

*(Convenience Translation of Financial Statements and Related Disclosures and Footnotes  
Originally Issued in Turkish)*

**Türkiye Garanti Bankası Anonim Şirketi**

Unconsolidated Interim Financial Statements

**As of and For the Nine-Month Period Ended**

**30 September 2005**

*(Convenience Translation of Financial Statements and Related  
Disclosures and Footnotes Originally Issued in Turkish)*

With Independent Auditor's Review Report Thereon

Akis Serbest Muhasebeci  
Mali Müşavirlik AŞ  
27 October 2005

*This report contains "Independent Auditor's Review  
Report" comprising 1 page and; "Unconsolidated  
financial statements and related disclosures and  
footnotes" comprising 63 pages.*

**Convenience Translation of the Auditor’s Review Report  
Originally Prepared and Issued in Turkish**

**To the Board of Directors of Türkiye Garanti Bankası AŞ:**

We have reviewed the balance sheet of Türkiye Garanti Bankası AŞ (“the Bank”) as of 30 September 2005 and the related income statement, statement of cash flows and statement of changes in shareholders’ equity for the nine-month period then ended. These financial statements are the responsibility of the Bank’s management. Our responsibility, as independent auditors is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the regulations related with the “Accounting and Recording Rules” and “Independent Auditing Standards” of (Turkish) Banking Law No 4389. These regulations require 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 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 are not presented fairly, in all material respects, the financial position of Türkiye Garanti Bankası AŞ as of 30 September 2005 and the result of its operations and cash flows for the period then ended in accordance with regulations described in Article 13 “Accounting and Recording Rules” of (Turkish) Banking Law.

İstanbul,  
27 October 2005

Akis Serbest Muhasebeci  
Mali Müşavirlik  
Anonim Şirketi

Bülent Ejder  
*Partner*  
*Certified Public Accountant*

**Additional paragraph for convenience translation to English:**

The differences between the accounting principles applied in the accompanying financial statements, the accounting principles generally accepted in countries, in which these financial statements are to be distributed, and International Financial Reporting Standards (“IFRS”), may have significant influence on the accompanying financial statements. Accordingly, the accompanying financial statements are not intended to present the financial position and results of operations in accordance with the accounting principles and practices generally accepted in such countries and IFRS.

## **Türkiye Garanti Bankası Anonim Şirketi**

Unconsolidated Financial Report as of and for the Nine-Month Period Ended  
30 September 2005

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The Unconsolidated Interim Financial Report prepared in accordance with the statement no.17 “Financial Statements and Related Disclosures and Footnotes to be Announced to Public” as regulated by Banking Regulation and Supervision Agency (BRSA), is comprised of the following sections:

1. General Information about the Bank
2. Unconsolidated Interim Financial Statements
3. Financial Position and Results of Operations
4. Disclosures and Footnotes on Unconsolidated Interim Financial Statements
5. Other Disclosures and Footnotes
6. Independent Auditor’s Review Report

The unconsolidated nine-month financial statements and related disclosures and footnotes that were subject to independent review, are prepared in accordance with the “Regulation on Accounting Standards” and the related statements and in compliance with the financial records of our Bank. Unless stated otherwise, the accompanying unconsolidated interim financial statements are presented in thousands of New Turkish Lira (YTL); and enclosed.

**M. Cüneyt Sezgin**

**S. Ergun Özen**

**Aydın Şenel**

**Mustafa Keleş**

Board of Directors Member  
Responsible of Internal  
Control System

General Manager

Coordinator

Accounting Manager

The authorized contact person for questions on this financial report

Name-Surname/Title: Funda GÜNGÖR/Senior Vice President of Investor Relations  
Phone no: 90 212 318 23 50  
Fax no: 90 212 216 59 02

## **1 General Information**

### **1.1 Activities of the Bank**

Türkiye Garanti Bankası Anonim Şirketi (the Bank) was established by the decree of Council of Ministers numbered 3/4010 dated 11 April 1946 and its “Articles of Association” was issued in the Official Gazette dated 25 April 1946. The Bank provides banking services through 351 domestic branches, three foreign branches and five representative offices abroad. The Bank’s head office is located in Istanbul.

Activities of the Bank as stated at the third clause of its Articles of Association are as follows:

- All banking operations,
- Participating in, establishing, and trading the shares of enterprises at various sectors within the limits set forth by the Banking Law;
- Providing attorneyship, insurance agency, brokerage and freight services in relation with banking activities,
- Purchasing/selling debt securities, treasury bills, government bonds and other share certificates issued by official and private institutions,
- Developing economical and financial relations with foreign organizations,
- Dealing with all economic operations in compliance with the Banking Law.

The Bank’s activities are not limited to those disclosed in that third clause, but whenever the Board of Directors deems any operations other than those stated above to be of benefit to the Bank, it is recommended in the general meeting, and the launching of the related project depends on the decision taken during the General Assembly which results in a change in the Articles of Association and on the approval of this decision by the Ministry of Industry and Commerce. Accordingly, the approved decision is added to the Articles of Association.

The Bank is not a specialized bank but deals with all kinds of banking activities. Deposits are the main sources of the lendings to the customers. The Bank grants loans to companies operating in various sectors while aiming to maintain the required level of efficiency and profitability.

The Bank also grants non-cash loans to its customers; especially letters of guarantee, letters of credit and acceptance credits.

### **1.2 Related parties**

Group of Companies under Doğuş Holding AŞ that currently owns 47.46% shares of the Bank, is called as the Doğuş Group (the Group). Doğuş Holding AŞ, has signed a Share Purchase Agreement with General Electric (GE) on 24 August 2005 for the sale of 53,550,000,000 shares composing 25.5% of the Bank’s issued share capital as further explained in section 5.1.

The Group was established in 1951 as a construction and contracting firm. In addition to the construction sector, the Group operates in a variety of businesses consisting of financial services, automotive, retail, media, tourism and service sectors with more than 20,000 employees.

The Group already operates partnerships and has distribution, management and franchise agreements with internationally recognized brand names, such as Volkswagen, Audi, Porsche, Seat, Scania, ITT Sheraton, Hyatt Regency, Jeeves, Armani, Gucci and CNBC.

In the construction sector, the Group has an important role in ongoing projects or projects being considered such as Araklı-İyidere, Çukurova, Sinop-Boyabat, Asilah-Tanger (Morocco) motorways, Yusufeli and Artvin dams, Ukraine Dnyeper Bridge.

The Group has tourism investments such as Sheraton Voyager, Club Aldiana and Paradise Side Apart Otel and five marinas which are adjudicated by “build, operate and transfer model” such as Dalaman, Didim, Turgutreis, Bodrum, Antalya.

The investments of the Group in the financial sector are; Türkiye Garanti Bankası AŞ, Garanti Bank International NV, Garanti Bank Moscow, Garanti Finansal Kiralama AŞ, Garanti Yatırım Menkul Kıymetler AŞ, Garanti Portföy Yönetimi AŞ, Garanti Sigorta AŞ, Garanti Emeklilik AŞ, Garanti Faktoring Hizmetleri AŞ, Garanti Ödeme Sistemleri AŞ, Garanti Gayrimenkul Yatırım Ortaklığı AŞ and Volkswagen Doğuş Tüketici Finansmanı AŞ.

### **1.3 Information on the Bank’s top management**

#### Board of Directors

Chairman: Ferit Faik ŞAHENK  
Members: Süleyman SÖZEN  
Muammer Cüneyt SEZGİN  
Ahmet Kamil ESİRTGEN  
Sincar TOKER  
Ali Can VERDİ  
Sait Ergun ÖZEN

CEO: Sait Ergun ÖZEN

Executive Vice Presidents: Adnan MEMİŞ  
Halil Hüsnü EREL  
Faruk Nafiz KARADERE  
Ali TEMEL  
Kubilay CİNEMRE  
Tolga EGEMEN  
Turgay GÖNENSİN  
Ali Fuat ERBİL  
Gökhan ERUN

### **1.4 Disclosures on interim financial statements**

- Except of ceasing the application of inflationary accounting effective from 1 January 2005, the accounting policies and methods are applied consistently with the year-end financial statements.
- There are no transactions with seasonality effects in interim periods.
- There are no material errors or non-recurring transactions.

- There are no extraordinary items in terms of both size, nature or formation affecting assets, liabilities, shareholders' equity, net profit or cash flows.
- There are no change in the current period results estimated based on expectations made on the prior period interim financial statements considering the materiality concept.
- There are no bonds or capital market instruments issued or any payments made for those in the current period.
- There are no dividend payments per share or per total stocks seperately disclosing privileged stocks.
- There are no important subsequent events that are not reflected in the interim financial statements.
- There are no transactions affecting the Bank's operations like investment in or disposal of equity participations, acquisition or disposal of long term investments, restructuring projects or discontinued operations in the current period.
- There are no subsequent changes in contingent gains and commitments and contingent liabilities.

## **1.5 Other information**

The Bank's commercial title	: Türkiye Garanti Bankası Anonim Şirketi
The Bank's headoffice address	: Levent Nispetiye Mah. Aytar Cad. No:2 Beşiktaş 34340 İstanbul
The Bank's phone and fax numbers:	Phone – 90 212 318 18 18 Fax – 90 212 216 64 22
The Bank's website address	: <a href="http://www.garanti.com.tr">www.garanti.com.tr</a>
The Bank's e-mail address	: <a href="mailto:investorrelations@garanti.com.tr">investorrelations@garanti.com.tr</a>
The reporting period	: 1 January – 30 September 2005

Unless stated otherwise, the accompanying unconsolidated interim financial statements, disclosures and footnotes are presented in thousands of New Turkish Lira (YTL).

## 2 Unconsolidated Interim Financial Statements

(Convenience Translation of Financial Statements Originally Issued in Turkish )

### Türkiye Garanti Bankası Anonim Şirketi

#### Balance Sheet

At 30 September 2005

(Thousands of New Turkish Lira (YTL))

ASSETS	Footnotes	CURRENT PERIOD 30 September 2005			PRIOR PERIOD 31 December 2004		
		YTL	FC	Total	YTL	FC	Total
<b>I. CASH AND BALANCES WITH THE CENTRAL BANK OF TURKEY</b>	<b>4.1.1</b>	<b>91.554</b>	<b>1.704.393</b>	<b>1.795.947</b>	<b>62.803</b>	<b>1.228.128</b>	<b>1.290.931</b>
1.1 Cash in YTL		88.125	-	88.125	62.013	-	62.013
1.2 Cash in foreign currency		-	85.213	85.213	-	127.515	127.515
1.3 Balances with the Central Bank of Turkey		93	1.614.385	1.614.478	342	1.098.107	1.098.449
1.4 Other		3.336	4.795	8.131	448	2.506	2.954
<b>II. TRADING SECURITIES (Net)</b>	<b>4.1.2</b>	<b>177.074</b>	<b>118.678</b>	<b>295.752</b>	<b>201.440</b>	<b>74.382</b>	<b>275.822</b>
2.1 Public sector debt securities		177.074	118.678	295.752	201.440	73.824	275.264
2.1.1 Government bonds		171.072	98.041	269.113	180.971	72.473	253.444
2.1.2 Treasury bills		6.001	-	6.001	20.469	-	20.469
2.1.3 Other		1	20.637	20.638	-	1.351	1.351
2.2 Share certificates		-	-	-	-	-	-
2.3 Other securities		-	-	-	-	558	558
<b>III. BANKS AND OTHER FINANCIAL INSTITUTIONS</b>	<b>4.1.3</b>	<b>173.770</b>	<b>349.103</b>	<b>522.873</b>	<b>34.891</b>	<b>208.703</b>	<b>243.594</b>
3.1 Banks		173.770	349.103	522.873	34.891	208.703	243.594
3.1.1 Domestic banks		113.263	140.019	253.282	12.611	89.309	101.920
3.1.2 Foreign banks		60.507	209.084	269.591	22.280	119.394	141.674
3.1.3 Foreign branches		-	-	-	-	-	-
3.2 Other financial institutions		-	-	-	-	-	-
<b>IV. INTERBANK MONEY MARKET</b>		-	-	-	-	-	-
4.1 Interbank money market placements		-	-	-	-	-	-
4.2 Istanbul Stock Exchange money market placements		-	-	-	-	-	-
4.3 Receivables from reverse repurchase agreements		-	-	-	-	-	-
<b>V. INVESTMENT SECURITIES AVAILABLE FOR SALE (Net)</b>	<b>4.1.5</b>	<b>4.391.957</b>	<b>2.764.543</b>	<b>7.156.500</b>	<b>2.707.093</b>	<b>2.673.967</b>	<b>5.381.060</b>
5.1 Share certificates		58.175	-	58.175	67.915	-	67.915
5.2 Other securities		4.333.782	2.764.543	7.098.325	2.639.178	2.673.967	5.313.145
<b>VI. LOANS</b>	<b>4.1.6</b>	<b>8.035.527</b>	<b>6.706.040</b>	<b>14.741.567</b>	<b>5.166.274</b>	<b>5.335.102</b>	<b>10.501.376</b>
6.1 Short term		5.441.338	2.116.767	7.558.105	4.736.717	2.072.309	6.809.026
6.2 Medium and long term		2.373.963	4.589.273	6.963.236	241.268	3.262.793	3.504.061
6.3 Loans under follow-up		684.770	-	684.770	431.826	-	431.826
6.4 Specific provisions (-)		464.544	-	464.544	243.537	-	243.537
<b>VII. FACTORING RECEIVABLES</b>	<b>4.1.7</b>	-	-	-	-	-	-
<b>VIII. INVESTMENT SECURITIES HELD TO MATURITY (Net)</b>	<b>4.1.8</b>	<b>268.907</b>	<b>2.397.402</b>	<b>2.666.309</b>	<b>976.483</b>	<b>2.629.216</b>	<b>3.605.699</b>
8.1 Public sector debt securities		268.907	2.397.402	2.666.309	976.483	2.587.331	3.563.814
8.1.1 Government bonds		268.907	2.397.402	2.666.309	976.483	2.587.331	3.563.814
8.1.2 Treasury bills		-	-	-	-	-	-
8.1.3 Other		-	-	-	-	-	-
8.2 Other securities		-	-	-	-	41.885	41.885
<b>IX. INVESTMENTS IN ASSOCIATES (Net)</b>	<b>4.1.9</b>	<b>219.128</b>	<b>4.472</b>	<b>223.600</b>	<b>154.616</b>	<b>5.024</b>	<b>159.640</b>
9.1 Financial investments in associates		-	4.472	4.472	-	5.024	5.024
9.2 Non-Financial investments in associates		219.128	-	219.128	154.616	-	154.616
<b>X. INVESTMENTS IN SUBSIDIARIES (Net)</b>	<b>4.1.10</b>	<b>836.275</b>	<b>256.023</b>	<b>1.092.298</b>	<b>1.102.991</b>	<b>291.860</b>	<b>1.394.851</b>
10.1 Financial investments in subsidiaries		332.874	256.023	588.897	276.459	291.860	568.319
10.2 Non-Financial investments in subsidiaries		503.401	-	503.401	826.532	-	826.532
<b>XI. OTHER INVESTMENTS (Net)</b>	<b>4.1.11</b>	-	-	-	-	-	-
<b>XII. FINANCIAL LEASE RECEIVABLES (Net)</b>	<b>4.1.12</b>	-	-	-	-	-	-
12.1 Gross financial lease receivables		-	-	-	-	-	-
12.2 Unearned income (-)		-	-	-	-	-	-
<b>XIII. RESERVE DEPOSITS</b>		<b>477.477</b>	<b>1.032.434</b>	<b>1.509.911</b>	<b>332.942</b>	<b>1.000.043</b>	<b>1.332.985</b>
<b>XIV. MISCELLANEOUS RECEIVABLES</b>	<b>4.1.13</b>	<b>59.559</b>	<b>1.583</b>	<b>61.142</b>	<b>35.497</b>	<b>2.435</b>	<b>37.932</b>
<b>XV. ACCRUED INTEREST AND INCOME</b>	<b>4.1.14</b>	<b>254.770</b>	<b>311.744</b>	<b>566.514</b>	<b>237.635</b>	<b>306.924</b>	<b>544.559</b>
15.1 Loans		99.833	107.292	207.125	70.422	93.632	164.054
15.2 Securities		128.223	186.063	314.286	141.302	145.939	287.241
15.3 Other		26.714	18.389	45.103	25.911	67.353	93.264
<b>XVI. TANGIBLE ASSETS (Net)</b>	<b>4.1.15</b>	<b>1.430.078</b>	<b>1.011</b>	<b>1.431.089</b>	<b>1.262.723</b>	<b>1.613</b>	<b>1.264.336</b>
16.1 Cost		2.313.095	5.660	2.318.755	2.029.198	6.018	2.035.216
16.2 Accumulated Depreciation (-)		883.017	4.649	887.666	766.475	4.405	770.880
<b>XVII. INTANGIBLE ASSETS (Net)</b>	<b>4.1.16</b>	<b>15.839</b>	<b>3</b>	<b>15.842</b>	<b>20.862</b>	<b>5</b>	<b>20.867</b>
17.1 Goodwill		-	-	-	-	-	-
17.2 Other		71.939	5	71.944	70.533	6	70.539
17.3 Accumulated Amortisation (-)		56.100	2	56.102	49.671	1	49.672
<b>XVIII. DEFERRED TAX ASSET</b>	<b>4.1.17</b>	<b>31.597</b>	-	<b>31.597</b>	<b>97.592</b>	-	<b>97.592</b>
<b>XIX. OTHER ASSETS</b>	<b>4.1.18</b>	<b>188.782</b>	<b>25.060</b>	<b>213.842</b>	<b>110.066</b>	<b>6.607</b>	<b>116.673</b>
<b>TOTAL ASSETS</b>		<b>16.652.294</b>	<b>15.672.489</b>	<b>32.324.783</b>	<b>12.503.908</b>	<b>13.764.009</b>	<b>26.267.917</b>

