance with the uniform chart of accounts, the uniform balance sheet and statement of income and the uniform notes to the financial statements, and accounting and valuation standards as described in Article 13 "Accounting and Recording Rules" of (Turkish) Banking Law No.4389.

Significant accounting policies applied by the Bank are summarised below:-

Income and expense recognition:

Accrual basis of accounting is followed for the recognition of income and expense items, except for interest income on overdue loans and certain commissions, such as those deriving from letters of guarantee, are recognised as income only when received.

Securities, investments, affiliated companies and other long-term investments:

Valuation principles applied for securities, investments, affiliated companies and other long-term investments are explained below in note 5.

Securities under repurchase transactions:

Securities sold under repurchase agreements are marked to market. These types of transactions of the Bank are short-term and entirely involve government securities.

Provision for loan losses:

The Bank provides allowances for specific loan losses and general provisions for inherent credit risks on its assets in accordance with the degree no.99/13761 on identification of and provision against non-performing loans and other receivables as published in Official Gazette no.23913 dated 21 December 1999, the related article no.1 as published in Official Gazette no.24006 dated 31 March 2000 and the regulation as published in Official Gazette no.24448 dated 30 June 2001.

Depreciation:

Bank premises and equipment is depreciated in accordance with the Turkish Tax Laws at rates approximating their estimated useful lives on a straight-line basis. These rates are as follows:

Buildings	2%
Motor vehicles	15%
Other fixed assets	5-20%

Foreign currency transactions:

Gains and losses arising from foreign currency transactions are reflected in the statement of income as realised during the course of the period. Foreign currency assets and liabilities have been translated into Turkish Lira at foreign exchange rates prevailing at the period-end, the effects of which are also reflected in the statement of income as foreign exchange gain or loss.

TÜRKİYE GARANTİ BANKASI A.Ş.

(Currency – Billions of Turkish Lira)

Note I – A – (Continued)

Items held in trust:

Assets, other than cash deposits, held by the Bank in fiduciary or agency capacities for its customers and government entities are not included in the accompanying balance sheets, since such items are not under the ownership of the Bank.

b) 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 are prepared on the basis of going-concern, accrual basis accounting and consistency principles.

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

Securities portfolio are valued in accordance with the Banking Regulation and Supervising Agency (BRSA)'s regulations dated 3 May and 2 August 2001.

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

A. Securities :

Securities in Turkish Lira:-

1- Equity shares

Equity shares comprised of securities quoted on the Istanbul Stock Exchange. Such shares are valued according to the weighted average prices at the Istanbul Stock Exchange for the last 30 working days. The positive valuation increments are booked under the "valuation increments" heading as a component of shareholders' equity.

2- Other securities

a- Securities indexed to foreign currency

Securities indexed to foreign currency are valued using discounting method with internal rate of return.

b- Fixed-income securities

Such securities are marked to market.

Securities in foreign currencies:-

Securities in foreign currencies are marked to market and converted into Turkish Lira at the prevailing exchange rates at balance sheet date.

TÜRKİYE GARANTİ BANKASI A.Ş.

(Currency – Billions of Turkish Lira)

Note I – A – (Continued)

B. Investments :

Securities in Turkish Lira:-

Investments quoted on the Istanbul Stock Exchange are valued according to the weighted average prices at the Istanbul Stock Exchange for the last 30 working days. The positive valuation increments are booked under the "valuation increments" heading as a component of shareholders' equity.

Other investments are recorded at purchase costs and bonus shares received.

Securities in foreign currencies:-

Investments in foreign currencies are recorded at purchase costs, and converted into Turkish Lira at the prevailing exchange rates at balance sheet date.

C. Investments in affiliated companies :

Valuation principles for investments in affiliated companies are the same with the principles applied for investments as explained above in paragraph B.

D. Other long-term investments :

Securities in Turkish Lira:-

1- Equity shares

Valuation principles for equity shares classified under other long-term investments are the same with the principles applied for investments as explained above in paragraph B.

2- Other securities

a) Long-term investments

Treasury bills and government bonds classified under "Investment Portfolio" are booked at purchase costs and valued using discounting method with internal rate of return.

b) Pledged securities

Securities provided as collateral against legal obligations are booked at purchase costs and valued on a "simple interest rate basis". Interest earned upto the balance sheet date is classified under "accrued interest and income on securities".

Securities in foreign currencies:-

1- Other securities

a) Long-term investments

Securities in foreign currencies classified under "Investment Portfolio" are valued using discounting method with internal rate of return.

TÜRKİYE GARANTİ BANKASI A.Ş.

(Currency – Billions of Turkish Lira)

Note I – A – (Continued)

b) Pledged securities

Securities provided as collateral against legal obligations are booked at purchase costs and valued on a "simple interest rate basis". Interest earned upto the balance sheet date is classified under "accrued interest and income on securities".

(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". There have not been any changes made in depreciation methods during the current period.

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

A. The US dollar exchange rate for TL used for the preparation of the financial statements at 30 June 2001, was TL1,210,000 (2000: TL617,800).

B. 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:-

	<u>Current Period</u>	<u>Prior Period</u>
US dollar purchase rate <u>at the date of balance sheet</u>	1,210,000	617,600
US dollar purchase rates for the days before <u>balance sheet date</u>		
Day 1	1,240,000	619,400
Day 2	1,255,000	618,350
Day 3	1,250,000	620,150
Day 4	1,250,000	620,350
Day 5	1,270,000	619,050

In accordance with the Uniform Chart of Accounts for Banks, the Bank evaluated its foreign currency assets and liabilities at its own exchange rate, TL1,210,000 per US dollar. As at 30 June 2001, this rate differed from the rate announced by the Central Bank of Turkey by TL42,773 per US dollar. There are no rules defined in the Uniform Chart of Accounts for Banks in case of deviations from the rates set by the Central Bank of Turkey.

TÜRKİYE GARANTİ BANKASI A.Ş.

(Currency – Billions 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:-

	<u>Current Period</u>		<u>Prior Period</u>	
	<u>Turkish Lira</u>	<u>US dollar equivalents \$ million</u>	<u>Turkish Lira</u>	<u>US dollar equivalents \$ million</u>
I – FOREIGN CURRENCY ASSETS				
1) Liquid Assets (cash on hand, cash in transit, purchased cheques)	58,018	48	31,908	52
2) Central Bank of Turkey	198,277	164	56,977	92
3) Domestic banks (excluding interbank deposits)	96,801	80	36,244	59
4) Foreign banks	991,131	819	302,881	490
5) Securities (Net)	1,112	1	635,254	1,028
6) Loans	2,147,231	1,775	1,118,785	1,811
7) Reserve deposits	326,374	270	180,780	293
8) Foreign currency-indexed assets (a+b)	1,250,518	1,033	47,482	77
a) Loans	118,862	98	41,765	68
b) Others	1,131,656	935	5,717	9
9) Accrued interest and income	310,962	257	59,434	96
10) Other assets	1,046,995	865	390,266	632
COMMITMENTS AND CONTINGENCIES	806,936	667	1,187,719	1,922
11) Repurchase contracts	-	-	-	-
12) Forward currency purchases	806,936	667	1,187,719	1,922
TOTAL FOREIGN CURRENCY ASSETS	<u>7,234,355</u>	<u>5,979</u>	<u>4,047,730</u>	<u>6,552</u>
II – FOREIGN CURRENCY LIABILITIES				
1) Foreign currency deposits	3,110,780	2,571	1,683,284	2,725
2) Gold deposits	38,106	31	4,862	8
3) Bank deposits	321,196	265	271,737	440
4) Funds borrowed from Central Bank of Turkey	-	-	-	-
5) Funds borrowed from domestic banks (excluding interbank takings)	70,140	58	169,772	275
6) Funds borrowed from other domestic organisations	-	-	-	-
7) Foreign borrowings	2,536,560	2,096	1,015,601	1,644
8) Securities issued (Net)	-	-	7,098	11
9) Foreign currency-indexed liabilities (a+b)	-	-	-	-
a) Funds borrowed	-	-	-	-
b) Others	-	-	-	-
10) Accrued interest and expense	91,775	76	37,176	60
11) Other liabilities	196,239	162	186,017	301
COMMITMENTS AND CONTINGENCIES	812,852	672	752,105	1,217
12) Resale contracts	-	-	-	-
13) Forward currency sales	812,852	672	752,105	1,217
TOTAL FOREIGN CURRENCY LIABILITIES	<u>7,177,648</u>	<u>5,931</u>	<u>4,127,652</u>	<u>6,681</u>
FOREIGN CURRENCY NET POSITION (I – II)	<u>56,707</u>	<u>48</u>	<u>(79,922)</u>	<u>(129)</u>