(Convenience Translation of Financial Statements Originally Issued in Turkish)

## Türkiye Garanti Bankası Anonim Şirketi

### Balance Sheet

At 30 September 2005

(Thousands of New Turkish Lira (YTL))

LIABILITIES AND EQUITY	Footnotes	CURRENT PERIOD 30 September 2005			PRIOR PERIOD 30 December 2004		
		YTL	FC	Total	YTL	FC	Total
<b>I. DEPOSITS</b>	<b>4.2.1</b>	<b>10.381.807</b>	<b>9.700.833</b>	<b>20.082.640</b>	<b>7.777.032</b>	<b>9.835.209</b>	<b>17.612.241</b>
1.1 Bank deposits		473.310	151.850	625.160	431.260	210.661	641.921
1.2 Saving deposits		5.612.281	-	5.612.281	3.781.136	-	3.781.136
1.3 Public sector deposits		144.158	-	144.158	10.857	-	10.857
1.4 Commercial deposits		3.813.553	-	3.813.553	3.235.771	-	3.235.771
1.5 Other institutions deposits		338.505	-	338.505	318.008	-	318.008
1.6 Foreign currency deposits		-	9.533.155	9.533.155	-	9.617.844	9.617.844
1.7 Precious metals vault accounts		-	15.828	15.828	-	6.704	6.704
<b>II. INTERBANK MONEY MARKET</b>		<b>1.309.889</b>	<b>663.009</b>	<b>1.972.898</b>	<b>508.466</b>	<b>465.990</b>	<b>974.456</b>
2.1 Interbank money market takings		-	-	-	-	-	-
2.2 Istanbul Stock Exchange money market takings		110.500	-	110.500	199.650	-	199.650
2.3 Funds provided under repurchase agreements	<b>4.2.2</b>	1.199.389	663.009	1.862.398	308.816	465.990	774.806
<b>III. FUNDS BORROWED</b>	<b>4.2.3</b>	<b>133.063</b>	<b>4.971.958</b>	<b>5.105.021</b>	<b>124.743</b>	<b>3.423.003</b>	<b>3.547.746</b>
3.1 Funds borrowed from the Central Bank of Turkey		-	-	-	-	-	-
3.2 Other funds borrowed		133.063	4.971.958	5.105.021	124.743	3.423.003	3.547.746
3.2.1 Domestic banks and institutions		133.063	40.658	173.721	124.743	72.822	197.565
3.2.2 Foreign banks, institutions and funds		-	4.931.300	4.931.300	-	3.350.181	3.350.181
<b>IV. SECURITIES ISSUED (Net)</b>	<b>4.2.4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
4.1 Bills		-	-	-	-	-	-
4.2 Asset backed securities		-	-	-	-	-	-
4.3 Bonds		-	-	-	-	-	-
<b>V. FUNDS</b>	<b>4.2.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VI. MISCELLANEOUS PAYABLES</b>	<b>4.2.6</b>	<b>107.094</b>	<b>9.698</b>	<b>116.792</b>	<b>65.591</b>	<b>5.441</b>	<b>71.032</b>
<b>VII. OTHER EXTERNAL RESOURCES PAYABLE</b>	<b>4.2.7</b>	<b>138.068</b>	<b>583.570</b>	<b>721.638</b>	<b>61.798</b>	<b>460.944</b>	<b>522.742</b>
<b>VIII. TAXES AND OTHER DUTIES PAYABLE</b>	<b>4.2.8</b>	<b>39.792</b>	<b>46</b>	<b>39.838</b>	<b>43.612</b>	<b>39</b>	<b>43.651</b>
<b>IX. FACTORING PAYABLES</b>	<b>4.2.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>X. FINANCIAL LEASE PAYABLES (Net)</b>	<b>4.2.10</b>	<b>-</b>	<b>27.502</b>	<b>27.502</b>	<b>-</b>	<b>29.738</b>	<b>29.738</b>
10.1 Financial lease payables		-	31.820	31.820	-	35.647	35.647
10.2 Deferred financial lease expenses (-)		-	4.318	4.318	-	5.909	5.909
<b>XI. ACCRUED INTEREST AND EXPENSES</b>	<b>4.2.11</b>	<b>178.447</b>	<b>74.033</b>	<b>252.480</b>	<b>95.671</b>	<b>71.417</b>	<b>167.088</b>
11.1 Deposits		109.570	19.633	129.203	71.661	19.587	91.248
11.2 Borrowings		6.407	35.440	41.847	8.260	28.975	37.235
11.3 Repurchase agreements		1.327	6.202	7.529	3.822	10.195	14.017
11.4 Other		61.143	12.758	73.901	11.928	12.660	24.588
<b>XII. PROVISIONS</b>	<b>4.2.12</b>	<b>331.765</b>	<b>8.294</b>	<b>340.059</b>	<b>122.097</b>	<b>7.802</b>	<b>129.899</b>
12.1 General provisions		85.166	4.819	89.985	62.415	3.097	65.512
12.2 Reserve for employee termination benefits		7.658	-	7.658	12.570	-	12.570
12.3 Provisions for income taxes		161.394	-	161.394	1.488	-	1.488
12.4 Insurance technical provisions		-	-	-	-	-	-
12.5 Other provisions		77.547	3.475	81.022	45.624	4.705	50.329
<b>XIII. SUBORDINATED LOANS</b>	<b>4.2.13</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XIV. DEFERRED TAX LIABILITY</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>XV. SHAREHOLDERS' EQUITY</b>	<b>4.2.14</b>	<b>3.592.401</b>	<b>73.514</b>	<b>3.665.915</b>	<b>3.089.705</b>	<b>79.619</b>	<b>3.169.324</b>
15.1 Paid-in capital		2.100.000	-	2.100.000	1.200.000	-	1.200.000
15.2 Supplementary capital		843.276	63.405	906.681	1.305.449	73.197	1.378.646
15.2.1 Share premium		-	-	-	-	-	-
15.2.2 Share cancellation profits		-	-	-	-	-	-
15.2.3 Securities value increase fund		63.715	63.405	127.120	68.021	73.197	141.218
15.2.4 Revaluation fund		2.147	-	2.147	9.143	-	9.143
15.2.5 Revaluation surplus		4.860	-	4.860	5.731	-	5.731
15.2.6 Other supplementary capital		772.554	-	772.554	-	-	-
15.2.7 Capital reserves from inflation adjustments to paid-in capital		-	-	-	1.222.554	-	1.222.554
15.3 Profit reserves		123.432	10.109	133.541	96.560	6.422	102.982
15.3.1 Legal reserves		48.399	1.411	49.810	25.144	1.193	26.337
15.3.2 Status reserves		-	-	-	-	-	-
15.3.3 Extraordinary reserves		75.170	-	75.170	71.416	-	71.416
15.3.4 Other profit reserves		(137)	8.698	8.561	-	5.229	5.229
15.4 Profit or loss		525.693	-	525.693	487.696	-	487.696
15.4.1 Prior periods income/loss		-	-	-	37.147	-	37.147
15.4.2 Current period income/loss		525.693	-	525.693	450.549	-	450.549
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>16.212.326</b>	<b>16.112.457</b>	<b>32.324.783</b>	<b>11.888.715</b>	<b>14.379.202</b>	<b>26.267.917</b>



(Convenience Translation of Financial Statements Originally Issued in Turkish)

**Türkiye Garanti Bankası Anonim Şirketi**  
**Off-Balance Sheet Items**  
**At 30 September 2005**

(Thousands of New Turkish Lira (YTL))

OFF-BALANCE SHEET ITEMS	Footnotes	CURRENT PERIOD 30 September 2005			PRIOR PERIOD 31 December 2004		
		YTL	FC	Total	YTL	FC	Total
<b>A. OFF-BALANCE SHEET COMMITMENTS AND CONTINGENCIES (I+II+III)</b>		<b>9.568.386</b>	<b>11.117.627</b>	<b>20.686.013</b>	<b>8.948.462</b>	<b>9.377.639</b>	<b>18.326.101</b>
<b>I. GUARANTEES</b>	<b>4.4.1</b>	<b>1.895.929</b>	<b>5.694.138</b>	<b>7.590.067</b>	<b>1.516.863</b>	<b>5.174.823</b>	<b>6.691.686</b>
1.1. Letters of guarantee		1.895.929	3.539.018	5.434.947	1.516.757	3.085.217	4.601.974
1.1.1. Guarantees subject to State Tender Law		188.294	260.192	448.486	1.516.757	-	1.516.757
1.1.2. Guarantees given for foreign trade operations		232.190	42.813	275.003	-	3.085.217	3.085.217
1.1.3. Other letters of guarantee		1.475.445	3.236.013	4.711.458	-	-	-
1.2. Bank acceptances		-	331.878	331.878	-	599.588	599.588
1.2.1. Import letter of acceptance		-	331.878	331.878	-	599.588	599.588
1.2.2. Other bank acceptances		-	-	-	-	-	-
1.3. Letters of credit		-	1.823.242	1.823.242	106	1.490.018	1.490.124
1.3.1. Documentary letters of credit		-	58.591	58.591	106	1.490.018	1.490.124
1.3.2. Other letters of credit		-	1.764.651	1.764.651	-	-	-
1.4. Prefinancing given as guarantee		-	-	-	-	-	-
1.5. Endorsements		-	-	-	-	-	-
1.5.1. Endorsements to the Central Bank of Turkey		-	-	-	-	-	-
1.5.2. Other endorsements		-	-	-	-	-	-
1.6. Purchase guarantees for securities issued		-	-	-	-	-	-
1.7. Factoring related guarantees		-	-	-	-	-	-
1.8. Other sureties		-	-	-	-	-	-
1.9. Other collaterals		-	-	-	-	-	-
<b>II. COMMITMENTS</b>		<b>6.317.093</b>	<b>271.281</b>	<b>6.588.374</b>	<b>6.437.922</b>	<b>351.801</b>	<b>6.789.723</b>
2.1. Irrevocable commitments		6.317.093	271.281	6.588.374	6.437.922	351.801	6.789.723
2.1.1. Asset purchase commitments		76.346	151.916	228.262	51.686	349.777	401.463
2.1.2. Deposit purchase and sales commitments		-	-	-	-	-	-
2.1.3. Share capital commitment to associates and subsidiaries		12.000	-	12.000	18.758	544	19.302
2.1.4. Loan granting commitments		-	-	-	-	-	-
2.1.5. Securities issue brokerage commitments		-	-	-	-	-	-
2.1.6. Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7. Commitments for cheque payments		1.250.972	-	1.250.972	942.545	-	942.545
2.1.8. Tax and fund obligations on export commitments		27.347	-	27.347	40.247	-	40.247
2.1.9. Commitments for credit card limits		4.937.947	-	4.937.947	5.377.917	-	5.377.917
2.1.10. Receivables from "short" sale commitments on securities		-	-	-	-	-	-
2.1.11. Payables from "short" sale commitments on securities		-	-	-	-	-	-
2.1.12. Other irrevocable commitments		12.481	119.365	131.846	6.769	1.480	8.249
2.2. Revocable commitments		-	-	-	-	-	-
2.2.1. Revocable loan granting commitments		-	-	-	-	-	-
2.2.2. Other revocable commitments		-	-	-	-	-	-
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>	<b>4.4.2</b>	<b>1.355.364</b>	<b>5.152.208</b>	<b>6.507.572</b>	<b>993.677</b>	<b>3.851.015</b>	<b>4.844.692</b>
3.1. Forward foreign currency purchases/sales		150.957	237.366	388.323	90.171	294.808	384.979
3.1.1. Forward foreign currency purchases		81.115	107.426	188.541	47.415	139.156	186.571
3.1.2. Forward foreign currency sales		69.842	129.940	199.782	42.756	155.652	198.408
3.2. Currency and interest rate swaps		679.200	3.780.244	4.459.444	566.377	2.914.939	3.481.316
3.2.1. Currency swaps-purchases		66.000	2.149.275	2.215.275	-	1.783.847	1.783.847
3.2.2. Currency swaps-sales		600.300	1.617.001	2.217.301	566.377	1.118.731	1.685.108
3.2.3. Interest rate swaps-purchases		6.675	7.293	13.968	-	5.528	5.528
3.2.4. Interest rate swaps-sales		6.225	6.675	12.900	-	6.833	6.833
3.3. Currency, interest rate and securities options		451.909	844.993	1.296.902	337.129	267.244	604.373
3.3.1. Currency options-purchases		204.874	328.659	533.533	193.087	97.237	290.324
3.3.2. Currency options-sales		226.619	296.864	523.483	124.042	170.007	294.049
3.3.3. Interest rate options-purchases		-	-	-	-	-	-
3.3.4. Interest rate options-sales		-	-	-	-	-	-
3.3.5. Securities options-purchases		20.416	99.354	119.770	20.000	-	20.000
3.3.6. Securities options-sales		-	120.116	120.116	-	-	-
3.4. Currency futures		67.008	137.596	204.604	-	299.200	299.200
3.4.1. Currency futures-purchases		60.943	39.809	100.752	-	149.600	149.600
3.4.2. Currency futures-sales		6.065	97.787	103.852	-	149.600	149.600
3.5. Interest rate futures		6.290	-	6.290	-	-	-
3.5.1. Interest rate futures-purchases		6.290	-	6.290	-	-	-
3.5.2. Interest rate futures-sales		-	-	-	-	-	-
3.6. Others		-	152.009	152.009	-	74.824	74.824
<b>B. CUSTODY AND PLEDGED ITEMS (IV+V+VI)</b>	<b>4.4.3</b>	<b>73.293.267</b>	<b>76.073.796</b>	<b>149.367.063</b>	<b>46.737.631</b>	<b>62.850.363</b>	<b>109.587.994</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>25.367.539</b>	<b>6.592.528</b>	<b>31.960.067</b>	<b>17.053.813</b>	<b>6.211.890</b>	<b>23.265.703</b>
4.1. Customers' securities held		382	3.653.917	3.654.299	382	3.669.364	3.669.746
4.2. Investment securities held in custody		22.862.229	1.210.731	24.072.960	15.410.273	904.064	16.314.337
4.3. Checks received for collection		1.922.120	173.929	2.096.049	1.326.370	105.084	1.431.454
4.4. Commercial notes received for collection		485.506	1.542.726	2.028.232	306.157	1.526.542	1.832.699
4.5. Other assets received for collection		217	1.160	1.377	236	1.544	1.780
4.6. Assets received for public offering		-	5.320	5.320	-	-	-
4.7. Other items under custody		97.085	4.745	101.830	10.395	5.292	15.687
4.8. Custodians		-	-	-	-	-	-
<b>V. PLEDGED ITEMS</b>		<b>47.925.728</b>	<b>69.481.268</b>	<b>117.406.996</b>	<b>29.683.818</b>	<b>56.638.473</b>	<b>86.322.291</b>
5.1. Securities		227.593	227.593	455.186	196.292	71	196.363
5.2. Guarantee notes		3.959.857	3.583.905	7.543.762	2.421.477	3.275.291	5.696.768
5.3. Commodities		81	-	81	1.617	-	1.617
5.4. Warranties		-	-	-	-	-	-
5.5. Immovables		3.919.935	3.043.481	6.963.416	2.648.038	2.329.299	4.977.337
5.6. Other pledged items		39.818.092	62.848.366	102.666.458	24.416.224	51.027.935	75.444.159
5.7. Pledged items-depository		170	5.516	5.686	170	5.877	6.047
<b>VI. CONFIRMED BILLS OF EXCHANGE AND SURETIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL OFF-BALANCE SHEET ITEMS (A+B)</b>		<b>82.861.653</b>	<b>87.191.423</b>	<b>170.053.076</b>	<b>55.686.093</b>	<b>72.228.002</b>	<b>127.914.095</b>

(Convenience Translation of Financial Statements Originally Issued in Turkish)

**Türkiye Garanti Bankası Anonim Şirketi**

**Income Statement**

**For the Nine-Month and the Three-Month Periods Ended 30 September 2005**

(Thousands of New Turkish Lira (YTL))

INCOME AND EXPENSE ITEMS	Footnotes	CURRENT PERIOD	PRIOR PERIOD	CURRENT PERIOD	PRIOR PERIOD
		Nine-month ended 30 September 2005	Nine-month ended 30 September 2004	Three-month ended 30 September 2005	Three-month ended 30 September 2004
<b>I. INTEREST INCOME</b>	<b>4.3.1</b>	<b>2.537.600</b>	<b>2.365.287</b>	<b>868.431</b>	<b>805.531</b>
1.1 Interest on loans		1.418.313	1.049.779	526.796	391.535
1.1.1 Interest on TL loans		1.126.198	782.245	414.406	297.499
1.1.1.1 Short term loans		1.037.272	762.683	369.423	287.628
1.1.1.2 Medium and long term loans		88.926	19.562	44.983	9.871
1.1.2 Interest on foreign currency loan		288.573	263.054	110.427	92.052
1.1.2.1 Short term loans		87.608	96.086	32.544	29.441
1.1.2.2 Medium and long term loan		200.965	166.968	77.883	62.611
1.1.3 Interest on loans under follow-up		3.542	4.480	1.963	1.984
1.1.4 Premiums received from Resource Utilisation Support Fund		-	-	-	-
1.2 Interest received from reserve deposit		48.065	47.273	17.337	15.992
1.3 Interest received from banks		31.235	21.968	11.816	11.130
1.3.1 The Central Bank of Turkey		4.191	5.309	1.427	1.192
1.3.2 Domestic banks		4.336	5.060	1.899	3.485
1.3.3 Foreign banks		22.708	11.599	8.490	6.453
1.3.4 Foreign headoffices and branches		-	-	-	-
1.4 Interest received from money market transaction		759	685	122	357
1.5 Interest received from marketable securities portfolio		996.030	1.203.116	296.971	374.620
1.5.1 Trading securities		32.523	147.054	5.111	59.471
1.5.2 Available-for-sale securities		710.817	528.687	234.652	167.691
1.5.3 Held to maturity securities		252.690	527.375	57.208	147.458
1.6 Other interest income		43.198	42.466	15.389	11.897
<b>II. INTEREST EXPENSE</b>	<b>4.3.2</b>	<b>1.265.656</b>	<b>1.317.425</b>	<b>451.383</b>	<b>453.482</b>
2.1 Interest on deposits		985.524	1.088.357	362.710	362.882
2.1.1 Bank deposits		34.847	54.833	13.118	19.976
2.1.2 Saving deposits		528.894	570.922	196.593	186.452
2.1.3 Public sector deposits		3.865	203	2.911	97
2.1.4 Commercial deposits		244.085	287.520	90.741	87.881
2.1.5 Other institutions deposits		46.260	35.414	13.099	16.938
2.1.6 Foreign currency deposits		127.454	139.385	46.183	51.515
2.1.7 Precious metals vault accounts		119	80	65	23
2.2 Interest on money market transaction		147.426	132.395	38.388	54.965
2.3 Interest on funds borrowed		127.207	93.451	49.124	35.733
2.3.1 The Central Bank of Turkey		-	-	-	-
2.3.2 Domestic banks		16.708	21.162	4.191	6.473
2.3.3 Foreign banks		99.251	62.647	40.317	19.618
2.3.4 Foreign branches		-	-	-	-
2.3.5 Other financial institution		11.248	9.642	4.616	9.642
2.4 Interest on securities issued		-	-	-	-
2.5 Other interest expense		5.499	3.222	1.161	(98)
<b>III. NET INTEREST INCOME (I - II)</b>		<b>1.271.944</b>	<b>1.047.862</b>	<b>417.048</b>	<b>352.049</b>
<b>IV. NET FEES AND COMMISSIONS INCOME</b>		<b>535.046</b>	<b>395.298</b>	<b>193.647</b>	<b>146.124</b>
4.1 Fees and commissions received		722.526	559.302	261.132	207.305
4.1.1 Cash loans		49.045	40.045	19.416	13.841
4.1.2 Non-cash loans		47.634	48.073	16.044	17.292
4.1.3 Other		625.847	471.184	225.672	176.172
4.2 Fees and commissions paid		187.480	164.004	67.485	61.181
4.2.1 Cash loans		19.151	19.595	6.524	7.401
4.2.2 Non-cash loans		181	260	68	62
4.2.3 Other		168.148	144.149	60.893	53.718
<b>V. DIVIDEND INCOME</b>		<b>1.140</b>	<b>1.208</b>	-	-
5.1 Trading securities		-	-	-	-
5.2 Available-for-sale securities		1.140	1.208	-	-
<b>VI. NET TRADING INCOME/LOSS</b>		<b>100.956</b>	<b>(46.064)</b>	<b>28.857</b>	<b>11.710</b>
6.1 Profit/losses on trading account securities (Net)		2.811	94.432	2.681	25.151
6.1.1 Profit on trading account securities		356.484	318.210	115.826	130.806
6.1.1.1 Profit on derivative		226.546	146.951	86.119	72.256
6.1.1.2 Others		129.938	171.259	29.707	58.550
6.1.2 Losses on trading account securities (-)		353.673	223.778	113.145	105.655
6.1.2.1 Losses on derivatives		271.610	108.011	95.943	75.331
6.1.2.2 Others		82.063	115.767	17.202	30.324
6.2 Foreign exchange gains/losses (Net)		98.145	(140.496)	26.176	(13.441)
6.2.1 Foreign exchange gains		1.790.771	3.040.596	372.224	1.474.507
6.2.2 Foreign exchange losses (-)		1.692.626	3.181.092	346.048	1.487.948
<b>VII. OTHER OPERATING INCOME</b>	<b>4.3.3</b>	<b>124.203</b>	<b>75.378</b>	<b>54.895</b>	<b>31.232</b>
<b>VIII. TOTAL OPERATING PROFIT (III+IV+V+VI+VII)</b>		<b>2.033.289</b>	<b>1.473.682</b>	<b>694.447</b>	<b>541.115</b>
<b>IX. PROVISION FOR LOAN LOSSES OR OTHER RECEIVABLES (-)</b>	<b>4.3.4</b>	<b>457.495</b>	<b>205.498</b>	<b>111.106</b>	<b>15.210</b>
<b>X. OTHER OPERATING EXPENSES (-)</b>	<b>4.3.5</b>	<b>852.952</b>	<b>783.984</b>	<b>289.220</b>	<b>301.680</b>
<b>XI. NET OPERATING PROFIT/LOSS (VIII-IX-X)</b>		<b>722.842</b>	<b>484.200</b>	<b>294.121</b>	<b>224.225</b>
<b>XII. INCOME/LOSSES FROM ASSOCIATES AND SUBSIDIARIES</b>	<b>4.3.6</b>	<b>2.001</b>	<b>19.178</b>	-	-
<b>XIII. GAIN/LOSS ON NET MONETARY POSITION</b>		-	<b>30.925</b>	-	<b>1.966</b>
<b>XIV. PROFIT/LOSS BEFORE TAXES (XI+XII+XIII)</b>		<b>724.843</b>	<b>534.303</b>	<b>294.121</b>	<b>226.191</b>
<b>XV. PROVISION FOR TAXES ON INCOME (-)</b>	<b>4.3.7</b>	<b>199.150</b>	<b>140.173</b>	<b>84.000</b>	<b>38.582</b>
15.1 Current tax charge		143.103	-	87.305	-
15.2 Deferred tax charge/credit		56.047	140.173	(3.305)	38.582
<b>XVI. NET OPERATING PROFIT/LOSS AFTER TAXES (XIV-XV)</b>		<b>525.693</b>	<b>394.130</b>	<b>210.121</b>	<b>187.609</b>
<b>XVII. EXTRAORDINARY INCOME/EXPENSE AFTER TAXES</b>		-	-	-	-
17.1 Extraordinary net income/expense before tax		-	-	-	-
17.1.1 Extraordinary income		-	-	-	-
17.1.2 Extraordinary expense (-)		-	-	-	-
17.2 Provision for taxes on extraordinary income (-)		-	-	-	-
<b>XVIII. NET PROFIT/LOSS (XVI+XVII)</b>	<b>4.3.8</b>	<b>525.693</b>	<b>394.130</b>	<b>210.121</b>	<b>187.609</b>
<b>EARNINGS PER SHARE (full YTL amount per YTL'000 face value each)</b>		<b>250</b>	<b>328</b>	<b>100</b>	<b>156</b>

(Convenience Translation of Financial Statements Originally Issued in Turkish)

## Türkiye Garanti Bankası Anonim Şirketi

### Statement of Cash Flows

For the Nine-Month Period Ended 30 September 2005

(Thousands of New Turkish Lira (YTL))

STATEMENT OF CASH FLOWS		Footnotes	CURRENT PERIOD 30 September 2005	PRIOR PERIOD 30 September 2004
<b>A.</b>	<b>CASH FLOWS FROM BANKING OPERATIONS</b>			
<b>1.1</b>	<b>1.1. Operating profit before changes in operating assets and liabilities</b>		<b>1.171.114</b>	<b>1.057.122</b>
1.1.1	Interest received		2.515.645	2.471.015
1.1.2	Interest paid		(1.177.164)	(1.421.020)
1.1.3	Dividend received		3.141	20.386
1.1.4	Fees and commissions received		535.046	395.298
1.1.5	Other income		127.013	289.987
1.1.5	Collections from previously written off loans and other receivables		-	-
1.1.6	Payments to personnel and service suppliers		(832.568)	(729.469)
1.1.7	Taxes paid		-	-
1.1.8	Extraordinary items		-	-
1.1.9	Other	4.6.1	-	30.925
<b>1.2</b>	<b>Changes in operating assets and liabilities</b>		<b>430.709</b>	<b>(959.400)</b>
1.2.1	Net (increase) decrease in trading securities		(19.930)	278.468
1.2.2	Net (increase) decrease in due from banks and other financial institutions		408	6.229
1.2.3	Net (increase) decrease in loans		(4.517.187)	(3.132.542)
1.2.4	Net (increase) decrease in other assets		(297.305)	56.594
1.2.5	Net increase (decrease) in bank deposits		(16.761)	35.986
1.2.6	Net increase (decrease) in other deposits		2.487.160	977.727
1.2.7	Net increase (decrease) in funds borrowed		2.555.717	665.671
1.2.8	Net increase (decrease) in matured payables		-	-
1.2.9	Net increase (decrease) in other liabilities	4.6.1	238.607	152.467
<b>I.</b>	<b>Net cash provided from banking operations</b>		<b>1.601.823</b>	<b>97.722</b>
<b>B.</b>	<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II.</b>	<b>Net cash used in investing activities</b>		<b>(931.609)</b>	<b>927.930</b>
2.1	Cash paid for purchase of investments, associates and subsidiaries		(45.067)	(20.922)
2.2	Cash obtained from sale of investments, associates and subsidiaries		319.674	128.653
2.3	Fixed assets purchases		(402.887)	(54.320)
2.4	Fixed assets sales		115.911	51.475
2.5	Cash paid for purchase of investments available for sale		(1.772.921)	(25.230)
2.6	Cash obtained from sale of investments available for sale		-	-
2.7	Cash paid for purchase of investment securities		(988)	(1.537.282)
2.8	Cash obtained from sale of investment securities		854.669	2.385.556
2.9	Extraordinary items		-	-
2.10	Other		-	-
<b>C.</b>	<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III.</b>	<b>Net cash used in financing activities</b>		<b>(3.100)</b>	<b>(1.947)</b>
3.1	Cash obtained from funds borrowed and securities issued		-	-
3.2	Cash used for repayment of funds borrowed and securities issued		-	-
3.3	Capital increase		-	-
3.4	Dividends paid		-	-
3.5	Payments for finance leases		(3.100)	(1.947)
3.6	Extraordinary items		-	-
3.7	Other	4.6.1	-	-
<b>IV.</b>	<b>Effect of change in foreign exchange rate on cash and cash equivalents</b>	4.6.1	<b>117.589</b>	<b>1.456</b>
<b>V.</b>	<b>Net increase (decrease) in cash and cash equivalents (I+II+III+IV)</b>		<b>784.703</b>	<b>1.025.162</b>
<b>VI.</b>	<b>Cash and cash equivalents at beginning of period</b>		<b>1.534.117</b>	<b>916.690</b>
<b>VII.</b>	<b>Cash and cash equivalents at end of period (V+VI)</b>	4.6.4	<b>2.318.820</b>	<b>1.941.852</b>

(Convenience Translation of Financial Statements Originally Issued in Turkish )

**Türkiye Garanti Bankası Anonim Şirketi**  
**Statement of Changes in Shareholders' Equity**  
**For the Nine-Month Period Ended 30 September 2005**

(Thousands of New Turkish Lira (YTL))

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY	Footnotes	Paid-In Capital	Capital Reserves from Inflation Adjustments to Paid-In Capital	Share Premium	Share Cancellation Profits	Legal Reserves	Status Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Profit/(Loss)	Prior Period Profit/(Loss)	Revaluation Fund	Revaluation Surplus	Securities Value Increase Fund	Total
<b>PRIOR PERIOD (30/09/2004)</b>															
<b>I. Balances at beginning of period</b>		822.038	1.205.879	-	-	-	-	-	-	-	468.306	26.993	4.148	262.618	2.789.982
<b>II. Effect of changes in accounting policies</b>		-	-	-	-	-	-	-	-	-	37.147	-	-	(37.147)	-
<b>III. Adjusted balances at beginning of period (I+II)</b>		822.038	1.205.879	-	-	-	-	-	-	-	505.453	26.993	4.148	225.471	2.789.982
<b>IV. Current period net profit</b>		-	-	-	-	-	-	-	-	394.130	-	-	-	-	394.130
<b>V. Profit distribution</b>		-	-	-	-	25.144	-	443.162	-	-	(468.306)	-	-	-	-
5.1. Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-
5.2. Transferred to legal reserves		-	-	-	-	25.144	-	443.162	-	-	(468.306)	-	-	-	-
5.3. Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VI. Capital increase</b>		377.962	16.670	-	-	-	-	(371.746)	-	-	-	(22.886)	-	-	-
6.1. Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2. Revaluation Fund		27.462	(4.576)	-	-	-	-	-	-	-	-	(22.886)	-	-	-
6.3. Revaluation Surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.4. Securities Value Increase Fund		-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.5. Capital reserves from inflation adjustments to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.6. Issuance of share certificates		-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.7. Foreign exchange differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.8. Others		350.500	21.246	-	-	-	-	(371.746)	-	-	-	-	-	-	-
<b>VII. Bonds convertible to share certificates</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>VIII. Revaluation increment</b>		-	-	-	-	-	-	-	1.226	-	-	-	4.791	1.633	(166.676)
<b>IX. Foreign exchange differences</b>		-	-	-	-	1.363	-	-	1.331	-	-	-	-	-	2.694
<b>Balances at end of period (III+IV+V+VI+VII+VIII+IX)</b>		1.200.000	1.222.549	-	-	26.507	-	71.416	2.557	394.130	37.147	8.898	5.781	58.795	3.027.780
<b>CURRENT PERIOD (30/09/2005)</b>															
<b>I. Balances at beginning of period</b>		1.200.000	1.222.554	-	-	26.337	-	71.416	5.229	-	487.696	9.143	5.731	141.218	3.169.324
<b>II. Effect of changes in accounting policies</b>	4.5.6	-	-	-	-	-	-	-	-	-	(17.514)	-	-	-	(17.514)
<b>III. Adjusted balances at beginning of period (I+II)</b>		1.200.000	1.222.554	-	-	26.337	-	71.416	5.229	-	470.182	9.143	5.731	141.218	3.151.810
<b>Increases during the period</b>		-	-	-	-	-	-	-	3.470	-	-	-	-	39.374	42.844
<b>IV. "Available-for-sale" securities</b>	4.5.1.1	-	-	-	-	-	-	-	-	-	-	-	-	25.183	25.183
4.1. Net fair value gains/losses		-	-	-	-	-	-	-	-	-	-	-	-	25.183	25.183
<b>V. Investments in associates and subsidiaries</b>		-	-	-	-	-	-	-	-	-	-	-	-	14.191	14.191
5.1. Net fair value gains/losses		-	-	-	-	-	-	-	-	-	-	-	-	14.191	14.191
<b>VI. Cash flow hedges</b>		-	-	-	-	-	-	-	3.470	-	-	-	-	-	3.470
6.1. Net fair value gains/losses		-	-	-	-	-	-	-	3.470	-	-	-	-	-	3.470
<b>Transfers</b>		-	-	-	-	-	-	-	-	-	-	-	-	(53.472)	(53.472)
<b>VII. "Available-for-sale" securities</b>		-	-	-	-	-	-	-	-	-	-	-	-	(53.472)	(53.472)
7.1. Transferred to net profit		-	-	-	-	-	-	-	-	-	-	-	-	(53.472)	(53.472)
<b>VIII. Cash flow hedges</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.1. Transferred to net profit		-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.2. Transferred to net assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>IX. Current period net profit</b>		-	-	-	-	-	-	-	-	525.693	-	-	-	-	525.693
<b>X. Profit distribution</b>	4.5.3	-	-	-	-	23.511	-	446.671	-	-	(470.182)	-	-	-	-
10.1. Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-
10.2. Transferred to legal reserves	4.5.4	-	-	-	-	23.511	-	446.671	-	-	(470.182)	-	-	-	-
10.3. Others		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XI. Capital increase</b>	4.2.14	900.000	(450.000)	-	-	-	-	(442.917)	-	-	-	(7.083)	-	-	-
11.1. Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2. Revaluation Fund		7.083	-	-	-	-	-	-	-	-	-	(7.083)	-	-	-
11.3. Revaluation Surplus		-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.4. Securities Value Increase Fund		-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.5. Capital reserves from inflation adjustments to paid-in capital		450.000	(450.000)	-	-	-	-	-	-	-	-	-	-	-	-
11.6. Issuance of share certificates		-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.7. Foreign exchange differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.8. Others		442.917	-	-	-	-	-	(442.917)	-	-	-	-	-	-	-
<b>XII. Bonds convertible to share certificates</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>XIII. Revaluation increment</b>		-	-	-	-	-	-	-	-	-	-	87	(871)	-	(784)
<b>XIV. Foreign exchange differences</b>		-	-	-	-	(38)	-	-	(138)	-	-	-	-	-	(176)
<b>Balances at end of period (III+IV+V+VI+VII+VIII+IX+X+XI+XII+XIII+XIV)</b>		2.100.000	772.554	-	-	49.810	-	75.170	8.561	525.693	-	2.147	4.860	127.120	3.665.915