The foreign currency balance sheet is managed in accordance with the Bank's liquidity and provisioning policies and in full compliance with the legal legislation.

TÜRKİYE GARANTİ BANKASI A.Ş.

(Currency – Billions of Turkish Lira)

Note I – A – (Continued)

Foreign currency assets and liabilities of the Bank per major currencies, were as follows as at 30 June 2001:-

	<u>US Dollars</u>	<u>Euro Group**</u>	<u>Euro</u>	<u>Others in US dollar equivalents***</u>
I- Foreign Currency Assets				
Liquid assets	27,436	15,066	4,195	4,182
Due from banks	838,091	1,052	223,745	34,308
Securities (net)	46	30	1,000	-
Loans	1,297,000	346,510	147,501	58,749
Other long-term investments (net)	372,096	1,545	24,614	-
Other foreign currency assets	<u>2,349,020</u>	<u>78,368</u>	<u>304,292</u>	<u>24,667</u>
Total Foreign Currency Assets	<u>4,883,689</u>	<u>442,571</u>	<u>705,347</u>	<u>121,906</u>
II- Foreign Currency Liabilities				
Deposits	2,242,501	504,278	150,553	70,168
Funds borrowed	1,802,199	7,515	407,206	15,890
Securities issued (net)	-	-	-	-
Other foreign currency liabilities	<u>786,119</u>	<u>11,125</u>	<u>75,656</u>	<u>34,722</u>
Total Foreign Currency Liabilities	<u>4,830,819</u>	<u>522,918</u>	<u>633,415</u>	<u>120,780</u>
Difference (I - II)	<u>52,870</u>	<u>(80,347)</u>	<u>71,932</u>	<u>1,126</u>

* All other foreign currency assets and liabilities including off balance sheet items

** Currencies to be converted into Euro, total in Euro terms (like DEM, FRF etc.)

*** US dollar equivalent of all other currencies having less than 10% share in foreign currency assets and liabilities

(9) Bank premises and equipment, and insurance coverages:-

	<u>30 June 2001</u>		
	<u>Book Values in Gross</u>	<u>Accumulated Depreciation</u>	<u>Insurance Coverage</u>
Movables	163,990	86,967	56,751
Immovables	243,428	11,120	101,455
1-Assets under use for banking activities	243,428	11,120	101,455
2-Others	-	-	-
Leasehold improvements	20,610	10,543	-
Assets held for resale	77,870	-	-
1-Stocks	776	-	-
2-Immovables	77,094	-	-
Assets held under financial leases*	18,140	4,881	-
	<u>30 June 2000</u>		
	<u>Book Values in Gross</u>	<u>Accumulated Depreciation</u>	<u>Insurance Coverage</u>
Movables	84,869	41,902	94,542
Immovables	152,542	6,415	138,923
1-Assets under use for banking activities	152,542	6,415	138,923
2-Others	-	-	-
Leasehold improvements	9,590	4,379	-
Assets held for resale	47,446	-	-
1-Stocks	134	-	-
2-Immovables	47,312	-	-
Assets held under financial leases*	8,382	2,307	-

TÜRKİYE GARANTİ BANKASI A.Ş.

(Currency – Billions of Turkish Lira)

Note I – A – (Continued)

* Financial leasing transactions are accounted for in accordance with Turkish legislation, not IAS17. Accordingly, fixed assets acquired through financial leases are not reflected in the accompanying financial statements as further discussed in Section II.note 18.

(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:-

a- The reserve for retirement pay at 30 June 2001, amounted to TL7,168 (2000: TL5,668) of which TL500 (2000: TL1,000) was provided in the current period. The provision made in the current period against non-performing loans, amounted to TL31,878 (2000: TL2,263), and accordingly total provision for non-performing loans reached to TL92,872 (2000: TL29,872) as at 30 June 2001 considering the effects of loans written-off or collected during the period; for non-cash loans not liquidated yet but considered uncertain a further provision of TL174 (2000: TL.....-.....) was made, and furthermore the general provision made for credit risks amounted to TL.....-..... (2000: TL11,275) and accordingly such provisions reached to TL24,650 (2000: TL20,101) in total considering the effect of changes in the related legislation during the period. Moreover, as at 30 June 2001, an additional general provision for possible losses of TL40,000 (2000: TL.....-.....) was made in the current period, and accordingly total general provision excluding the general provision for credit risks reached to TL50,000 (2000: TL10,000) in the accompanying balance sheet.

b- Since February 2001, Turkey is experiencing an economic recession, as well as fluctuation in foreign exchange, money and capital markets. The government has launched a program including several procedures for the establishment of a more advanced economic and commercial infrastructure. As of the date of these financial statements uncertainties resulting from such fluctuations are continuing.

(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:-

The Bank's paid capital, within the ceiling of the registered share capital of TL1,000,000, has increased to TL750,000 from TL260,000 through transfers of TL372,589 from "extraordinary reserves", TL113,478 from "revaluation surplus on premises and equipment, TL3,766 from "revaluation surplus on equity participations" and TL167 from "gain on sale of real-estates". Capital increase has been registered by Istanbul Commercial Registration office on 6 July 2001 and published in Official Gazette dated 11 July 2001 upon receiving Capital Markets Board(CMB)'s resolution no.1714 on 3 July 2001 in accordance with the CMB's decree no.I/26, article 8. The bonus shares for the capital increase of TL490,000, at the proportion of 188.46% of each share is being distributed to the shareholders since 16 July 2001.

TÜRKİYE GARANTİ BANKASI A.Ş.

(Currency – Billions of Turkish Lira)

Note I – B – (Continued)

The major shareholder of the Bank, Doğu Holding A.Ş. is currently negotiating a possible partnership with Intesa BCI S.P.A., an Italian bank.

(14) Foreign branches:-

<u>Location</u>	<u>Total Assets(TL)</u>	<u>Legal Capital</u>
1- Luxembourg	771,755	USD 40,000,000
2- Malta	1,877,616	-

TÜRKİYE GARANTİ BANKASI A.Ş.

(Currency – Billions of Turkish Lira)

II- NOTES TO BALANCE SHEET AND OFF-BALANCE SHEET ACCOUNTS

(1) TL.....-..... (2000: TL.....-.....) of cash at the Central Bank was deposited under blocked accounts.