### **3 Financial position and results of operations**

#### **3.1 Strategy for the use of financial instruments and foreign currency transactions**

##### **3.1.1 Strategy for the use of financial instruments**

The liability side of the Bank's balance sheet is intensively composed of short-term deposits in line with the general trend in the banking sector. In addition to deposits, the Bank has access to longer-term borrowings via the foreign currency borrowings from abroad.

In order to manage the interest rate risk arising from short-term deposits, the Bank is keen on maintaining floating rate instruments such as government bonds with quarterly coupon payments and instruments like credit cards and consumer loans providing regular cash inflows.

The fundamental strategy to manage the liquidity risk is to expand the deposit base through customer-oriented banking philosophy, and to increase customer transactions and retention rates. The Bank's widespread and effective branch network, advantage of primary dealership and strong market share in the treasury and capital markets, are some of the effective tools in the realisation of this strategy. For this purpose, serving customers by introducing new products and services continuously and reaching the customers satisfaction are very important.

Another influential factor in the management of the interest and liquidity risk on balance sheet, is product diversification both on asset and liability sides.

Exchange rate risk, interest rate risk and liquidity risk are controlled and measured by various risk management systems instantly, and the balance sheet is managed under the limits set by these systems and the limits legally required. Asset-liability management and value at risk models, stress tests and scenario analysis are used for this purpose.

Purchase and sale of short and long-term financial instruments are allowed within the pre-determined limits to generate risk-free return on capital.

The foreign currency position is controlled by the equilibrium of a currency basket to eliminate the foreign exchange risk.

##### **3.1.2 Foreign currency transactions**

Foreign exchange gains and losses arising from foreign currency transactions are recorded at transaction dates. At the end of the period, foreign currency assets and liabilities evaluated with the Bank's spot purchase rates and the differences are recorded as foreign exchange gain or loss.

In the currency conversion of the financial statements of the Bank's foreign branches, the Bank's spot purchase rates are used for balance sheet items and average foreign currency rates for income statement. All foreign currency differences arising from this conversion, are classified as other profit reserves under the shareholders' equity.

Foreign currency differences arising from the conversion of foreign currency investments, associates and subsidiaries into YTL are posted in the income statement as foreign exchange gains/losses.

The Bank revalues the foreign currency-indexed government securities acquired as “Debt Swap” in 2001 by discounting using the internal rate of return and translates the foreign currency amounts using the currency exchange rates applicable based on the ten days’ average of Central Bank’s foreign currency exchange rates by fixing it ten days prior to the balance sheet date, as required by the Ministry of State that is in charge of the Treasury, and records the evaluations to financial statements.

## **3.2 Capital adequacy ratio**

The Bank’s unconsolidated capital adequacy ratio is 15.59%.

### **3.2.1 Risk measurement methods in calculation of capital adequacy ratio**

Capital adequacy ratio is calculated within the scope of the “Regulation regarding Measurement and Assessment of Capital Adequacy Ratios of Banks” published in Official Gazette No.24657 dated 31 January 2002.

In calculation of capital adequacy ratio, the accounting records prepared in compliance with the current legislation are used.

The items deducted from the capital base are not included in the calculation of risk weighted assets. In calculation of risk weighted assets, impairments, depreciation and amortisation, and provisions are considered as deduction items.

In the calculation of their risk-based values, non-cash loans are weighted after netting with specific provisions that are classified under liabilities and calculated based on the “Regulation on Identification of and Provision against Non-Performing Loans and Other Receivables”. The net amounts are then multiplied by the rates stated in the Article 21, paragraph (1) of “Regulation on Foundation and Operations of Banks”.

In the calculation of the risk based values of the derivative financial instruments, such instruments are weighted and classified according to the related risk groups after being multiplied by the rates stated in the Article 21, paragraph (2) of “Regulation on Foundation and Operations of Banks”.

### 3.2.2 Capital adequacy ratio

	Risk Weights			
	0%	20%	50%	100%
<b>Risk Weighted Assets, Liabilities, Off-Balance Sheet Items</b>				
<b>Balance Sheet Items (Net)</b>	<b>7,198,921</b>	<b>443,400</b>	<b>2,279,159</b>	<b>13,580,107</b>
Cash on Hand	176,674	4,795	-	-
Banks	1,614,478	393,981	-	128,892
Interbank Money Market Placements	-	-	-	-
Receivables from Reverse Repurchase Agreements	-	-	-	-
Reserve Deposits	1,509,911	-	-	-
Special Purpose Financial Institutions	-	-	-	-
Loans	1,451,881	11,741	2,247,936	10,809,783
Loans under Follow-Up (Net)	-	-	-	220,226
Investments in Associates and Subsidiaries	-	-	-	722,529
Miscellaneous Receivables	145	-	-	60,997
Investment Securities Held to Maturity (Net)	2,241,002	-	-	-
Advances for Assets Acquired under Financial Lease	-	-	-	-
Financial Lease Receivables	-	-	-	-
Leased Assets (Net)	-	-	-	-
Tangible Assets (Net)	-	-	-	1,393,522
Accrued Interest and Income	139,379	1,286	31,223	171,285
Other Assets	65,451	31,597	-	72,873
<b>Off-Balance Sheet Items</b>	<b>211,460</b>	<b>2,483,279</b>	<b>6,399,171</b>	<b>394,448</b>
Guarantees	211,460	2,442,046	948,752	391,075
Commitments	-	-	5,450,419	-
Other Off Balance Sheet-Items	-	-	-	-
Derivative Financial Instruments	-	41,233	-	3,373
Non Risk Weighted Accounts	-	-	-	-
<b>Total Risk Weighted Assets</b>	<b>7,410,381</b>	<b>2,926,679</b>	<b>8,678,330</b>	<b>13,974,555</b>

### 3.2.3 Summary information related to capital adequacy ratio

	Risk Weights	
	Current Period	Prior Period
Total Risk Weighted Assets	18,899,056	14,032,277
Value at Risk	1,040,950	1,178,850
Shareholders' Equity	3,109,604	2,555,324
Shareholders' Equity/ (RWA+VaR)*100 (*)	15.59	16.80

(\*) RWA: Total Risk Weighted Assets

VaR: Value at Risk

### 3.2.4 Components of shareholders' equity items

	Current Period	Prior Period
<b>CORE CAPITAL</b>		
Paid-in Capital	2,100,000	1,200,000
Nominal Capital	2,100,000	1,200,000
Capital Commitments (-)	-	-
Share Premium and Cancellation Profit	-	-
Capital Reserves From Inflation Adjustments to Paid-in Capital	772,554	1,222,554
Legal Reserves	49,810	26,337
I. Legal Reserve (Turkish Commercial Code 466/1)	49,810	26,337
II. Legal Reserve (Turkish Commercial Code 466/2)	-	-
Reserves Allocated due to Special Legislations	-	-
Status Reserves	-	-
Extraordinary Reserves	75,170	71,416
Reserve Allocated at the General Assembly	75,170	71,416
Retained Earnings	-	-
Accumulated Losses	-	-
Profit Reserves	8,561	5,229
Profit	525,693	487,696
Current Period Profit	525,693	450,549
Prior Period Profit	-	37,147
Loss (-)	-	-
Current Period Loss	-	-
Prior Period Loss	-	-
<b>Total Core Capital</b>	<b>3,531,788</b>	<b>3,013,232</b>
<b>SUPPLEMENTARY CAPITAL</b>		
Revaluation Fund	2,147	9,143
Movables	-	-
Immovables	2,147	2,060
Income on Sale of Equity Shares and Real Estates	-	7,083
Revaluation Fund on Leasehold Improvements	-	-
Revaluation Surplus	4,860	5,731
Foreign Currency Exchange Differences	-	-
General Provisions	89,985	65,512
Provision for Possible Losses	76,000	41,500
Subordinated Loans	-	-
Securities Value Increase Fund	127,120	141,218
Associates and Subsidiaries	12,221	-
Investments Available for Sale	114,899	141,218
Securities Held for Structural Position	-	-
<b>Total Supplementary Capital</b>	<b>300,112</b>	<b>263,104</b>
<b>TIER III CAPITAL</b>	-	-
<b>CAPITAL</b>	<b>3,831,900</b>	<b>3,276,336</b>



<b>DEDUCTIONS FROM CAPITAL</b>	<b>722,296</b>	<b>721,012</b>
Investments in Entities Operating in Financial Sectors like Money Markets, Capital Markets, Insurance under the related Special Laws	593,369	573,343
Leasehold Improvements	37,567	40,998
Pre-Operating Costs	15,842	20,867
Prepaid Expenses	75,518	85,804
Negative Difference between the Fair Values and the Carrying Values of Investments, Associates, Subsidiaries, Other Investments, Property and Equipment	-	-
Subordinated Loans Granted to Banks Operating in Turkey	-	-
Goodwill (Net)	-	-
Capitalised Expenses	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>3,109,604</b>	<b>2,555,324</b>

### 3.3 Credit risk

Not prepared in compliance with Article 51 of the statement no.17 of "Regulation on Accounting Standards".

### 3.4 Market risk

The Bank has defined its risk management procedures and has taken necessary precaution in order to avoid market risk, in compliance with "Regulation on Bank's Internal Control and Risk Management Systems" and "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" published in Official Gazette no. 24312 dated 8 February 2001.

Being exposed to market risk, the Bank's Board of Directors has identified risk management strategies and policies considering the suggestions by the Executive Risk Committee and has pursued the application of these strategies periodically. Considering the existing major risks, the Bank's Board of Directors determines and revises the risk limits, when necessary. The Board of Directors ensures that the risk management group and the executive management are taking necessary action in identifying, measuring, controlling and managing several risks.

Market risks arising from trading transactions are measured by internal risk measurement model using value at risk (VaR) methodology. VaR is calculated by three different methods, namely historical simulation, monte carlo simulation and parametric method. Market risk arising from maturity mismatches of assets and liabilities is calculated through the assets-liabilities risk measurement model.

The periodical stress testing and scenario analysis support the above mentioned measurements. Traditional risk measurement methods such as cash flow projection, duration and variance analysis are also used.

The capital need for general market risk and specific risks is calculated using the standart method defined by the "Regulation on Measurement and Assessment of Capital Adequacy Ratios of Banks" and reported monthly.

**Value at Risk:**

	<b>Amount</b>
<b>Capital Obligation against Interest Rate Risk - Standard Method</b>	<b>64,734</b>
General Market Risk	58,098
Specific Risk	6,636
Options Subject to Interest Rate Risk	-
<b>Capital Obligation against Common Stock Position Risk – Standard Method</b>	<b>9,864</b>
General Market Risk	5,025
Specific Risk	4,839
Options Subject To Common Stock Position Risk	-
<b>Capital Obligation against Currency Risk – Standard Method</b>	<b>8,678</b>
Capital Obligation	4,221
Capital Obligation against Options Subject to Currency Risk	4,457
<b>Total Value-At-Risk – Home Model</b>	<b>-</b>
<b>Total Capital Obligations against Market Risk</b>	<b>83,276</b>
<b>Value-At-Risk Amount</b>	<b>1,040,950</b>

### 3.5 Foreign currency exchange rate risk

Foreign currency open position limit is set in compliance with the legal standard ratio of net foreign currency position. As of 30 September 2005, the Bank’s net ‘on balance sheet’ foreign currency short position amounts to YTL 365,903 thousands, net ‘off-balance sheet’ foreign currency long position amounts to YTL 370,025 thousands, while net foreign currency long position amounts to YTL 4,122 thousands.

The Bank’s foreign currency position risk is measured by “standard method” and “value-at-risk (VaR) model”. Measurements by standard method are carried out weekly, whereas measurements by “VaR” are done daily.

*The Bank’s effective exchange rates at the date of balance sheet and for the last five working days of the period announced by the Bank in YTL are as follows:*

	<b>US\$</b>	<b>EUR</b>
The Bank’s foreign currency purchase rate at balance sheet date	1.3260	1.5984
<u>Foreign currency rates for the days before balance sheet date:</u>		
Day 1	1.3300	1.5982
Day 2	1.3300	1.5986
Day 3	1.3250	1.5923
Day 4	1.3250	1.5944
Day 5	1.3250	1.5988

The arithmetical average of the Bank’s US dollar and Euro purchase rates for the last 30 days before balance sheet date are full YTL 1.3199 and full YTL 1.6191, respectively.

**Currency risk:**

	<b>Euro</b>	<b>US\$</b>	<b>Yen</b>	<b>Other FCs</b>	<b>Total</b>
<b>Current Period</b>					
<b>Assets</b>					
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	1,649,273	47,182	225	7,713	1,704,393
Banks and Other Financial Institutions	136,277	174,982	20,464	17,380	349,103
Trading Securities	18,778	79,263	-	20,637	118,678
Interbank Money Market Placements	-	-	-	-	-
Investment Securities Available-for-Sale	21,003	2,743,540	-	-	2,764,543
Loans	1,426,687	5,183,575	2,421	93,357	6,706,040
Investments in Associates and Subsidiaries	218,794	37,229	-	4,472	260,495
Investment Securities Held-to-Maturity	49,465	2,437,478	-	-	2,486,943
Tangible and Intangible Assets	-	236	-	625	861
Goodwill	-	-	-	-	-
Other Assets	1,075,315	194,073	37	783	1,270,208
<b>Total Assets</b>	<b>4,595,592</b>	<b>10,897,558</b>	<b>23,147</b>	<b>144,967</b>	<b>15,661,264</b>
<b>Liabilities</b>					
Bank Deposits	16,709	106,396	2	28,743	151,850
Foreign Currency Deposits	3,164,217	6,039,306	21,971	307,661	9,533,155
Interbank Money Market Takings	-	663,009	-	-	663,009
Other Fundings	1,012,712	3,959,246	-	-	4,971,958
Securities Issued	-	-	-	-	-
Miscellaneous Payables	5,927	3,324	-	447	9,698
Other Liabilities (*)	76,972	596,341	2,903	21,281	697,497
<b>Total Liabilities</b>	<b>4,276,537</b>	<b>11,367,622</b>	<b>24,876</b>	<b>358,132</b>	<b>16,027,167</b>
<b>Net 'On Balance Sheet' Position</b>	<b>319,055</b>	<b>-470,064</b>	<b>-1,729</b>	<b>-213,165</b>	<b>-365,903</b>
<b>Net 'Off-Balance Sheet' Position</b>	<b>-298,029</b>	<b>458,428</b>	<b>-741</b>	<b>210,367</b>	<b>370,025</b>
Derivative Assets	542,621	1,955,485	-	353,613	2,851,719
Derivative Liabilities	840,650	1,497,057	741	143,246	2,481,694
<b>Prior Period</b>					
<b>Total Assets</b>	<b>3,376,077</b>	<b>10,212,321</b>	<b>13,590</b>	<b>100,192</b>	<b>13,702,180</b>
<b>Total Liabilities</b>	<b>4,282,710</b>	<b>9,635,228</b>	<b>13,030</b>	<b>359,756</b>	<b>14,290,724</b>
<b>Net 'On Balance Sheet' Position</b>	<b>-906,633</b>	<b>577,093</b>	<b>560</b>	<b>-259,564</b>	<b>-588,544</b>
<b>Net 'Off-Balance Sheet' Position</b>	<b>881,090</b>	<b>-636,355</b>	<b>-840</b>	<b>277,677</b>	<b>521,572</b>

(\*) Other liabilities also include gold deposits of YTL 15,828 thousands.

### **3.6 Interest rate risk**

Interest sensitivity of assets, liabilities and off-balance sheet items is evaluated during the weekly Assets-Liabilities Committee meetings taking into account the developments in market conditions.

Bank's interest rate risk is measured by the standard method, value at risk (VaR) and asset- liability risk measurement models.

Measurements for standard method are carried out monthly using the maturity ladder table, while measurements for VaR calculations are done daily. Asset-liability risk measurement model is studied monthly.

During the daily VaR calculations, the interest rate risks of the Bank's YTL and FC trading and investment securities available for sale and off-balance sheet position are measured. These are supported by scenario analysis and stress testing.

***Interest rate mismatch for the Bank “Interest rate sensitivity of assets, liabilities and off balance sheet items based on repricing dates”:***

<b>Current Period</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-6 Months</b>	<b>6-12 Months</b>	<b>1 Year and Over</b>	<b>Non-Interest Bearing</b>	<b>Total</b>
<b>Assets</b>							
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	15,985	-	-	-	-	1,779,962	1,795,947
Banks and Other Financial Institutions	382,751	36,623	-	-	-	103,499	522,873
Trading Securities	5,068	17,716	30,101	28,804	193,426	20,637	295,752
Interbank Money Market Placements	-	-	-	-	-	-	-
Investment Securities Available-for-Sale	695,614	2,027,198	3,090,887	372,726	907,268	62,807	7,156,500
Loans	5,035,103	881,343	1,653,291	1,998,750	4,952,854	220,226	14,741,567
Investment Securities Held-to-Maturity	3,387	1,674,731	-	989	987,202	-	2,666,309
Other Assets	1,586,862	164,227	124,398	39,806	161,132	3,069,410	5,145,835
<b>Total Assets</b>	<b>7,724,770</b>	<b>4,801,838</b>	<b>4,898,677</b>	<b>2,441,075</b>	<b>7,201,882</b>	<b>5,256,541</b>	<b>32,324,783</b>
<b>Liabilities</b>							
Bank Deposits	241,647	44,617	10,613	32,425	21,420	274,438	625,160
Other Deposits	10,654,877	2,417,105	487,933	240,848	57,344	5,599,373	19,457,480
Interbank Money Market Takings	1,259,889	397,810	-	50,000	265,199	-	1,972,898
Miscellaneous Payables	-	-	-	-	-	116,792	116,792
Securities Issued	-	-	-	-	-	-	-
Other Fundings	120,354	932,373	190,585	1,522,801	2,338,908	-	5,105,021
Other Liabilities	302,194	49,946	81,964	322,385	23,217	4,267,726	5,047,432
<b>Total Liabilities</b>	<b>12,578,961</b>	<b>3,841,851</b>	<b>771,095</b>	<b>2,168,459</b>	<b>2,706,088</b>	<b>10,258,329</b>	<b>32,324,783</b>
<b>On Balance Sheet Interest Sensitivity Gap</b>	<b>-4,854,191</b>	<b>959,987</b>	<b>4,127,582</b>	<b>272,616</b>	<b>4,495,794</b>	<b>-5,001,788</b>	<b>-</b>
<b>Off-Balance Sheet Interest Sensitivity Gap</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Interest Sensitivity Gap</b>	<b>-4,854,191</b>	<b>959,987</b>	<b>4,127,582</b>	<b>272,616</b>	<b>4,495,794</b>	<b>-5,001,788</b>	<b>-</b>

*Average interest rates on monetary financial instruments:*

<b>Current Period</b>	<b>Euro</b>	<b>US\$</b>	<b>Yen</b>	<b>YTL</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Assets</b>				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	1.13	-	-	-
Banks and Other Financial Institutions	1.99	3.70	-	15.93
Trading Securities	5.39	6.59	-	15.27
Interbank Money Market Placements	-	-	-	-
Investment Securities Available-for-Sale	5.70	6.14	-	19.71
Loans	5.67	6.89	-	30.56
Investment Securities Held-to-Maturity	9.54	9.80	-	15.88
<b>Liabilities</b>				
Bank Deposits	2.22	6.13	-	15.69
Other Deposits	1.50	2.27	-	14.20
Interbank Money Market Takings	-	-	-	-
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	-
Other Fundings	3.03	4.71	-	15.18

***Interest rate mismatch for the Bank “Interest rate sensitivity of assets, liabilities and off balance sheet items based on repricing dates”:***

<b>Prior Period</b>	<b>Up to 1 Month</b>	<b>1-3 Months</b>	<b>3-6 Months</b>	<b>6-12 Months</b>	<b>1 Year and Over</b>	<b>Non-Interest Bearing</b>	<b>Total</b>
<b>Assets</b>							
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	1,089,197	9,252	-	-	-	192,482	1,290,931
Banks and Other Financial Institutions	138,820	42,894	408	-	-	61,472	243,594
Trading Securities	2,668	5,190	124,240	52,356	90,016	1,352	275,822
Interbank Money Market Placements	-	-	-	-	-	-	-
Investment Securities Available-for-Sale	85,298	1,980,920	1,125,333	515,047	1,602,540	71,922	5,381,060
Loans	3,517,148	1,000,310	1,218,791	1,298,578	3,278,260	188,289	10,501,376
Investment Securities Held-to-Maturity	14,184	699,671	1,458,183	287,865	1,145,796	-	3,605,699
Other Assets	1,115,897	292,932	150,001	84,502	234,212	3,091,891	4,969,435
<b>Total Assets</b>	<b>5,963,212</b>	<b>4,031,169</b>	<b>4,076,956</b>	<b>2,238,348</b>	<b>6,350,824</b>	<b>3,607,408</b>	<b>26,267,917</b>
<b>Liabilities</b>							
Bank Deposits	451,831	72,494	15,786	6,000	42,050	53,760	641,921
Other Deposits	8,810,041	2,449,505	329,477	261,627	97,830	5,021,840	16,970,320
Interbank Money Market Takings	525,173	50,232	41,640	103,412	253,999	-	974,456
Miscellaneous payables	-	-	-	-	-	71,032	71,032
Securities Issued	-	-	-	-	-	-	-
Other Fundings	45,145	192,615	265,989	1,905,541	1,138,456	-	3,547,746
Other Liabilities	182,844	27,825	6,204	8,165	15,439	3,821,965	4,062,442
<b>Total Liabilities</b>	<b>10,015,034</b>	<b>2,792,671</b>	<b>659,096</b>	<b>2,284,745</b>	<b>1,547,774</b>	<b>8,968,597</b>	<b>26,267,917</b>
<b>On Balance Sheet Interest Sensitivity Gap</b>	<b>-4,051,822</b>	<b>1,238,498</b>	<b>3,417,860</b>	<b>-46,397</b>	<b>4,803,050</b>	<b>-5,361,189</b>	<b>-</b>
<b>Off-Balance Sheet Interest Sensitivity Gap</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Interest Sensitivity Gap</b>	<b>-4,051,822</b>	<b>1,238,498</b>	<b>3,417,860</b>	<b>-46,397</b>	<b>4,803,050</b>	<b>-5,361,189</b>	<b>-</b>

***Average interest rates on monetary financial instruments:***

<b>Prior Period</b>	<b>Euro</b>	<b>US\$</b>	<b>Yen</b>	<b>YTL</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
<b>Assets</b>				
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	1.10	1.10	-	-
Banks and Other Financial Institutions	2.14	2.65	-	19.85
Trading Securities	7.10	7.80	-	20.20
Interbank Money Market Placements	-	-	-	-
Investment Securities Available-for-Sale	7.40	5.40	-	26.10
Loans	7.05	6.47	-	35.77
Investment Securities Held-to-Maturity	9.60	10.10	-	19.30
<b>Liabilities</b>				
Bank Deposits	4.17	4.14	-	19.72
Other Deposits	2.72	1.99	-	18.28
Interbank Money Market Takings	2.91	4.05	-	18.59
Miscellaneous Payables	-	-	-	-
Securities Issued	-	-	-	-
Other Fundings	2.90	3.20	-	18.90

### **3.7 Liquidity risk**

In order to avoid the liquidity risk, the Bank diverts funding sources as customer deposits and foreign borrowings, looks after the maturity mismatch between assets and liabilities and maintains liquid assets to guarantee sufficient liquidity during market fluctuations.

While the Bank's short term liquidity need is met mainly with deposits, its long term liquidity is provided through foreign funding sources such as syndication and securitisation transactions. There are no significant idle liquidity sources.



***Maturity analysis of assets and liabilities (according to remaining maturities):***

	Demand	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	Undistributed	Total
<b>Current Period</b>								
<b>Assets</b>								
Cash (Cash on Hand, Money in Transit, Purchased Cheques) and Balances with the Central Bank of Turkey	1,779,962	15,985	-	-	-	-	-	1,795,947
Banks and Other Financial Institutions	103,499	382,751	36,623	-	-	-	-	522,873
Trading Securities	20,637	4,493	37	833	29,467	240,285	-	295,752
Interbank Money Market Placements	-	-	-	-	-	-	-	-
Investment Securities Available-for-Sale	62,807	261,425	2,934	721,778	1,588,518	4,519,038	-	7,156,500
Loans	-	5,035,103	881,343	1,653,291	1,998,750	4,952,854	220,226	14,741,567
Investment Securities Held-to-Maturity	-	3,387	264,530	-	1,411,190	987,202	-	2,666,309
Other Assets	5,739	1,599,430	34,471	45,299	154,274	237,212	3,069,410	5,145,835
<b>Total Assets</b>	<b>1,972,644</b>	<b>7,302,574</b>	<b>1,219,938</b>	<b>2,421,201</b>	<b>5,182,199</b>	<b>10,936,591</b>	<b>3,289,636</b>	<b>32,324,783</b>
<b>Liabilities</b>								
Bank Deposits	274,438	241,647	44,617	10,613	32,425	21,420	-	625,160
Other Deposits	5,599,373	10,654,877	2,417,105	487,933	240,848	57,344	-	19,457,480
Other Fundings	-	120,354	932,373	190,585	1,522,801	2,338,908	-	5,105,021
Interbank Money Market Takings	-	1,259,889	397,810	-	50,000	265,199	-	1,972,898
Securities Issued	-	-	-	-	-	-	-	-
Miscellaneous Payables	116,792	-	-	-	-	-	-	116,792
Other Liabilities (**)	-	302,194	49,946	81,964	322,385	23,217	4,267,726	5,047,432
<b>Total Liabilities</b>	<b>5,990,603</b>	<b>12,578,961</b>	<b>3,841,851</b>	<b>771,095</b>	<b>2,168,459</b>	<b>2,706,088</b>	<b>4,267,726</b>	<b>32,324,783</b>
<b>Net Liquidity Gap</b>	<b>-4,017,959</b>	<b>-5,276,387</b>	<b>-2,621,913</b>	<b>1,650,106</b>	<b>3,013,740</b>	<b>8,230,503</b>	<b>-978,090</b>	<b>-</b>
<b>Prior Period</b>								
<b>Total Assets</b>	<b>332,525</b>	<b>5,904,085</b>	<b>1,347,965</b>	<b>2,379,239</b>	<b>2,339,420</b>	<b>10,684,503</b>	<b>3,280,180</b>	<b>26,267,917</b>
<b>Total Liabilities</b>	<b>5,146,632</b>	<b>10,015,033</b>	<b>2,792,671</b>	<b>659,096</b>	<b>2,284,745</b>	<b>1,547,775</b>	<b>3,821,965</b>	<b>26,267,917</b>
<b>Net Liquidity Gap</b>	<b>-4,814,107</b>	<b>-4,110,948</b>	<b>-1,444,706</b>	<b>1,720,143</b>	<b>54,675</b>	<b>9,136,728</b>	<b>-541,785</b>	<b>-</b>

(\*) Certain assets on the balance sheet that are necessary for the banking operations but not convertible into cash in short period such as tangible assets, investments in associates and subsidiaries, stationary supplies, prepaid expenses and loans under follow-up, are included in this column.

(\*\*) Shareholders' Equity is included in "Other liabilities" line under "Undistributed" column.

**3.8 Fair values of financial assets and liabilities**

Not prepared in compliance with Article 51 of the statement no.17 of “Regulation on Accounting Standards”.

**3.9 Transactions carried out on behalf of customers, items held in trust**

Not prepared in compliance with Article 51 of the statement no.17 of “Regulation on Accounting Standards”.

**3.10 Disclosure on segment operations**

Not prepared in compliance with Article 51 of the statement no.17 of “Regulation on Accounting Standards”.

## 4 Disclosures and footnotes on unconsolidated financial statements

### 4.1 Assets

#### 4.1.1 Balances with the Central Bank of Turkey

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Unrestricted Demand Deposits	93	1,598,401	342	988,306
Unrestricted Time Deposits	-	15,984	-	109,801
<b>Total</b>	<b>93</b>	<b>1,614,385</b>	<b>342</b>	<b>1,098,107</b>

#### 4.1.2 Further information on trading securities (presented at net value)

##### 4.1.2.1 Trading securities given as collateral or blocked

None.

##### 4.1.2.2 Trading securities subject to repurchase agreements

None.

#### 4.1.3 Due from foreign banks

Not prepared in compliance with Article 51 of the statement no.17 of “Regulation on Accounting Standards”.

#### 4.1.4 Receivables from reverse repurchase agreements

Not prepared in compliance with Article 51 of the statement no.17 of “Regulation on Accounting Standards”.

#### 4.1.5 Investment securities available-for-sale

##### 4.1.5.1 Investment securities available-for-sale

Investment securities available-for-sale consist of debt securities, investment funds and shares.

##### 4.1.5.2 Details of investment securities available-for-sale

	Current Period	Prior Period
<b>Debt Securities</b>	<b>7,098,325</b>	<b>5,313,145</b>
Quoted at Stock Exchange	6,221,509	4,425,681
Not Quoted at Stock Exchange	876,816	887,464
<b>Common Stocks</b>	<b>59,086</b>	<b>72,036</b>
Quoted at Stock Exchange	11,191	24,141
Not Quoted at Stock Exchange	47,895	47,895
<b>Impairment Losses (-)</b>	<b>911</b>	<b>4,121</b>
<b>Total</b>	<b>7,156,500</b>	<b>5,381,060</b>

On 31 January 2005, the Bank sold its shares in Türkiye Sınai Kalkınma Bankası AŞ at a total selling price of YTL 7,574 thousands that were reflected at a net book value of YTL 5,817 thousands in its securities available-for-sale portfolio as at 31 December 2004.

**4.1.5.3 Investment securities available-for-sale given as collateral**

Collateralized investment securities available-for-sale in YTL include government bonds. Carrying values of such securities with total nominal value of YTL 397,356 thousands, is YTL 398,810 thousands. The related accrued interest amounts to YTL 17,303 thousands.

Collateralized investment securities available-for-sale in foreign currencies include eurobonds and other foreign currency government securities. Carrying values of such securities with total nominal value of US\$ 403,020,000, are US\$ 396,410,919. The related accrued interest amounts to US\$ 16,815,505.