(2) a- Due from foreign banks:-

	<u>Current Period</u>		<u>Prior Period</u>	
	<u>Turkish Lira</u>	<u>US dollar Equivalents in Millions</u>	<u>Turkish Lira</u>	<u>US dollar Equivalents in Millions</u>
Unrestricted balance	872,129	721	295,170	478
Restricted balance	<u>119,001</u>	<u>98</u>	<u>7,712</u>	<u>12</u>
Total	<u>991,130</u>	<u>819</u>	<u>302,882</u>	<u>490</u>

b- Breakdown of due from foreign banks according to their origins:-

<u>OECD Countries</u>		<u>Other Countries</u>	
<u>Country</u>	<u>Balance (TL)</u>	<u>Country</u>	<u>Balance (TL)</u>
1. United Kingdom	376,227	1. Russia	4,335
2. USA	180,811	2. S. Arabia	561
3. Germany	171,786	3. Malta	180
4. The Netherlands	81,212	4. Iraq	<u>2</u>
5. Austria	51,379		
6. Belgium	30,570		<u>5,078</u>
7. Greece	30,325		
8. France	21,655		
9. Luxembourg	21,284		
10. Ireland	8,774		
11. Denmark	4,670		
12. Sweden	2,319		
13. Switzerland	1,553		
14. Japan	1,331		
15. Italy	982		
16. Norway	522		
17. Canada	271		
18. Australia	223		
19. Spain	109		
20. Finland	<u>49</u>		
	<u>986,052</u>		

(3) a- TL110 (2000: TL231) of "securities" balance represents the "valuation increment" on securities.

b- Total carrying value of equity shares of which market values exceeded their costs and which were stated at cost in the balance sheet amounted to TL.....-..... (2000: TL-.....), total costs of securities recorded at their market values amounted to TL196 (2000: TL185).

c- TL309,945 (2000: TL87,733) of securities and long-term investments comprised of securities held in compliance with legal requirements.

TÜRKİYE GARANTİ BANKASI A.Ş.

(Currency – Billions of Turkish Lira)

Note II – (Continued)

d- Breakdown of securities for the current period:-

	<u>Purchase Costs</u>	<u>Market Value</u>	<u>Value per Central Bank of Turkey (*)</u>	<u>Provision for Diminishing in Value</u>
<u>Government bonds and treasury bills</u>				-
1. Fixed-income securities (**)	129,278	130,012	127,996	-
2. Securities indexed to inflation	-	-	-	-
3. Securities indexed to foreign currency	45,936	49,617	38,898	-
4. Securities in foreign currency	56	-	-	-
<u>Investment funds</u>	1,057	-	-	-
<u>Other notes</u>	-	-	-	-
1. Fixed-income securities	-	-	-	-
2. Securities indexed to inflation	-	-	-	-
3. Securities indexed to foreign currency	-	-	-	-
4. Securities in foreign currency	-	-	-	-
<u>Gold</u>	-	-	-	-
<u>Equity shares</u>	-	-	-	-
1. Quoted	196	306	-	-
2. Unquoted	-	-	-	-
<u>Others</u>	-	-	-	-

As explained above in Section I.A.note 5, trading portfolio is generally marked to market. Interest accruals calculated per market prices are classified under “accrued interest and income on securities”, whereas purchase costs of such securities are classified under “securities”, in account no. 030 and 031. The only exception is the equity shares which are classified in “securities” at their market prices. Accordingly, market values of such equity shares in the amount of TL306 as mentioned above were included in “securities”, in account no. 030 and 031 as at 30 June 2001.

(*) values calculated based on daily prices announced by the Central Bank of Turkey in the Official Gazette

(**) securities in the amount of TL1,623, purchased under resale agreements are booked at purchase costs. Such securities are presented again at their purchase costs in “Market Value” and “Value per Central Bank of Turkey” columns.

(4) a- Advances, cash and non-cash loans granted to shareholders and personnel:-

	<u>Current Period</u>		<u>Prior Period</u>	
	<u>Cash</u>	<u>Non-cash</u>	<u>Cash</u>	<u>Non-cash</u>
1. Lendings to shareholders				
Lending to corporations	17,478	81,755	4,988	52,973
Other lendings	31,559	13,957	2,988	236
2. Lendings to personnel	148	-	319	-

Cash and non-cash loans extended to shareholders are treated as ordinary commercial lendings to other customers in the existing market conditions.

TÜRKİYE GARANTİ BANKASI A.Ş.

(Currency – Billions of Turkish Lira)

Note II – (Continued)

b- Credit policies and practices applied for related parties (as defined by International Accounting Standards), and analysis of related party transactions during the period:-

Transactions with related parties are held under arm's-length conditions; terms are set according to the existing market conditions and in full compliance with the Banking Law. The Bank's policy is to keep the balances with related parties at minimum levels.

Balances with related parties and share of such balances in financial statements were as follows at 30 June 2001:-

	<u>Related Party Risks</u>	<u>Balance Sheet Total</u>	<u>Share (%) of Related Party Risks in Total</u>
Cash loans	293,042	2,952,877	9.92
Deposits	237,941	4,796,501	4.96
Non-cash loans	160,966	3,249,463	4.95
Interest income	46,981	1,117,516	4.20
Interest expenses	7,843	873,171	0.90
Fees and commissions income	692	96,077	0.72
Derivative transactions	102,036	2,792,751	3.65

c- Receivables from and payables to affiliated companies and other investees, were as follows:-

	<u>Financial investees and affiliated companies</u>		<u>Other investees and affiliated companies</u>	
	<u>Current Period</u>	<u>Prior Period</u>	<u>Current Period</u>	<u>Prior Period</u>
<u>RECEIVABLES</u>				
-Due from banks and other financial institutions	93,727	23,773	-	-
-Loans (including overdue loans)	110,228	42,931	73,050	29,902
-Accrued interest and income	4,586	1,647	23,638	2,136
<u>PAYABLES</u>				
-Deposits	160,606	26,983	24,370	3,433
-Funds borrowed	-	7,753	-	-
-Accrued interest and expenses	373	815	52	-
<u>DOCUMENTARY CREDITS AND OTHER NON-CASH LOANS</u>				
-Letters of guarantee	36,240	16,801	6,378	1,868
-Acceptance credits	6,009	4,086	-	-
-Letters of credit	5,167	7,347	318	248
-Other non-cash loans	1,305	481	-	-

Balances with affiliated companies and other investees, resulted from arm's-length banking activities under the terms set in accordance with the existing market conditions.

TÜRKİYE GARANTİ BANKASI A.Ş.

(Currency – Billions of Turkish Lira)

Note II – (Continued)

d- Loans and other receivables renewed, refunded or restructured, and classified under groups I&II:-

	Group I – Standard performing loans and other receivables (TL)		Group II – Loans and other receivables under special follow-up (TL)	
	(1)	(2)	(1)	(2)
	Renewed, refunded or restructured loans and other receivables	Other loans and receivables	Renewed, refunded or restructured loans and other receivables	Other loans and receivables
Cash loans	-	2,927,744	-	25,133
I- Loans (excluding loans for specialization)	-	2,927,744	-	25,133
Export loans	-	668,334	-	4,864
Import loans	-	4	-	-
Investment loans	-	17,485	-	-
Loans to domestic banks	-	-	-	-
Loans to foreign banks	-	29,551	-	-
Loans to other financial institutions	-	6,923	-	-
Gold credits	-	62,033	-	-
Other loans	-	2,143,414	-	20,269
1-Consumer loans	-	342,431	-	-
2-Credit cards	-	243,052	-	-
3-Other foreign lending	-	1,292,866	-	8,807
4-Others	-	265,065	-	11,462
II- Specialization loans	-	-	-	-
III- Liquidated non-cash loans	-	-	-	-
Receivables classified under other assets but legally considered as loans	-	1,648,472	-	-
Other receivables	-	151,041	-	4,150
Non-cash loans	-	3,245,555	-	3,907

(5) a- Loans and other receivables renewed, refunded or restructured, and classified under follow-up accounts:-

There were no such cases.

b- Collateral distribution of loans and other receivables under follow-up:-

	<u>Group III</u> Loans and receivables limited collectibility	<u>Group IV</u> Loans and receivables collectibility uncertain	<u>Group V</u> Loans and receivables uncollectible
<u>Collateral groups</u>			
<u>Current period:-</u>			
Unsecured	58,540	7,687	47,975
Group I	-	2	88
Group II	36,933	10,326	11,250
Group III	-	1,069	5,163
Group IV	-	21	2,452
<u>Prior period:-</u>			
Unsecured	-	-	23,018
Group I	-	-	-
Group II	-	-	6,829
Group III	-	-	22
Group IV	-	-	-

TÜRKİYE GARANTİ BANKASI A.Ş.