**4.1.5.4 Investment securities available-for-sale given as collateral or blocked**

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Common stocks	-	-	-	-
Bills, bonds and other securities	398,810	525,641	2,289	8,070
Others	-	-	-	-
<b>Total</b>	<b>398,810</b>	<b>525,641</b>	<b>2,289</b>	<b>8,070</b>

**4.1.5.5 Investment securities available for sale subject to repurchase agreements**

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Government Bonds	1,229,182	624,847	283,236	31,506
Treasury Bills	-	-	-	-
Other Debt Securities	-	-	-	-
Bonds Issued or Guaranteed by Banks	-	-	-	-
Asset Backed Securities	-	-	-	-
Others	-	-	-	-
<b>Total</b>	<b>1,229,182</b>	<b>624,847</b>	<b>283,236</b>	<b>31,506</b>

**4.1.6 Loans**

**4.1.6.1 Loans and advances to shareholders and employees of the Bank**

	Current Period		Prior Period	
	Cash Loans	Non-Cash Loans	Cash Loans	Non-Cash Loans
<b>Direct Lendings to Shareholders</b>	<b>54,375</b>	<b>178,761</b>	<b>55,760</b>	<b>189,462</b>
Corporates	54,375	178,761	55,760	189,462
Individuals	-	-	-	-
<b>Indirect Lendings to Shareholders</b>	<b>193,458</b>	<b>983</b>	<b>180,068</b>	<b>8,510</b>
<b>Loans to Employees</b>	<b>27,916</b>	<b>-</b>	<b>22,139</b>	<b>-</b>
<b>Total</b>	<b>275,749</b>	<b>179,744</b>	<b>257,967</b>	<b>197,972</b>

**4.1.6.2 Loans and other receivables classified in groups I and II and restructured or rescheduled**

Cash Loans	Performing Loans and Other Receivables (Group I)		Loans under Follow-Up and Other Receivables (Group II)	
	Loans and Other Receivables	Restructured or Rescheduled	Loans and Other Receivables	Restructured or Rescheduled
<b>Loans</b>	<b>14,475,613</b>	-	-	<b>45,728</b>
Discounted Bills	50,523	-	-	-
Export Loans	1,576,436	-	-	33,078
Import Loans	14,071	-	-	-
Loans to Financial Sector	173,204	-	-	-
Foreign Loans	393,275	-	-	-
Consumer Loans	2,158,310	-	-	-
Credit Cards	3,409,812	-	-	-
Precious Metal Loans (Gold, etc...)	87,854	-	-	-
Other	6,612,128	-	-	12,650
<b>Specialization Loans</b>	-	-	-	-
<b>Other Receivables</b>	<b>2,246,153</b>	-	-	-
<b>Total</b>	<b>16,721,766</b>	-	-	<b>45,728</b>

**4.1.6.3 Maturity analysis of cash loans**

Not prepared in compliance with Article 51 of the statement no.17 of “Regulation on Accounting Standards”.

**4.1.6.4 Consumer loans, retail credit cards, personnel loans and personnel credit cards:**

	Short-Term	Medium and Long Term	Total	Accrued Interest and Income
<b>Consumer Loans – YTL</b>	<b>161,721</b>	<b>1,694,086</b>	<b>1,855,807</b>	<b>16,422</b>
Housing Loans	5,604	773,618	779,222	5,576
Automobile Loans	28,586	491,477	520,063	4,079
Consumer Loans	127,531	428,991	556,522	6,767
Other	-	-	-	-
<b>Consumer Loans – FC-indexed</b>	<b>9,278</b>	<b>277,581</b>	<b>286,859</b>	<b>11,728</b>
Housing Loans	1,695	222,627	224,322	10,987
Automobile Loans	2,840	42,245	45,085	418
Consumer Loans	4,743	12,709	17,452	323
Other	-	-	-	-
<b>Consumer Loans - FC</b>	<b>43</b>	<b>2,351</b>	<b>2,394</b>	<b>-</b>
Housing Loans	-	230	230	-
Automobile Loans	20	2,033	2,053	-
Consumer Loans	23	88	111	-
Other	-	-	-	-
<b>Retail Credit Cards - YTL</b>	<b>3,340,710</b>	<b>-</b>	<b>3,340,710</b>	<b>32,945</b>
Installment based	1,310,728	-	1,310,728	12,913
Other Credit Cards	2,029,982	-	2,029,982	20,032
<b>Retail Credit Cards - FC</b>	<b>24,216</b>	<b>-</b>	<b>24,216</b>	<b>239</b>
Installment based	-	-	-	-
Other Credit Cards	24,216	-	24,216	239
<b>Personnel Loans - YTL</b>	<b>5,463</b>	<b>7,516</b>	<b>12,979</b>	<b>143</b>
Housing Loan	-	347	347	3
Automobile Loans	5	104	109	1
Consumer Loans	5,458	7,065	12,523	139
Other	-	-	-	-
<b>Personnel Loans - FC-indexed</b>	<b>-</b>	<b>256</b>	<b>256</b>	<b>25</b>
Housing Loans	-	153	153	12
Automobile Loans	-	70	70	-
Consumer Loans	-	33	33	13
Other	-	-	-	-
<b>Personnel Loans - FC</b>	<b>14</b>	<b>1</b>	<b>15</b>	<b>-</b>
Housing Loans	-	-	-	-
Automobile Loans	-	-	-	-
Consumer Loans	14	1	15	-
Other	-	-	-	-
<b>Personnel Credit Cards - YTL</b>	<b>9,379</b>	<b>-</b>	<b>9,379</b>	<b>92</b>
Installment based	5,481	-	5,481	54
Other Credit Cards	3,898	-	3,898	38
<b>Personnel Credit Cards - FC</b>	<b>53</b>	<b>-</b>	<b>53</b>	<b>1</b>
Installment Based	-	-	-	-
Other Credit Cards	53	-	53	1
<b>Total</b>	<b>3,550,877</b>	<b>1,981,791</b>	<b>5,532,668</b>	<b>61,595</b>

**4.1.6.5 Installment based commercial loans and corporate credit cards**

	Short-Term	Medium and Long Term	Total	Accrued Interest and Income
<b>Installment Based Commercial Loans – YTL</b>	<b>170,259</b>	<b>578,967</b>	<b>749,226</b>	<b>6,393</b>
Housing Loans	1,906	43,735	45,641	362
Automobile Loans	62,363	380,564	442,927	3,451
Consumer Loans	105,990	154,668	260,658	2,580
Other	-	-	-	-
<b>Installment Based Commercial Loans - FC-indexed</b>	<b>32,444</b>	<b>107,857</b>	<b>140,301</b>	<b>2,245</b>
Housing Loans	829	18,738	19,567	904
Automobile Loans	3,542	67,539	71,081	607
Consumer Loans	28,073	21,580	49,653	734
Other	-	-	-	-
<b>Installment-based Commercial Loans – FC</b>	<b>13</b>	<b>119</b>	<b>132</b>	<b>-</b>
Housing Loans	-	119	119	-
Automobile Loans	-	-	-	-
Consumer Loans	13	-	13	-
Other Consumer Loans	-	-	-	-
<b>Corporate Credit Cards – YTL</b>	<b>34,065</b>	<b>-</b>	<b>34,065</b>	<b>336</b>
Installment based	-	-	-	-
Other Credit Cards	34,065	-	34,065	336
<b>Corporate Credit Cards – FC</b>	<b>1,389</b>	<b>-</b>	<b>1,389</b>	<b>14</b>
Installment based	-	-	-	-
Other Credit Cards	1,389	-	1,389	14
<b>Total</b>	<b>238,170</b>	<b>686,943</b>	<b>925,113</b>	<b>8,988</b>

**4.1.6.6 Allocation of loan customers**

Not prepared in compliance with Article 51 of the statement no.17 of “Regulation on Accounting Standards”.

**4.1.6.7 Allocation of domestic and foreign loans**

	Current Period	Prior Period
Domestic Loans	14,128,065	9,815,392
Foreign Loans	393,276	497,695
<b>Total</b>	<b>14,521,341</b>	<b>10,313,087</b>

**4.1.6.8 Loans to investments, associates and subsidiaries**

	Current Period	Prior Period
Direct Lendings	52,686	97,433
Indirect Lendings	-	-
<b>Total</b>	<b>52,686</b>	<b>97,433</b>

**4.1.6.9 Specific provisions for loans**

Specific Provisions	Current Period	Prior Period
Substandard Loans and Receivables - Limited Collectibility	15,154	161
Doubtful Loans and Receivables	52,177	565
Uncollectible Loans and Receivables	397,213	242,811
<b>Total</b>	<b>464,544</b>	<b>243,537</b>

**4.1.6.10 Non-performing loans(NPLs) (Net)**

*Non-performing loans and other receivables restructured or rescheduled:*

	Group III Substandard Loans and Receivables	Group IV Doubtful Loans and Receivables	Group V Uncollectible Loans and Receivables
<b>Current Period</b>			
Restructured Loans and Receivables	-	-	44,234
Rescheduled Loans and Receivables	-	-	-
<b>Prior Period</b>			
Restructured Loans and Receivables	-	-	-
Rescheduled Loans and Receivables	-	-	-

*Movements in non-performing loan groups:*

	Group III Substandard Loans and Receivables	Group IV Doubtful Loans and Receivables	Group V Uncollectible Loans and Receivables
<b>Balances at Beginning of Period</b>	<b>3,160</b>	<b>3,970</b>	<b>424,696</b>
Additions (+)	79,374	46,426	207,917
Transfer from Other NPL Categories (+)	-	63,165	7,129
Transfer to Other NPL Categories (-)	6,762	7,129	58,318
Collections (-)	-	159	22,710
Write-offs (-)	-	-	55,989
Restatement Effects of Inflationary Accounting (-)	-	-	-
<b>Balances at End of Period</b>	<b>75,772</b>	<b>106,273</b>	<b>502,725</b>
Specific Provisions (-)	15,154	52,177	397,213
<b>Net Balance on Balance Sheet</b>	<b>60,618</b>	<b>54,096</b>	<b>105,512</b>

*Non-performing loans in foreign currencies:*

None.



**4.1.6.11 Liquidation policy for uncollectible loans and receivables**

Not prepared in compliance with Article 51 of the statement no.17 of “Regulation on Accounting Standards”.

**4.1.7 Factoring receivables**

Not prepared in compliance with Article 51 of the statement no.17 of “Regulation on Accounting Standards”.

**4.1.8 Investment securities held-to-maturity (net)**

**4.1.8.1 Investment securities held-to-maturity**

	Current Period	Prior Period
<b>Debt Securities</b>	<b>2,680,115</b>	<b>3,613,978</b>
Quoted at Stock Exchange	403,570	1,115,612
Not Quoted at Stock Exchange	2,276,545	2,498,366
<b>Impairment Losses (-)</b>	<b>13,806</b>	<b>8,279</b>
<b>Total</b>	<b>2,666,309</b>	<b>3,605,699</b>

**4.1.8.2 Movement of investment securities held-to-maturity**

	Current Period	Prior Period
<b>Balances at Beginning of Period</b>	<b>3,605,699</b>	<b>5,167,181</b>
Foreign Currency Differences On Monetary Assets	-80,182	-44,707
Purchases during the Period	988	1,491,943
Disposals through Sales/Redemptions	-854,669	-2,416,482
Impairment Losses (-)	5,527	8,279
Restatements Effects of Inflationary Accounting (-)	-	583,957
<b>Balances at End of Period</b>	<b>2,666,309</b>	<b>3,605,699</b>

**4.1.8.3 Information on investment securities held-to-maturity**

Current Period	Historical Costs		Valuation	
	YTL	FC	YTL	FC
Collateralised/Blocked Securities	-	19,086	-	18,803
Securities subject to Repurchase Agreements	65,456	347,278	68,007	341,738
Securities held for “Structural” Position	-	-	-	-
Receivable from Security Lending Market	-	-	-	-
Guarantees to Security Lending Market	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>65,456</b>	<b>366,364</b>	<b>68,007</b>	<b>360,541</b>

Prior Period	Historical Costs		Valuation	
	YTL	FC	YTL	FC
Collateralised securities	370,706	1,196,247	381,971	1,239,247
Securities subject to Repurchase Agreements	66,002	540,628	66,269	538,755
Securities held for "Structural" Position	-	-	-	-
Receivable from Security Lending Market	-	-	-	-
Guarantees to Security Lending Market	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>436,708</b>	<b>1,736,875</b>	<b>448,240</b>	<b>1,778,002</b>

***Investment securities held-to-maturity given as collateral:***

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Share Certificates	-	-	-	-
Bonds and Similar Securities	-	19,086	370,706	1,196,247
Other	-	-	-	-
<b>Total</b>	<b>-</b>	<b>19,086</b>	<b>370,706</b>	<b>1,196,247</b>

Above securities are held for legal obligations and transaction limits.

***Investment securities held-to-maturity subject to repurchase agreements:***

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Government Bonds	65,456	347,278	66,002	540,628
Treasury Bill	-	-	-	-
Other Debt Securities	-	-	-	-
Bonds Issued or Guaranteed by Banks	-	-	-	-
Asset Backed Securities	-	-	-	-
Other	-	-	-	-
<b>Total</b>	<b>65,456</b>	<b>347,278</b>	<b>66,002</b>	<b>540,628</b>

***Investment securities held-to-maturity held for "structural" position:***

None.

#### 4.1.9 Investments in associates (Net)

##### 4.1.9.1 Investments in associates

	Associate	Address (City/ Country)	Bank's Share – If Different, Voting Rights (%)	Bank's Risk Group Share (%)
1	Bankalararası Kart Merkezi AŞ <sup>(1)</sup>	Istanbul/Turkey	10.15	10.15
2	Tansaş Perakende Mağazacılık AŞ <sup>(2)</sup>	Izmir/ Turkey	27.21	50.36
3	Garanti Turizm Yatırım ve İşletmeleri AŞ	Istanbul/Turkey	43.33	100.00
4	Doc Finance SA	Geneve/Switzerland	29.00	100.00

	Total Assets	Shareholders' Equity	Total Tangible and Intangible Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value (if available)
1	7,785	7,018	3,321	115	-	198	-	-
2	483,817	198,903	170,126	5,490	1,474	1,974	-396,983	708,851
3	71,247	51,641	48,668	25	-	388	-77,076	-
4	71,523	15,923	44	4,776	-	1,171	-722	-

(1) Financial statements are as of 30 June 2005.

(2) Financial statements are as of 30 June 2005, but fair value information is as of 30 September 2005.

##### 4.1.9.2 Movement of investments in associates

	Current Period	Prior Period
<b>Balance at Beginning of Period</b>	<b>159,640</b>	<b>321,141</b>
<b>Movements during the Period</b>	<b>63,960</b>	<b>-161,501</b>
Acquisitions and Participations in Capital Increases	21,978	-
Bonus Shares Received	-	12,580
Dividends from Current Year Profit	-	-
Sales/Liquidations	-	-121,567
Reclassifications	-	-
Increase/Decrease in Market Values	46,809	-30,546
Currency Differences on Foreign Associates	-552	-451
Impairment Losses (-)	4,275	21,517
<b>Balance at End of Period</b>	<b>223,600</b>	<b>159,640</b>
<b>Capital Commitments</b>	-	-
<b>Share Percentage at the End of Period (%)</b>	-	-

Impairment losses amounting to YTL 4,275 thousands in the current period are calculated based on the equity accounting results of associates.

##### *Valuation methods of investments in associates:*

Investments in Associates	Current Period	Prior Period
Valued at Cost	1,177	1,177
Valued at Fair Value	192,893	124,106
Valued by Equity Method of Accounting	29,530	34,357

***Sectoral distribution of investments and associates:***

Not prepared in compliance with Article 51 of the statement no.17 of “Regulation on Accounting Standards”.

***Quoted associates:***

<b>Associates</b>	<b>Current Period</b>	<b>Prior Period</b>
Quoted at Domestic Stock Exchange	192,893	124,106
Quoted at International Stock Exchanges	-	-

***Investments in associates sold during the current period:***

<b>Company</b>	<b>Selling Price</b>	<b>Market or Stock Exchange Price per Share at Selling Date</b>	<b>Cash/Term Sale</b>
İksir Ul. Elekt.Tic. Bilg. ve Hab. Hiz. AŞ	3,458	-	Term sale

In the current period, the Bank sold its shares in İksir Uluslararası Elektronik Ticaret Bilgilendirme ve Haberleşme Hizmetleri AŞ, a non-financial subsidiary at a price of YTL 2,435 thousands to E Haber Ajansı Reklam ve Ticaret AŞ, a related company.

Following the completion of the merger of the Bank with Ana Konut Danışmanlık AŞ on 28 September 2005, the shares of İksir Uluslararası Elektronik Ticaret Bilgilendirme ve Haberleşme Hizmetleri AŞ transferred to the Bank were sold to the same company mentioned above at a price of YTL 1,023 thousands on a term sale.

***Investments in associates acquired during the current period:***

The shares of Tansaş Perakende Mağazacılık Ticaret AŞ (Tansaş) at a market price of YTL 21,978 thousands are included in “acquisitions and participations in capital increases” line of the movement schedule above as acquired through the Bank’s merger with Ana Konut Danışmanlık AŞ on 28 September 2005. Accordingly, The Bank’s share in Tansaş increased to 27.21%.

#### 4.1.10 Investments in subsidiaries (Net)

##### 4.1.10.1 Investments in subsidiaries

	Subsidiary	Address (City/ Country)	Bank's Share – If Different, Voting Rights (%)	Bank's Risk Group Share (%)
1	Lasas Lastik San. Ve Tic. AŞ	Istanbul/Turkey	99.99	99.99
2	Garanti Bilişim Teknolojisi Ve Tic. AŞ	Istanbul/Turkey	100.00	100.00
3	Doğuş Hava Taşımacılığı AŞ	Istanbul/Turkey	96.49	100.00
4	Garanti Ödeme Sistemleri AŞ <sup>(2)</sup>	Istanbul/Turkey	99.92	100.00
5	Doğuş Hiz. Yön. Ve Org. Danış AŞ	Istanbul/Turkey	93.40	100.00
6	Doğuş Turizm Sağlık Yat. İşlt. Tic. AŞ	Istanbul/Turkey	100.00	100.00
7	Sititur Turizm Taşımacılık Org. AŞ	Istanbul/Turkey	99.95	100.00
8	Galata Araştırma Yayıncılık Tanıtım Ve Bilişim Teknoloji Hizmetleri AŞ	Istanbul/Turkey	100.00	100.00
9	Voyager Mediterranean Turizm End.ve Tic. AŞ	Istanbul/Turkey	77.00	100.00
10	Garanti Finansal Kiralama AŞ <sup>(2)</sup>	Istanbul/Turkey	94.10	98.93
11	Garanti Faktoring Hiz. AŞ <sup>(1)</sup>	Istanbul/Turkey	55.40	55.40
12	Garanti Yatırım Menkul Kıymetler AŞ <sup>(2)</sup>	Istanbul/Turkey	100.00	100.00
13	Garanti Portföy Yönetimi AŞ <sup>(2)</sup>	Istanbul/Turkey	100.00	100.00
14	Garanti Sigorta AŞ <sup>(2)</sup>	Istanbul/Turkey	100.00	100.00
15	Garanti Emeklilik AŞ <sup>(2)</sup>	Istanbul/Turkey	99.91	100.00
16	Garanti Gayrimenkul Yatırım Ortaklığı AŞ <sup>(1)</sup>	Istanbul/Turkey	50.98	50.98
17	Garanti Bank International NV <sup>(2)</sup>	Amsterdam/Holland	100.00	100.00
18	Garanti Bank Moscow <sup>(2)</sup>	Moscow/Russia	78.35	99.85
19	Garanti Financial Services Plc <sup>(2)</sup>	Dublin/Ireland	99.99	100.00
20	Garanti Fund Management Co. Ltd <sup>(2)</sup>	Valetta/Malta	99.99	100.00

	Total Assets	Shareholders' Equity	Total Tangible and Intangible Assets	Interest Income	Income on Securities Portfolio	Current Period Profit/Loss	Prior Period Profit/Loss	Company's Fair Value (if available)
1	50,388	38,328	35,448	41	32	-2,185	-13,721	-
2	9,904	7,475	963	21	529	1,079	-96,240	-
3	13,705	13,369	-	-	27	-56	-123,084	-
4	7,308	2,996	549	-	312	330	583	-
5	1,168	1,134	20	10	10	815	115	-
6	212,184	193,375	203,878	28	-	-540	3,781	-
7	87,235	84,990	83,150	-	-	-1,918	-60,770	-
8	245	175	-	2	-	31	-186	-
9	30,775	25,360	21,242	64	-	729	-98,191	-
10	629,093	99,308	18,385	36,495	302	10,939	-13,086	-
11	132,763	22,354	442	7,312	45	1,783	-	44,550
12	18,889	16,926	3,465	5	1,542	1,781	-27,630	-
13	15,283	14,046	3,617	65	853	766	2,384	-
14	178,858	61,778	17,414	2,908	2,859	8,277	-24,269	-
15	148,724	25,598	4,874	1,509	1,396	-4,149	-29,445	-
16	123,011	85,587	67,793	384	2,584	1,818	403	126,936
17	3,255,014	277,036	57,750	66,820	33,469	17,013	3,569	-
18	285,615	50,756	1,084	4,093	4,881	1,605	5,322	-
19	10,554	10,148	-	171	-	-180	6,798	-
20	101	-525	-	6	-	-410	-383	-

(1) Financial statements are as of 30 June 2005, but fair value information is as of 30 September 2005.

(2) Financial statements are as of 30 June 2005.

#### 4.1.10.2 Movement of subsidiaries

	Current Period	Prior Period
<b>Balance at Beginning of Period</b>	<b>1,394,851</b>	<b>1,464,248</b>
<b>Movements during the Period</b>	<b>-302,553</b>	<b>-69,397</b>
Acquisitions and Participations in Capital Increases	23,089	20,829
Bonus Shares Received	-	-
Dividends from Current Year Profit	-	-
Sales/Liquidations	-319,674	-6,911
Reclassifications	-	-
Increase/Decrease in Market Values	32,921	24,918
Currency Differences on Foreign Subsidiaries	-35,450	-31,520
Impairment Losses (-)	3,439	76,713
<b>Balance at End of Period</b>	<b>1,092,298</b>	<b>1,394,851</b>
<b>Capital Commitments</b>	<b>12,000</b>	<b>19,302</b>
<b>Share Percentage at the End of Period (%)</b>	<b>-</b>	<b>-</b>

Impairment losses amounting to YTL 3,439 thousands in the current period are calculated based on the equity accounting results of subsidiaries.

***Valuation methods of subsidiaries:***

<b>Subsidiaries</b>	<b>Current Period</b>	<b>Prior Period</b>
Valued at Cost	665,705	677,862
Valued at Fair Value	89,394	56,473
Valued by Equity Method of Accounting	337,199	660,516

***Sectoral distribution of subsidiaries:***

Not prepared in compliance with Article 51 of the statement no.17 of “Regulation on Accounting Standards”.

***Quoted subsidiaries:***

<b>Subsidiaries</b>	<b>Current Period</b>	<b>Prior Period</b>
Quoted at Domestic Stock Exchanges	89,394	56,473
Quoted at International Stock Exchanges	-	-

***Subsidiaries disposed during the current period:***

<b>Company</b>	<b>Selling Price</b>	<b>Market or Stock Exchange Price per Share at Selling Date</b>	<b>Cash/Term Sale</b>
Konaklı Turizm Temizlik Taşımacılık Org. Bilgisayar Danışmanlık Yapı ve Tic. AŞ	EUR 6,598,019.34	-	Term sale
Petrotrans Nakliyat Tic. AŞ	US\$ 10,000,000	-	Cash

In the current period, the Bank completed the sale of its shares in Konaklı Temizlik Taşımacılık Org. Bilgisayar Danışmanlık Yapı ve Tic. AŞ, a non-financial subsidiary at a net book value of YTL 11,507 thousands, at a price determined according to the company’s balance sheet at the selling date.

On 23 March 2005, the Bank signed a Term Sale Agreement to sell its shares in Petrotrans Nakliyat Ticaret AŞ, a non-financial subsidiary at a net book value of YTL 9,782 thousands as at 31 March 2005, at a total selling price of USD 10 millions of which USD 9 millions will be collected according to the payment periods agreed. In compliance with this Agreement, following the collection of the installments set the transfer of shares took place as of 30 June 2005.

The liquidation processes of Doğu İnsan Gücü AŞ and Bosphorus Financial Services Ltd that the Bank had interest of 64.10% and 99.99% respectively, have been completed and the participations have been disposed as of 30 September 2005.

Following the merger of the Bank with Ana Konut Danışmanlık AŞ on 28 September 2005, the participation in this non-financial subsidiary with a net book value of YTL 297,597 thousands is included in “sales/liquidations” line of the movement schedule above.

***Subsidiaries acquired during the current period:***

Acquisitions included in the movement schedule above, resulted from participations in capital increases of existing subsidiaries.

#### **4.1.11 Other investments (Net)**

Not prepared in compliance with Article 51 of the statement no.17 of “Regulation on Accounting Standards”.

#### **4.1.12 Financial lease receivables (Net)**

##### **4.1.12.1 Maturity analysis of financial lease receivables**

None.

##### **4.1.12.2 Net investment for financial lease**

Not prepared in compliance with Article 51 of the statement no.17 of “Regulation on Accounting Standards”.

##### **4.1.12.3 Financial lease agreements**

Not prepared in compliance with Article 51 of the statement no.17 of “Regulation on Accounting Standards”.

#### **4.1.13 Receivables on term sales of assets included in “Miscellaneous Receivables”**

Not prepared in compliance with Article 51 of the statement no.17 of “Regulation on Accounting Standards”.

#### **4.1.14 Accrued interest and income**

##### **4.1.14.1 Accrued interest and income on loans**

<b>Accrued Interest and Income on Loans</b>	<b>Current Period</b>		<b>Prior Period</b>	
	<b>YTL</b>	<b>FC</b>	<b>YTL</b>	<b>FC</b>
Uncollected Interest Income	4,397	887	3,093	1,824
Interest Income Accruals	87,988	105,762	61,041	90,774
Uncollected Commissions and Other Income	394	61	201	180
Commissions and Other Income Accruals	7,054	582	6,087	854
<b>Total</b>	<b>99,833</b>	<b>107,292</b>	<b>70,422</b>	<b>93,632</b>



**4.1.14.2 Other accrued interest and income**

Other Accrued Interest and Income Receivable on	Current Period		Prior Period	
	YTL	FC	YTL	FC
Trading Securities	128	2,018	2,149	1,294
Investment Securities Available-for-Sale	112,908	88,595	117,005	82,467
Investment Securities Held-to-Maturity	15,187	95,450	22,148	62,178
Reverse Repurchase Agreements	-	-	-	-
Reserve Deposits	14,773	2,597	12,811	2,073
Financial Derivative Instruments:	1,532	14,920	1,006	64,540
<i>Interest and Income Accruals</i>	53	13,999	232	5,436
<i>Income Accruals for Foreign Exchange Gains</i>	1,479	921	774	59,104
Financial Leases	-	-	-	-
Other	10,409	872	12,094	740
<b>Total</b>	<b>154,937</b>	<b>204,452</b>	<b>167,213</b>	<b>213,292</b>

**4.1.15 Tangible assets (Net)**

Not prepared in compliance with Article 51 of the statement no.17 of “Regulation on Accounting Standards”.

**4.1.16 Intangible assets**

Not prepared in compliance with Article 51 of the statement no.17 of “Regulation on Accounting Standards”.

**4.1.17 Deferred tax assets**

**4.1.17.1 Timing differences, tax losses and tax deductions and exemptions**

As of 30 September 2005, the Bank had a deferred tax asset of YTL 31,597 thousands calculated as the net amount remaining after netting of tax deductible timing differences and taxable timing differences.

The Bank did not have any deferred tax assets on tax losses carried forward or tax deductions and exemptions as of 30 September 2005. However, there was a deferred tax asset of YTL 61,625 thousands and deferred tax liability of YTL 30,028 thousands presented as net in the accompanying financial statements on all taxable temporary differences arising between the carrying amounts and the taxable amounts of assets and liabilities on the financial statements that will be considered in the calculation of taxable earnings in the future periods. For the cases where such differences are related with certain items on the shareholders’ equity accounts, the deferred taxes are charged or credited directly to these accounts.

**4.1.17.2 Timing differences for which no deferred tax assets were calculated or recorded in the prior periods and their expiry dates, tax losses and tax deductions and exemptions**

None.

**4.1.17.3 Impairment provisions for deferred tax assets and deferred tax assets arising on reversal of impairment provisions**

None.

**4.1.18 Other assets**

**4.1.18.1 *Prepaid expenses, taxes and quasi-transactions***

Not prepared in compliance with Article 51 of the statement no.17 of “Regulation on Accounting Standards”.

**4.1.18.2 *Components of other liabilities, as each sub-account exceeding 20% of the total seperately, excluding off-balance sheet items exceeding 10% of total liabilities***

None.

## 4.2 Liabilities

### 4.2.1 Maturity profile of deposits

#### *Current Period*

	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over
<b>Saving Deposits</b>	<b>641,639</b>	-	<b>1,554,519</b>	<b>2,748,146</b>	<b>381,191</b>	<b>144,860</b>	<b>141,926</b>
<b>Foreign Currency Deposits</b>	<b>3,064,268</b>	-	<b>2,927,724</b>	<b>2,440,533</b>	<b>425,120</b>	<b>277,597</b>	<b>397,913</b>
Residents in Turkey	2,779,231	-	2,821,635	2,344,993	389,615	203,775	342,746
Residents Abroad	285,037	-	106,089	95,540	35,505	73,822	55,167
<b>Public Sector Deposits</b>	<b>58,424</b>	-	<b>28,164</b>	<b>57,187</b>	<b>306</b>	<b>38</b>	<b>39</b>
<b>Commercial Deposits</b>	<b>1,574,844</b>	-	<b>1,195,187</b>	<b>905,475</b>	<b>113,600</b>	<b>17,339</b>	<b>7,108</b>
<b>Other</b>	<b>256,358</b>	-	<b>21,226</b>	<b>57,841</b>	<b>995</b>	<b>1,931</b>	<b>154</b>
<b>Precious Metal Deposits</b>	<b>3,837</b>	-	<b>20</b>	<b>2,963</b>	-	<b>9,008</b>	-
<b>Bank Deposits</b>	<b>274,438</b>	-	<b>83,855</b>	<b>104,341</b>	<b>82,992</b>	<b>31,452</b>	<b>48,082</b>
Central Bank of Turkey	-	-	-	-	-	-	-
Domestic Banks	1,490	-	62,963	87,132	10,424	11,000	21,420
Foreign Banks	222,533	-	20,892	17,209	72,568	20,452	26,662
Special Purpose Financials Institutions	50,415	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total</b>	<b>5,873,808</b>	-	<b>5,810,695</b>	<b>6,316,486</b>	<b>1,004,204</b>	<b>482,225</b>	<b>595,222</b>

#### *Prior Period*

	Demand	7 Days Notice	Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over
<b>Saving Deposits</b>	<b>452,534</b>	-	<b>1,186,759</b>	<b>1,757,090</b>	<b>250,023</b>	<b>29,699</b>	<b>105,031</b>
<b>Foreign Currency Deposits</b>	<b>3,115,800</b>	-	<b>2,878,049</b>	<b>2,615,781</b>	<b>401,489</b>	<b>244,646</b>	<b>362,079</b>
Residents in Turkey	2,821,532	-	2,789,551	2,494,379	385,085	201,365	325,068
Residents Abroad	294,268	-	88,498	121,402	16,404	43,281	37,011
<b>Public Sector Deposits</b>	<b>10,309</b>	-	<b>254</b>	<b>220</b>	<b>5</b>	<b>35</b>	<b>34</b>
<b>Commercial Deposits</b>	<b>1,181,635</b>	-	<b>1,032,601</b>	<b>740,179</b>	<b>275,556</b>	<b>726</b>	<b>5,074</b>
<b>Other</b>	<b>259,047</b>	-	<b>15,259</b>	<b>41,685</b>	<b>1,859</b>	<b>13</b>	<b>145</b>
<b>Precious Metal Deposits</b>	<b>2,514</b>	-	<b>838</b>	<b>497</b>	-	<b>2,855</b>	-
<b>Bank Deposits</b>	<b>53,760</b>	-	<b>588,161</b>	-	-	-	-
Central Bank of Turkey	-	-	-	-	-	-	-
Domestic Banks	2,295	-	233,123	-	-	-	-
Foreign Banks	51,461	-	355,038	-	-	-	-
Special Purpose Financials Institutions	4	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
<b>Total</b>	<b>5,075,599</b>	-	<b>5,701,921</b>	<b>5,155,452</b>	<b>928,932</b>	<b>277,974</b>	<b>472,363</b>

**4.2.1.1 Saving deposits insured by Saving Deposit Insurance Fund and total amount of deposits exceeding insurance coverage limit**

	Covered by Deposit Insurance		Over Deposit Insurance Limit	
	Current Period	Prior Period	Current Period	Prior Period
Saving Deposits	3,173,464	2,214,897	2,516,663	1,406,174
Foreign Currency Saving Deposits	2,718,478	2,857,002	3,638,785	3,488,700
Other Deposits	515	495	13,679	4,609
Foreign Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-
Off-Shore Branches' Deposits Under Foreign Insurance Coverage	-	-	-	-

**4.2.1.2 Saving deposits at domestic branches of foreign banks in Turkey under the coverage of foreign insurance**

Not prepared in compliance with Article 51 of the statement no.17 of "Regulation on Accounting Standards".