(Currency – Billions of Turkish Lira)

Note II – (Continued)

c- Movements in provision for loans and receivables under follow-up:-

	<u>Group III</u> Loans and receivables limited collectibility	<u>Group IV</u> Loans and receivables collectibility uncertain	<u>Group V</u> Loans and receivables uncollectible
Balance, beginning of period	37,941	4,539	24,389
- Increases during the period	114,578	-	59
- Transfer from other follow-up accounts	-	57,046	42,480
- Transfer to other follow-up accounts	57,046	42,480	-
- Collections during the period	-	-	-
- Write-offs	-	-	-
Balance, end of period	95,473	19,105	66,928
- Specific provisions	23,840	6,938	62,094
Net balance at period end	71,633	12,167	4,834

d- Foreign currency receivables under follow-up accounts :-

	<u>Group III</u> Loans and receivables limited collectibility	<u>Group IV</u> Loans and receivables collectibility uncertain	<u>Group V</u> Loans and receivables uncollectible
Current period			
Balance, beginning of period	51,338	-	1
- Specific provisions	19,252	-	1
Net balance at period end	32,086	=	=
Prior period			
Balance, beginning of period	-	-	1
- Specific provisions	-	-	1
Net balance at period end	=	=	=

(6) Receivables on forwards sales of assets:-

There were no such cases.

- (7) a- TL13,946 (2000: TL43,246) of investments and affiliated companies represented the "valuation increment" arising from the market value adjustments for such investments traded on the Istanbul Stock Exchange, and TL.....-..... represented the "valuation increment" arising from equity accounting application.

TÜRKİYE GARANTİ BANKASI A.Ş.

(Currency – Billions of Turkish Lira)

Note II – (Continued)

b- Economic sectors of investments and affiliated companies were as follows:-

	<u>Purchase Costs</u>	<u>Bonus Shares</u>	<u>Revaluation Surplus</u>	<u>Diminishing in Value</u>
<u>Domestic investments and affiliated companies</u>				
Insurance	8,360	960	-	-
Manufacturing	1,383	1,163	-	-
Mining	-	-	-	-
Energy	-	-	-	-
Prosperity	-	-	-	-
Transportation	-	-	-	-
Foreign trade	-	-	-	-
Tourism	3,592	463	-	-
Agriculture	-	-	-	-
Forestry	-	-	-	-
Other financial sectors	15,469	1,351	-	-
Other commercial sectors	89,362	2,818	13,946	-
<u>Foreign investments and affiliated companies</u>				
Banking	504,722	-	-	-
Insurance	-	-	-	-
Manufacturing	-	-	-	-
Mining	-	-	-	-
Energy	-	-	-	-
Prosperity	-	-	-	-
Transportation	-	-	-	-
Foreign trade	-	-	-	-
Tourism	-	-	-	-
Agriculture	-	-	-	-
Forestry	-	-	-	-
Other financial sectors	3,462	-	-	-
Other commercial sectors	-	-	-	-

c- Carrying values of investments and affiliated companies quoted at the domestic and foreign stock exchange markets amounted to **TL30,999 (2000: TL57,733)** and **TL....-..... (2000: TL.....-.....)** , respectively.

d- Bonus shares received on investments and affiliated companies amounted to **TL6,755 (2000: TL5,969)**.

TÜRKİYE GARANTİ BANKASI A.Ş.

(Currency – Billions of Turkish Lira)

Note II – (Continued)

e- At 30 June 2001 and 2000, investments and affiliated companies included the followings:-

<u>Investments and Affiliated Companies</u>	<u>30 June 2001</u>			
	<u>% of ownership</u>	<u>Total capital</u>	<u>Net income for the period</u>	<u>Market value</u>
<u>INDUSTRIAL COMPANIES</u>				
DOĞUŞ TURİZM SAĞLIK YAT. VE İŞL.SAN. VE TİC.A.Ş.	40.00	64	(806)**	-
LASAŞ LASTİK SAN.VE TİC. A.Ş.	99.99	2,500	(521)	-
<u>COMMERCIAL COMPANIES</u>				
GARANTİ BİLİŞİM TEKN. TİC. A.Ş.	100.00	994	889	-
GARANTİ FİNANSAL KİRALAMA A.Ş.	80.00	10,000	(2,443)	-
GARANTİ YATIRIM MENKUL KIYM. A.Ş.	51.67	7,500	2,115**	-
GARANTİ PORTFÖY YÖNETİMİ A.Ş.	70.00	1,000	4,107	-
PETROTRANS NAKLİYAT TİC. A.Ş.	99.60	5	(3)**	-
ANA KONUT DANIŞMANLIK A.Ş.	100.00	50,000	(6,099)	-
DOĞUŞ HAVA TAŞIMACILIĞI A.Ş.	49.91	22,000	(5,688)	-
TANSAŞ İZMİR B. Ş. B. İÇ VE DIŞ TİC. A.Ş.	19.00	16,500	(25,478)**	30,999*
GARANTİ ÖDEME SİSTEMLERİ A.Ş.	99.92	5	12**	-
İKSİR ULUSLARARASI ELEKTRONİK TİC. BİLGİLENDİRME VE HABERLEŞME HİZ.A.Ş.	38.00	45,000	(4,183)	-
GARANTİ SİGORTA A.Ş.	75.00	6,200	1,965	-
GARANTİ HAYAT SİGORTA A.Ş.	74.36	6,800	1,956	-
VOLKSWAGEN DOĞUŞ TÜKETİCİ FİNANSMANI A.Ş.	37.00	7,000	(27,960)**	-
DOĞUŞ İNSANGÜCÜ A.Ş. (HUMANİTAS)	40.10	600	(380)**	-
DOĞUŞ HİZMET YÖNETİMİ ORGANİZASYON VE DANIŞMANLIK A.Ş.	55.00	30	55**	-
<u>TOURISM COMPANIES</u>				
GARANTİ TURİZM YAT.VE İŞL. A.Ş.	43.33	8,750	(1,763)**	-
ŞAHİNTUR ŞAHİNLER O. TURZ. YAT. İŞL. A.Ş.	100.00	263	36**	-
<u>INVESTMENTS IN FOREIGN CURRENCY</u>				
UNITED GARANTI BANK INT. N.V.	100.00	EUR 83.8 mio	EUR 20,619,000	-
DOC FINANCE S.A.	50.27	CHF 12 mio	CHF (3,583,541)	-
BOSPHORUS FINANCIAL SER. LTD.	99.99	USD 100,000	USD (5,667)	-
GARANTI BANK MOSCOW	99.61	USD 25.5 mio	USD 2,675,000	-
INSTRUMENTS FINANCE COMPANY	100.00	USD 25,000	USD 195,496	-
GARANTI FINANCIAL SERVICES PLC	100.00	USD 2.6 mio	USD 3,852,665	-
GARANTI FUND MANAGEMENT CO. LTD.	99.00	USD 100,000	USD 61,711	-
CLOVER BANK OFF-SHORE LTD.	99.10	USD 4.5 mio	USD 93,696	-
COMPAGNIE OTTOMANE D'INVESTMENT B.V.	100.00	NLG 165 mio	NLG (11,574,080)	-

(*) Quoted shares are valued at the weighted average market rates for the last 30 working days before 30 June 2001.

(**) Net income/(loss) for the three-month period ended 31 March 2001.

TÜRKİYE GARANTİ BANKASI A.Ş.

(Currency – Billions of Turkish Lira)

Note II – (Continued)

30 June 2000

<u>Investments and Affiliated Companies</u>	<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	(40)***	-
LASAŞ LASTİK SAN.VE TİC. A.Ş.	99.99	2,500	10	-
<u>COMMERCIAL COMPANIES</u>				
GARANTİ BİLİŞİM TEKN. TİC. A.Ş.	100.00	994	319	-
GARANTİ FİNANSAL KİRALAMA A.Ş.	80.00	4,400	4,294	-
GARANTİ YATIRIM MENKUL KIYM. A.Ş.	51.67	4,000	8,607	-
GARANTİ PORTFÖY YÖNETİMİ A.Ş.	70.00	1,000	2,594	-
PETROTRANS NAKLİYAT TİC. A.Ş.	100.00	5	1***	-
ANA KONUT DANIŞMANLIK A.Ş.	100.00	25,000	3	-
DOĞUŞ HAVA TAŞIMACILIĞI A.Ş.	49.91	17,000	(3,000)	-
TANSAŞ İZMİR B. Ş. B. İÇ VE DIŞ TİC. A.Ş.	19.00	3,000	(2,094)**	54,697*
GARANTİ ÖDEME SİSTEMLERİ A.Ş.	99.92	5	(18)***	-
İKSİR ULUSLARARASI ELEKTRONİK TİC. BİLGİLENDİRME VE HABERLEŞME HİZ.A.Ş.	38.00	18,000	(1,265)**	-
GARANTİ SİGORTA A.Ş.	75.00	5,000	300***	-
GARANTİ HAYAT SİGORTA A.Ş.	99.13	1,600	1,298***	-
VOLKSWAGEN DOĞUŞ TÜKETİCİ FİNANSMANI A.Ş.	37.00	7,000	(45)**	-
DOĞUŞ İNSANGÜCÜ A.Ş. (HUMANİTAS)	30.00	600	-	-
DOĞUŞ HİZMET YÖNETİMİ ORGANİZASYON VE DANIŞMANLIK A.Ş.	55.00	30	-	-
<u>TOURISM COMPANIES</u>				
GARANTİ TURİZM YAT.VE İŞL. A.Ş.	43.33	5,000	(1,182)***	-
ŞAHİNTUR ŞAHİNLER O. TURZ. YAT. İŞL. A.Ş.	100.00	263	61	-
<u>INVESTMENTS IN FOREIGN CURRENCY</u>				
UNITED GARANTİ BANK INT. N.V.	100.00	EUR 50 mio	EUR 9,516,000	-
DOC FINANCE S.A.	50.27	CHF 12 mio	CHF (614,000)	-
CI FINANCE LTD.	100.00	USD 100,000	USD (5,850)	-
CI INVESTMENTS LTD.	100.00	USD 100,000	USD (5,850)	-
BOSPHORUS FINANCIAL SER. LTD.	100.00	USD 100,000	USD (5,903)	-
GARANTİ BANK MOSCOW	99.61	USD 25.5 mio	USD 3,025,000	-
INSTRUMENTS FINANCE COMPANY	100.00	USD 25,000	USD 207,585	-
GARANTİ FINANCIAL SERVICES PLC	99.99	USD 2.6 mio	USD (146,276)	-
GARANTİ FUND MANAGEMENT CO. LTD.	99.00	USD 100,000	USD (3,141)	-
CLOVER BANK OFF-SHORE LTD.	99.10	USD 4.5 mio	USD 12,342,927	-
COMPAGNIE OTTOMANE D'INVESTMENT B.V.	100.00	NLG 165 mio	NLG (4,220,284)	-

(*) Quoted shares are valued at the weighted average market rates for the last 30 working days before 30 June 2000.

(**) Net income/(loss) for the three-month period ended 31 March 2000.

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

TÜRKİYE GARANTİ BANKASI A.Ş.

(Currency – Billions of Turkish Lira)

Note II - (Continued)

f- Sale of investments and affiliated companies during the current period:-

There were no such cases.

(8) Other long-term investments:-

	<u>Government Securities</u>		<u>Other Securities</u>	
	<u>Purchase Costs</u>	<u>Revalued Costs</u>	<u>Purchase Costs</u>	<u>Revalued Costs</u>
Securities in Turkish lira	1,476,345	1,594,973	6,166	6,443
1-Equity shares	-	-	6,166	6,443
a) Long-term investments	-	-	6,166	6,443
b) Pledged securities	-	-	-	-
c) Restricted	-	-	-	-
2- Other securities	1,476,345	1,594,973	-	-
a) Long-term investments	1,166,400	1,254,492	-	-
b) Pledged securities	171,345	199,251	-	-
c) Restricted	138,600	141,230	-	-
Securities in foreign currencies	477,071	487,291	-	-
1-Equity shares	-	-	-	-
a) Long-term investments	-	-	-	-
b) Pledged securities	-	-	-	-
c) Restricted	-	-	-	-
2- Other securities	477,071	487,291	-	-
a) Long-term investments	143,496	144,078	-	-
b) Pledged securities	333,575	343,213	-	-
c) Restricted	-	-	-	-

(9) Movables and immovables held for resale in accordance with the Banking Law, amounted to **TL776 (2000: TL134)** and **TL77,094 (2000: TL47,312)**, respectively.

(10) **Items comprising 20%, at minimum, of other assets and other liabilities representing 10%, at minimum, of the balance sheet total (excluding commitments and contingencies):-**

There were no such items.

(11) a- Maturity structure of deposits:-

	<u>Demand Deposits</u>		<u>Time Deposits</u>	
	<u>Current Period</u>	<u>Prior Period</u>	<u>Current Period</u>	<u>Prior Period</u>
Saving deposits	70,366	45,851	627,394	221,657
Deposits of official authorities and organisations	2,329	12,084	662	1,827
Commercial deposits	244,493	170,751	192,062	17,428
Deposits of other organisations	7,309	17,699	10,189	11,204
Bank deposits	10,170	46,347	482,641	599,022
1-Central Bank of Turkey	-	-	-	76
2-Domestic banks	8,205	5,593	218,924	26,807
3-Foreign banks	1,965	40,753	263,717	572,139
4-Others	-	1	-	-
Foreign currency deposits	772,818	471,016	2,337,962	1,212,274
1-Resident customers	678,140	392,806	2,130,178	1,005,953
2-Non-resident customers	94,678	78,210	207,784	206,321
Gold deposits	<u>16,500</u>	<u>2,018</u>	<u>21,606</u>	<u>2,844</u>
Total deposits	<u>1,123,985</u>	<u>765,766</u>	<u>3,672,516</u>	<u>2,066,256</u>

TÜRKİYE GARANTİ BANKASI A.Ş.

(Currency – Billions of Turkish Lira)

Note II – (Continued)

b- Deposits insured or guaranteed under "Saving Deposit Insurance Fund":-

	<u>Insurance Coverage</u>	
	<u>Current Period</u>	<u>Prior Period</u>
1- Saving deposits	697,760	267,509
2- Foreign currency saving deposits	2,283,699	1,215,469
3- Other saving-type deposits	35,181	-
4- Deposits at foreign branches under foreign insurance coverages	-	-

(12) a- Discounted portion of securities issued amounted to TL..... (2000: TL172).

b- Bonds convertible into equity shares amounted to TL.....-..... (2000: TL.....-.....) .

c- **Securities other than shares issued during the current period:** None.

(13) Cash collaterals received amounted to TL647 (2000: TL365).

Cash collaterals represent the customers' valuables held under blocked accounts as security for non-cash loans granted.

(14) a- 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.....-..... (2000: TL.....-.....) , was related to securities denominated in foreign currencies. TL.....-..... (2000: TL.....-.....)of this portion represented the foreign exchange gain accrual on such equity shares classified in investments, affiliated companies and other long-term investments.

b- **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, are classified under "foreign exchange gain" in the statement of income for the period.

(15) **Maturity profile of Assets, Liabilities and Certain Commitments according to remaining maturities:-**

Maturities profiles were presented for the current and prior periods in Section IV. Supplementary Financial Statements.

TÜRKİYE GARANTİ BANKASI A.Ş.

(Currency – Billions of Turkish Lira)

Note II – (Continued)

(16) a- Components of shareholders' equity as defined by the Turkish Banking Law and further broadened in accounting application:-

<u>Shareholders' Equity per Banking Law (1-19) :-</u>	<u>Current Period</u>	<u>Prior Period</u>
<u>I- CORE CAPITAL</u>	726,422	589,718
1-Paid capital	260,000	260,000
- Nominal capital	260,000	260,000
- Unpaid capital	-	-
2-Legal reserves	34,773	24,354
- 1 st legal reserve (TCC 466/1)	30,681	20,417
- 2 nd legal reserve (TCC 466/2)	2,987	2,987
- Share premium	-	-
- Legal reserve per special legislation and articles of association	1,105	950
3-Extraordinary reserves	376,243	188,819
- Reserves allocated per Ordinary General Meeting	376,243	177,567
- Exchange rate difference on foreign currency capital (1)	-	11,252
- Retained earnings (2)	-	-
- Accumulated losses (-)	-	-
4-Period Income (3)	55,406	116,545
5-Losses (-)	-	-
- Current period losses	-	-
- Prior year losses	-	-
<u>II- SUPPLEMENTARY CAPITAL (4)</u>	257,471	154,794
6-Revaluation surplus	188,586	72,457
- Movables	48,924	18,160
- Immovables	135,778	53,386
- Cost increase fund	-	-
- Bonus shares from investee companies and income on sale of immovables	167	-
- Revaluation surplus on leasehold improvements	3,717	911
7-Revaluation surplus received through bonus shares from investments and affiliated companies	4,555	3,459
8-Provisions	50,000	30,101
- General provision for loan losses (5)	-	20,101
- General provisions for miscellaneous risks (6)	50,000	10,000
9-Other capital sources	-	-
10-Valuation increment	14,330	48,777
- Securities	110	231
- Investments and affiliated companies	14,220	43,245
- Other long-term investments	-	5,301
<u>III- DEDUCTIONS FROM CAPITAL</u>	618,212	288,719
11-Equity participation in unconsolidated financial institutions	534,324	260,731
12-Leasehold improvements	10,067	5,212
13-Pre-operating expenses	7,436	3,791
14-Prepaid expenses	30,288	17,669
15-Decrease in market value of equity participations and fixed assets	-	-
16-Subordinated loans granted to other banks	-	-
17-Cash loans granted to shareholders having equal or more than 10% of the bank's share capital and their related parties	36,097	1,316
18-Goodwill	-	-
19-Capitalised expenses	-	-
<u>Legal Capital Base (I+II+III)</u>	365,681	455,793
<u>Accounting basis Capital Base (1-10, excl. 4,8 and 9)</u>	<u>878,487</u>	<u>597,866</u>

TÜRKİYE GARANTİ BANKASI A.Ş.

(Currency – Billions of Turkish Lira)

Note II – (Continued)

- (1) Exchange rate difference on foreign currency capital.
- (2) Earnings retained in equity as decided during the General Assembly in accordance with Banking Legislation and other regulations.
- (3) Net income for the period after provision for taxes on income.
- (4) The portion of the supplementary capital exceeding 100% of the core capital is not included in capital base calculation.
- (5) Net balance of general loan loss provision after deduction of the unprovided part of receivables under follow-up.
- (6) General provisions for miscellaneous risks other than general provisions for credit risks. The portion exceeding 25% of the core capital is not included in the supplementary capital calculation.

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

The Bank has registered share capital. The ceiling of the registered share capital is TL1,000,000 .

b- Capital increases during the period: None.

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

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

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

	Share Capital Portion	Participation %	Paid Capital	Unpaid Capital
Doğuş Holding A.Ş.	105,562	40.60	105,562	-

(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 accompanying 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 period ended 30 June 2001, such payments charged to statement of income as expense accumulated to TL4,408 (2000: TL2,138) and the remaining balance recorded as "prepaid expense" in the balance sheet, amounted to TL9,921 (2000: TL6,457).

TÜRKİYE GARANTİ BANKASI A.Ş.

(Currency – Billions of Turkish Lira)

Note II – (Continued)

Had the Bank applied IAS17, TL4,408 of the prepayments related to leasing activities incurred till 30 June 2001, would not be charged to income, instead retained earnings would be less by TL6,071, prepaid expenses by TL9,921 and the following items of the financial statements would be higher by the amounts below:-

Bank premises and equipment, net	13,259
Payables from financial leasing activities, net	9,949
Depreciation expense	1,518
Interest expense	1,142
Foreign exchange losses	2,288

(19) Other significant matters:-

a- Deferred tax liabilities and related provisions:-

	<u>Current Period</u>	<u>Prior Period</u>
Deferred tax liability	-	15,328
Reserve for deferred tax liability (balance sheet)	-	15,328
Deferred tax provision (statement of income)	-	-

b- Policy on accounting for currency swaps in accordance with Turkish GAAP and Turkish Uniform Chart of Accounts for Banks:-

For the accounting of currency swaps, the second methodology defined in the Turkish Uniform Chart of Accounts for Banks is applied, i.e. spot legs of the transaction are reflected in the balance sheet and forward legs in the off-balance sheet accounts.

c- Exchange rate gain/loss accruals on forwards and currency swaps, accounted under other accruals in assets and liabilities:-

	<u>Current Period</u>	<u>Prior Period</u>
Income accruals on forwards	7,999	-
Expense accruals on forwards	(7,976)	-
Income accruals on currency swaps	216	451
Expense accruals on currency swaps	(36)	(34)

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

Assets indexed on foreign exchange rates comprise of loans (US\$, DEM, EUR) and securities (US\$) indexed on foreign exchange rates. Accrued interest and foreign exchange gains on such assets are included in the related interest income accounts.

TÜRKİYE GARANTİ BANKASI A.Ş.

(Currency – Billions of Turkish Lira)

III- NOTES TO STATEMENTS OF INCOME

- (1) a- Interests received from the investee companies amounted to **TL33,401 (2000: TL1,649)**. Fees and commissions received from such companies aggregated to **TL8 (2000: TL.....-.....)**.
- b- Interests paid to the investee companies amounted to **TL7,813 (2000: TL520)**. Fees and commissions paid to such companies aggregated to **TL.....-..... (2000: TL-.....)**.
- (2) Income on financial leasing transactions amounted to **TL.....-..... (2000: TL.....-.....)**.
- (3) Expenses paid on financial leasing transactions amounted to **TL4,408 (2000: TL2,138)**.
- (4) a- General provisions for credit risks amounted to **TL.....-..... (2000: TL11,275)**.
- b- Provision for diminishing in value of securities amounted to **TL.....-..... (2000: 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:-**

There were no such items.

(6) **Income and expenses on repurchase transactions:-**

Interest income and expenses on securities subject to repurchase deals are accounted for under accrual basis of accounting and prudence. Accrued interest expenses on repurchase deals are deducted from interest income earned on the related securities. Income and expense accruals on securities sold under repurchase contracts were as follows for the current period:-

	<u>Current Period</u>	<u>Prior Period</u>
Income accruals	3,206	82,378
Expense accruals	541	890

(7) **Other significant matters:**

The securities received through debt-swap on 18 June 2001, are valued by discounting with "internal rate of return" and taking into account the repurchase price of such securities following the trading deals with other financial institutions. This application is in accordance with the BRSA's letter dated 2 August 2001 and numbered 6398 which states that "in cases where the market values are not reliably measured, securities may be valued at their internal rate of returns calculated based on their purchase costs or the market values or interest rates, in the domestic or foreign markets, of securities similar in terms of their issuers, currencies, maturities, interest rates and other characteristics." The income recognised on trading deals with such securities and the foreign exchange gain amounted to TL217,311 and TL15,350, respectively, as at 30 June 2001. As such securities were not actively traded in the markets, in accordance with the BRSA's letter mentioned above and to be in compliance with the IAS39 application, had the Bank valued such securities using discounting method with internal rate of return taking into account the interest rates of similar instruments in the foreign markets, the net income recognized in the accompanying financial statements as at 30 June 2001, would be lower by TL49,089.

TÜRKİYE GARANTİ BANKASI A.Ş.

(Currency – Billions of Turkish Lira)

IV. SUPPLEMENTARY FINANCIAL STATEMENTS

A. Commitments and Contingencies

	30 June 2001			30 June 2000		
	Turkish Lira	Foreign Currency	Total	Turkish Lira	Foreign Currency	Total
I. GUARANTEES AND ENDORSEMENTS	508,585	2,740,878	3,249,463	433,897	1,558,518	1,992,415
A. Letters of guarantee (L/G)	508,585	1,776,800	2,285,384	433,897	949,215	1,383,112
1. L/Gs under Law no.2886	99,966	-	99,966	85,081	-	85,081
2. L/Gs issued for foreign trade deals	17	1,774,725	1,774,742	17	948,162	948,179
3. Other letters of guarantee	408,602	2,075	410,677	348,799	1,053	349,852
B. Bank acceptances	-	306,539	306,539	-	204,954	204,954
1. Import acceptance credits	-	303,831	303,831	-	202,317	202,317
2. Other bank acceptances	-	2,708	2,708	-	2,637	2,637
C. Letters of credit (L/C)	-	638,677	638,677	-	389,390	389,390
1. L/Cs against documents	-	638,677	638,677	-	389,390	389,390
2. Other letters of credit	-	-	-	-	-	-
D. Confirmed pre-finance credits	-	13,989	13,989	-	10,766	10,766
E. Endorsements	-	-	-	-	-	-
1. Endorsements for Central Bank of Turkey	-	-	-	-	-	-
2. Other endorsements	-	-	-	-	-	-
F. Sale contracts on bank assets (risks Secured by the bank)	-	-	-	-	-	-
G. Underwriting commitments on share issues	-	-	-	-	-	-
H. Other guarantees	-	-	-	-	-	-
I. Others	-	4,873	4,873	-	4,193	4,193
II. COMMITMENTS	194,871	25,473	220,344	556,551	10,935	567,486
A. Irrevocable commitments	194,871	25,473	220,344	556,551	10,935	567,486
1. Repurchase and resale contracts	176,573	-	176,573	543,279	-	543,279
a) Repurchase contracts	154,892	-	154,892	543,279	-	543,279
I. Repurchase contracts with Central Bank of Turkey	-	-	-	-	-	-
II. Repurchase contracts with banks	-	-	-	-	-	-
III. Repurchase contracts with brokerage companies	-	-	-	-	-	-
IV. Repurchase contracts with other customers	154,892	-	154,892	543,279	-	543,279
b) Resale contracts	21,681	-	21,681	-	-	-
I. Resale contracts with Central Bank of Turkey	21,681	-	21,681	-	-	-
II. Resale contracts with banks	-	-	-	-	-	-
III. Resale contracts with brokerage companies	-	-	-	-	-	-
IV. Resale contracts with other customers	-	-	-	-	-	-
2. Term purchases of assets	-	-	-	-	-	-
3. Term purchases/sales of deposits	-	-	-	-	-	-
4. Capital commitments	18,298	484	18,782	13,272	741	14,013
5. Credit extension commitments	-	-	-	-	-	-
6. Intermediary commitments for share issues	-	-	-	-	-	-
7. Legal reserve commitments	-	-	-	-	-	-
8. Committed credit card limits	-	-	-	-	-	-
9. Other irrevocable commitments	-	24,989	24,989	-	10,194	10,194
B. Revocable commitments	-	-	-	-	-	-
1. Revocable credit extension commitments	-	-	-	-	-	-
2. Other revocable commitments	-	-	-	-	-	-
III. DERIVATIVE TRANSACTIONS	1,173,999	1,618,752	2,792,751	750,986	1,924,379	2,675,365
A. Forward currency purchases/sales	729,226	897,003	1,626,229	606,526	1,894,111	2,500,637
1. Forward currency purchases	714,138	173,309	887,447	81,135	1,164,855	1,245,990
2. Forward currency sales	15,088	723,694	738,782	525,391	729,256	1,254,647
B. Currency and interest swaps	6,187	102,888	109,075	-	14,823	14,823
1. Currency purchase swaps	-	53,663	53,663	-	3,189	3,189
2. Currency sale swaps	6,187	47,612	53,799	-	3,523	3,523
3. Interest purchase swaps	-	910	910	-	4,097	4,097
4. Interest sale swaps	-	703	703	-	4,014	4,014
C. Currency and interest options	432,000	545,536	977,536	144,460	-	144,460
1. Currency purchase options	-	545,536	545,536	-	-	-
2. Currency sale options	432,000	-	432,000	144,460	-	144,460
3. Interest purchase options	-	-	-	-	-	-
4. Interest sale options	-	-	-	-	-	-
D. Future currency deals	-	-	-	-	15,445	15,445
1. Future currency purchases	-	-	-	-	-	-
2. Future currency sales	-	-	-	-	-	-
E. Future interest deals	-	-	-	-	-	-
1. Future interest purchases	-	-	-	-	-	-
2. Future interest sales	-	-	-	-	-	-
F. Others	6,586	73,325	79,911	-	-	-
TOTAL COMMITMENTS AND CONTINGENCIES	1,877,455	4,385,103	6,262,558	1,741,434	3,493,832	5,235,266

TÜRKİYE GARANTİ BANKASI A.Ş.

(Currency – Billions of Turkish Lira)

Note IV – (Continued)

B. Other Off-Balance Sheet Accounts

	<u>30 June 2001</u>			<u>30 June 2000</u>		
	Turkish Lira	Foreign Currency	Total	Turkish Lira	Foreign Currency	Total
A. Valuables under Custody	1,109,560	321,152	1,430,712	1,487,652	1,170,361	2,658,013
1. Customer funds and portfolios managed by the bank	394	870	1,264	394	670	1,064
2. Securities under custody	606,100	101,391	707,491	434,285	44,773	479,058
3. Cheques subject to collection	281,762	56,017	337,779	269,762	19,577	289,339
4. Commercial notes subject to collection	47,821	141,316	189,137	38,727	1,092,093	1,130,820
5. Other valuables subject to collection	236	3,415	3,651	267	2,174	2,441
6. Securities (the bank acted as intermediary for their issuance)	-	-	-	-	-	-
7. Securities under repurchase transaction (held at custody on behalf of customers)	167,838	-	167,838	738,932	-	738,932
8. Other valuables under custody	5,409	18,143	23,552	5,285	11,074	16,359
9. Valuables under third-party custodies	-	-	-	-	-	-
B. Valuables under Pledge	4,149,696	4,711,141	8,860,837	2,729,647	3,007,460	5,737,107
1. Securities	3,880	21,971	25,851	3,886	2,356	6,242
2. Promissory notes	918,155	1,989,617	2,907,772	627,259	1,201,088	1,828,347
3. Stocks	138	-	138	3,064	-	3,064
4. Warrants	-	-	-	-	-	-
5. Immovables	1,707,253	351,082	2,058,335	1,254,938	189,664	1,444,602
6. Other valuables under pledge	1,520,100	2,348,471	3,868,571	840,300	1,614,352	2,454,652
7. Valuables under third-party custodies	170	-	170	200	-	200

TÜRKİYE GARANTİ BANKASI A.Ş.

(Currency – Billions of Turkish Lira)

Note IV – (Continued)

C. Maturity Profile of Assets, Liabilities, and Certain Commitments and Contingencies According to Remaining Maturities

1- Current Period

30 June 2001	Demand	Upto 1 Month	1 to 3 months	3 months to 1 year	1 to 5 Years	5 Years and over	Others*	Total
ASSETS:								
Liquid assets	58,222	11,446	-	-	-	-	-	69,668
Due from banks and other financial institutions	278,085	1,029,749	37,473	95,269	2,758	-	-	1,443,334
Interbank funds sold	-	24,000	-	-	-	-	-	24,000
Securities (net)	-	1,780	1,882	35,235	137,434	302	-	176,633
Loans	-	705,376	410,859	1,200,265	636,377	-	-	2,952,877
Non-performing loans (net)	-	-	-	-	-	-	88,634	88,634
Accrued interest and income	-	163,798	51,181	126,415	214,230	32,357	-	587,981
Receivables from financial leasing activities (net)	-	-	-	-	-	-	-	-
Reserve deposits	359,472	-	-	-	-	-	-	359,472
Investments and affiliated companies (net)	-	-	-	-	-	-	647,051	647,051
Equity shares classified under other long-term investments (net)	-	-	-	-	-	-	6,443	6,443
Other long-term investments (net)	-	-	82,806	61,531	1,440,726	368,353	-	1,953,416
Other assets	-	-	-	-	-	-	567,197	567,197
Total Assets	695,779	1,936,149	584,201	1,518,715	2,431,525	401,012	1,309,325	8,876,706
LIABILITIES:								
Saving deposits	70,366	552,892	71,501	3,001	-	-	-	697,760
Foreign currency deposits	772,817	1,871,666	370,809	90,003	5,485	-	-	3,110,780
Bank deposits	10,171	469,055	3,014	10,571	-	-	-	492,811
Other deposits	254,131	216,923	23,125	971	-	-	-	495,150
Interbank funds borrowed	-	18,623	-	-	-	-	-	18,623
Funds borrowed	-	613,298	197,664	1,066,699	755,576	-	-	2,633,237
Funds	-	-	-	-	-	-	-	-
Securities issued (net)	-	-	-	-	-	-	-	-
Accrued interest and expense	-	73,797	12,650	20,520	13,176	-	-	120,143
Payables from financial leasing activities (net)	-	-	-	-	-	-	-	-
Taxes, stamps, premiums and other duties	-	-	-	-	21,158	-	-	21,158
Other liabilities	-	-	-	-	-	-	353,151	353,151
Shareholders' equity (including current period income/loss)	-	-	-	-	-	-	933,893	933,893
Total liabilities	1,107,485	3,816,254	678,763	1,191,765	795,395	-	1,287,044	8,876,706
COMMITMENTS AND CONTINGENCIES:								
Repurchase contracts	-	154,893	-	-	-	-	-	154,893
Resale contracts	-	21,681	-	-	-	-	-	21,681
Forward currency purchases	-	17,930	42,561	826,956	-	-	-	887,447
Forward currency sales	-	7,493	37,133	694,157	-	-	-	738,783
Currency purchase swaps	-	52,249	-	1,414	-	-	-	53,663
Currency sale swaps	-	52,338	-	1,462	-	-	-	53,800
Total	-	306,584	79,694	1,523,989	-	-	-	1,910,267

TÜRKİYE GARANTİ BANKASI A.Ş.

(Currency – Billions of Turkish Lira)

Note IV – C – (Continued)

2- Prior Period

30 June 2000

	<u>Demand</u>	<u>Upto 1 Month</u>	<u>1 to 3 months</u>	<u>3 months to 1 year</u>	<u>1 to 5 Years</u>	<u>5 Years and over</u>	<u>Others*</u>	<u>Total</u>
ASSETS:								
Liquid assets	37,307	-	-	-	-	-	-	37,307
Due from banks and other financial institutions	147,189	516,817	110,618	46,080	-	-	-	820,704
Interbank funds sold	-	1,200	-	-	-	-	-	1,200
Securities (net)	-	61	37,344	199,905	569,112	63,902	-	870,324
Loans	-	145,968	325,983	1,025,444	248,635	-	-	1,746,030
Non-performing loans (net)	-	-	-	-	-	-	-	-
Accrued interest and income	-	58,757	41,936	112,499	75,011	5,650	-	293,853
Receivables from financial leasing activities (net)	-	-	-	-	-	-	-	-
Reserve deposits	204,825	-	-	-	-	-	-	204,825
Investments and affiliated companies (net)	-	-	-	-	-	-	368,375	368,375
Equity shares classified under other long-term investments (net)	-	-	-	-	-	-	8,654	8,654
Other long-term investments (net)	-	-	-	76,316	182,085	264,187	-	522,588
Other assets	-	-	-	-	-	-	407,412	407,412
Total Assets	389,321	722,803	515,881	1,460,244	1,074,843	333,739	784,441	5,281,272
LIABILITIES:								
Saving deposits	45,851	179,631	33,803	8,223	-	-	-	267,508
Foreign currency deposits	471,015	856,108	261,488	94,679	-	-	-	1,683,290
Bank deposits	46,347	337,847	128,150	127,928	5,097	-	-	645,369
Other deposits	200,535	28,624	5,386	1,310	-	-	-	235,855
Interbank funds borrowed	-	103,167	7,414	-	-	-	-	110,581
Funds borrowed	-	246,837	146,451	387,002	420,425	-	-	1,200,715
Funds	-	-	-	-	-	-	-	-
Securities issued (net)	-	276	867	5,955	-	-	-	7,098
Accrued interest and expense	-	76,322	25,381	26,968	18,534	-	-	147,205
Payables from financial leasing activities (net)	-	-	-	-	-	-	-	-
Taxes, stamps, premiums and other duties	-	-	-	-	9,864	-	-	9,864
Other liabilities	-	-	-	-	-	-	259,376	259,376
Shareholders' equity (including current period income/loss)	-	-	-	-	-	-	714,411	714,411
Total liabilities	763,748	1,828,812	608,940	652,065	453,920	-	973,787	5,281,272
COMMITMENTS AND CONTINGENCIES:								
Repurchase contracts	-	402,548	140,731	-	-	-	-	543,279
Resale contracts	-	-	-	-	-	-	-	-
Forward currency purchases	-	998,520	183,006	64,464	-	-	-	1,245,990
Forward currency sales	-	1,010,468	181,123	63,056	-	-	-	1,254,647
Currency purchase swaps	-	3,190	-	-	-	-	-	3,190
Currency sale swaps	-	381	3,142	-	-	-	-	3,523
Total	-	2,415,107	508,002	127,520	-	-	-	3,050,629

*Items not having any specified maturity