**4.2.1.3 Saving deposits out of the insurance coverage limits of Saving Deposit Insurance Fund**

Saving Deposits at	Current Period	Prior Period
Foreign Branches	208,522	261,308
Off-Shore Branches	-	-

**4.2.2 Funds provided from transactions by repurchase transactions**

	Current Period		Prior Period	
	YTL	FC	YTL	FC
<b>Domestic Transactions</b>	<b>1,148,983</b>	<b>-</b>	<b>258,708</b>	<b>-</b>
Financial Institutions and Organizations	304,515	-	200,951	-
Other Institutions and Organizations	821,603	-	32,092	-
Individuals	22,865	-	25,665	-
<b>Foreign Transactions</b>	<b>50,406</b>	<b>663,009</b>	<b>50,108</b>	<b>465,990</b>
Financial Institutions and Organizations	50,000	663,009	50,000	465,990
Other Institutions and Organizations	140	-	4	-
Individuals	266	-	104	-
<b>Total</b>	<b>1,199,389</b>	<b>663,009</b>	<b>308,816</b>	<b>465,990</b>

**4.2.3 Funds borrowed**

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Short-term	133,063	2,566,008	124,743	2,210,449
Medium and Long-term	-	2,405,950	-	1,212,554
<b>Total</b>	<b>133,063</b>	<b>4,971,958</b>	<b>124,743</b>	<b>3,423,003</b>

**4.2.3.1 Disclosures for concentration areas of the Bank's commitments**

Not prepared in compliance with Article 51 of the statement no.17 of "Regulation on Accounting Standards".

**4.2.4 Disclosure for securities issued**

None.

**4.2.4.1 Convertible bonds**

Not prepared in compliance with Article 51 of the statement no.17 of “Regulation on Accounting Standards”.

**4.2.4.2 Maturity, interest and currency profile of securities issued**

None.

**4.2.5 Funds**

None.

**4.2.6 Miscellaneous payables**

	Current Period	Prior Period
Cash Collaterals Received	835	702

**4.2.6.1 Nature of cash collaterals received**

Cash collaterals received consist of deposits blocked for loans, export and import transactions.

**4.2.7 Components of other liabilities, as each sub-account exceeding 20% of the total separately, excluding off-balance sheet items exceeding 10% of total liabilities**

None.

**4.2.8 Taxes and other duties payable**

Not prepared in compliance with Article 51 of the statement no.17 of “Regulation on Accounting Standards”.

**4.2.9 Factoring payables**

Not prepared in compliance with Article 51 of the statement no.17 of “Regulation on Accounting Standards”.

**4.2.10 Criteria used in the determination of lease instalments in the financial lease contracts, renewal and purchase options, restrictions, and significant burdens imposed on the bank on such contracts**

Not prepared in compliance with Article 51 of the statement no.17 of “Regulation on Accounting Standards”.

**4.2.10.1 Changes in agreements and further commitments arising**

Not prepared in compliance with Article 51 of the statement no.17 of “Regulation on Accounting Standards”.

#### 4.2.10.2 Financial lease payables

	Current Period		Prior Period	
	Gross	Net	Gross	Net
Up to 1 Year	18,496	15,806	16,583	13,723
1-4 Years	13,324	11,696	19,064	16,015
More than 4 Years	-	-	-	-
<b>Total</b>	<b>31,820</b>	<b>27,502</b>	<b>35,647</b>	<b>29,738</b>

#### 4.2.10.3 Operational lease agreements

Not prepared in compliance with Article 51 of the statement no.17 of “Regulation on Accounting Standards”.

#### 4.2.10.4 “Sale-and-lease-back” agreements

Not prepared in compliance with Article 51 of the statement no.17 of “Regulation on Accounting Standards”.

#### 4.2.11 Accrued interest and expenses

Accrued Interest and Expenses on	Current Period		Prior Period	
	YTL	FC	YTL	FC
Deposits	109,570	19,633	71,661	19,587
Funds Borrowed	6,407	35,440	8,260	28,975
Securities Issued	-	-	-	-
Repurchase Agreements	1,327	6,202	3,822	10,195
Financial Derivative Instruments:	56,006	4,231	7,108	4,221
<i>Interest and Expense Accruals</i>	<i>120</i>	<i>748</i>	<i>172</i>	<i>3,164</i>
<i>Expense Accruals for Foreign Exchange Losses</i>	<i>55,886</i>	<i>3,483</i>	<i>6,936</i>	<i>1,057</i>
Factoring Payables	-	-	-	-
Other	5,137	8,527	4,820	8,439
<b>Total</b>	<b>178,447</b>	<b>74,033</b>	<b>95,671</b>	<b>71,417</b>

#### 4.2.12 Provisions and subordinated loans

##### 4.2.12.1 General provisions

	Current Period	Prior Period
<b>General Provision for</b>	<b>89,985</b>	<b>65,512</b>
Loans and Receivables in Group I	76,364	52,604
Loans and Receivables in Group II	229	389
Non-Cash Loans	13,392	12,519
Other	-	-

##### 4.2.12.1 Reserve for employee termination benefits and notification indemnity

Not prepared in compliance with Article 51 of the statement no.17 of “Regulation on Accounting Standards”.

**4.2.12.3 Liabilities resulting from retirement rights**

Not prepared in compliance with Article 51 of the statement no.17 of “Regulation on Accounting Standards”.

**4.2.12.4 Nature of provisions, timing and amount of expected payments and uncertainties**

Not prepared in compliance with Article 51 of the statement no.17 of “Regulation on Accounting Standards”.

**4.2.12.5 General reserves for possible losses**

	<b>Current Period</b>	<b>Prior Period</b>
<b>Balance at Beginning of Period</b>	<b>41,500</b>	<b>37,567</b>
Provision for realized losses	-	-33,000
Current period general reserve provision	34,500	41,500
Restatement effects of inflationary accounting	-	-4,567
<b>Balance at End of Period</b>	<b>76,000</b>	<b>41,500</b>

The Bank provided a general reserve in the amount of YTL 34,500 thousands in the current period for the assets kept at cost in the financial statements against the possible adverse effects of the potential risks in the economy.

**4.2.13 Subordinated loans**

None.

**4.2.14 Information on shareholders’ equity**

**4.2.14.1 Paid-in capital**

	<b>Current Period</b>	<b>Prior Period</b>
Common Stock	2,100,000	1,200,000
Preferred Stock	-	-

**4.2.14.2 Registered share capital system**

<b>Capital</b>	<b>Paid-in Capital</b>	<b>Ceiling per Registered Share Capital</b>
Common Stock	2,100,000	7,000,000
Preferred Stock	-	-

As per the resolution no.2141 of the Board of Directors on 7 March 2005, it has been decided to increase the Bank’s registered share capital ceiling from YTL 1,200,000 thousands to YTL 7,000,000 thousands. The decision was approved during the Annual General Assembly held on 4 April 2005.

**4.2.14.3 Capital increases in current period**

As per the resolution no.2147 of the Board of Directors on 8 April 2005, it has been decided to increase the Bank’s share capital from YTL 1,200,000 thousands to YTL 2,100,000 thousands through appropriation of capital reserves from inflation adjustments to paid-in capital of YTL 450,000 thousands, extraordinary reserves of YTL 442,917 thousands and income from sale of real estates of YTL 7,083 thousands.

**4.2.14.4 Capital increases from revaluation fund in current period**

None.

**4.2.14.5 Capital commitments for current financial year and following period**

None.

**4.2.14.6 Information on privileges given to stocks representing the capital**

None.

**4.2.14.7 Common stock issue premiums, shares and equity instruments**

	<b>Current Period</b>	<b>Prior Period</b>
Number of Shares (billions) (1)	210	2,400
Preferred Stock	-	-
Common Stock Issue Premium	-	-
Common Stock Canceling Profit	-	-
Other Equity Instruments	-	-
<b>Total Common Stock Issue</b>	<b>210</b>	<b>2,400</b>

(1) As per the resolution of the Board of Directors on 8 April 2005, it was decided to increase the Bank's capital from YTL 1,200,000,000 to YTL 2,100,000,000. The increase in number of shares to 210,000,000,000 has been registered on 27 June 2005.

**4.2.14.8 Securities value increase fund**

Not prepared in compliance with Article 51 of the statement no.17 of "Regulation on Accounting Standards".

**Disclosure on securities value increase fund**

Not prepared in compliance with Article 51 of the statement no.17 of "Regulation on Accounting Standards".

**Accounting for foreign exchange gains/losses on investments, associates, subsidiaries and common stocks in investment securities available-for-sale:**

Not prepared in compliance with Article 51 of the statement no.17 of "Regulation on Accounting Standards".

**Any foreign exchange gains/losses classified under shareholders' equity in prior periods:**

Not prepared in compliance with Article 51 of the statement no.17 of "Regulation on Accounting Standards".

**4.2.14.9 Revaluation fund**

Not prepared in compliance with Article 51 of the statement no.17 of "Regulation on Accounting Standards".



**4.2.14.10 Revaluation surplus**

Not prepared in compliance with Article 51 of the statement no.17 of “Regulation on Accounting Standards”.

**4.2.14.11 Legal reserves**

	Current Period	Prior Period
I. Legal Reserve	49,810	26,337
II. Legal Reserve	-	-
Special Reserves	-	-

In compliance with the decisions made on the Annual General Assembly, 5% of prior periods’ profit is allocated to legal reserves.

**4.2.14.12 Extraordinary reserves**

	Current Period	Prior Period
Legal reserves that was allocated to be in compliance with the decisions made on the Annual General Assembly	75,170	71,416
Retained Earnings	-	-
Accumulated Losses	-	-
Exchange Difference on Foreign Currency Capital	-	-

In compliance with the decisions made on the Annual General Assembly, remaining prior periods’ profit after the appropriation to legal reserves, are allocated to extraordinary reserves.

**4.2.14.13 Shareholders having more than 10% share in capital and/or voting right**

Company	Shares	Ownership	Paid-in Capital	Unpaid Portion
Doğuş Holding AŞ	996,662	47.46%	996,662	-

As per the resolution of Board of Directors dated 8 November 2004, Doğuş Holding AŞ had an agreement with a foreign portfolio investor for issuing an option to purchase a portion of the shares of the Bank owned by Doğuş Holding AŞ. In accordance with the related Security’s Lending Agreement, the investor took over all the ownership rights including sale of 12,013,037,274 shares representing 5.72% of the Bank’s capital (per 1 New Kuruş) throughout the option period agreed.

With the same foreign portfolio investor, a second contract was signed in 2005 for issuing an option to purchase further shares. According to the second contract, the notional amount of this option was USD 250 millions and the investor took over all the ownership rights including sale of 8,677,689,975 shares representing 4.13% of the Bank’s capital (per 1 New Kuruş) throughout the option period agreed. Subsequently, the investor has purchased 4,331,683,125 shares representing 2.06% of the Bank’s capital. The term of this Security’s Lending Agreement is 18 months and an additional right has been provided to the investor to purchase a further 40% of the shares subject to this option which represents 1.653% of the Bank’s capital. For these shares, the purchasing price was determined based on a market price of USD 6,250,000,000. Shares in the number of 7,817,077,275 representing 3.72% of the Bank’s capital were pledged to the investor for its unused and additionally provided purchase rights.

### **4.3 Income Statement**

#### **4.3.1 Interest Income**

##### **4.3.1.1 Interest income received from investments, associates and subsidiaries**

	<b>Current Period</b>	<b>Prior Period</b>
Interest Received from Investments in Associates and Subsidiaries	1,566	4,311

##### **4.3.1.2 Income from financial lease**

None.

##### **4.3.1.3 Interest income received from reverse repurchase agreements**

None.

##### **4.3.1.4 Interest income from factoring receivables**

Not prepared in compliance with Article 51 of the statement no.17 of "Regulation on Accounting Standards".

#### **4.3.2 Interest Expenses**

##### **4.3.2.1 Interest expenses paid to investments, associates and subsidiaries**

	<b>Current Period</b>	<b>Prior Period</b>
Interest Paid to Investments in Associates and Subsidiaries	11,326	8,371

##### **4.3.2.2 Expenses on financial lease**

	<b>Current Period</b>	<b>Prior Period</b>
Financial Leasing Expenses	3,100	1,946

**4.3.2.3 Maturity structure of interest expense on deposits**

Account Description	Demand Deposits	Time Deposits					Total
		Up to 1 Month	1-3 Months	3-6 Months	6-12 Months	1 Year and Over	
<b>YTL</b>							
Bank Deposits	8	29,195	-	-	-	-	29,203
Saving Deposits	2,680	171,046	273,954	49,259	14,289	17,666	528,894
Public Sector Deposits	9	1,825	2,004	17	5	5	3,865
Commercial Deposits	710	156,685	69,609	14,131	2,079	871	244,085
Other	4,830	7,586	8,035	25,691	95	23	46,260
“7 Days Notice” Deposits	-	-	-	-	-	-	-
Precious Metal Deposits	-	-	-	-	-	-	-
<b>Total YTL</b>	<b>8,237</b>	<b>366,337</b>	<b>353,602</b>	<b>89,098</b>	<b>16,468</b>	<b>18,565</b>	<b>852,307</b>
<b>FC</b>							
Foreign Currency Deposits	7,096	50,557	49,494	8,584	3,855	7,868	127,454
Bank Deposits	-	5,644	-	-	-	-	5,644
Precious Metal Deposits	-	4	21	2	92	-	119
<b>Total FC</b>	<b>7,096</b>	<b>56,205</b>	<b>49,515</b>	<b>8,586</b>	<b>3,947</b>	<b>7,868</b>	<b>133,217</b>
<b>Grand Total</b>	<b>15,333</b>	<b>422,542</b>	<b>403,117</b>	<b>97,684</b>	<b>20,415</b>	<b>26,433</b>	<b>985,524</b>

**4.3.2.4 Interest expense on repurchase agreements**

	Current Period		Prior Period	
	YTL	FC	YTL	FC
Interest Paid on Repurchase Agreements	106,062	22,311	93,027	27,151

**4.3.2.5 Interest expenses on factoring payables**

Not prepared in compliance with Article 51 of the statement no.17 of “Regulation on Accounting Standards”.

**4.3.3 Other operating income**

Other operating income consists of collection or reversals of prior year provisions, banking services related costs charged to customers and income in custody services.

#### 4.3.4 Provision for loan or other receivable losses

	Current Period	Prior Period
Specific Provisions for Loans and Other Receivables	288,802	84,103
<i>Loans and Receivables in Group III</i>		301
<i>Loans and Receivables in Group IV</i>	311	-
<i>Loans and Receivables in Group V</i>	288,491	83,802
General Provisions	24,547	16,857
Provision for Possible Losses	34,500	6,248
Foreign Exchange Losses on Foreign Currency Indexed Loans	5,018	1,323
Impairment Losses on Securities	8,701	-1,387
Trading securities	178	195
Available-for-sale securities	8,523	-1,582
Other Impairment Losses	57,911	55,242
Associates	4,276	47,810
Subsidiaries	4,965	7,432
Joint Ventures		-
Investment Securities Held to Maturity	48,670	-
Other	38,016	43,112
<b>Total</b>	<b>457,495</b>	<b>205,498</b>

#### 4.3.5 Other operating expenses

Not prepared in compliance with Article 51 of the statement no.17 of “Regulation on Accounting Standards”.

#### 4.3.6 Income/losses from investments, associates and subsidiaries

##### 4.3.6.1 Income and losses

Income/Losses from	Current Period	Prior Period
Subsidiaries (+/-)	2,000	8,428
Investments and Associates (+/-)	1	10,750

##### 4.3.6.2 Income/losses from investments in associates resulting from equity accounting

Losses from investments in associates accounted under equity accounting, are presented in 4.3.4 above under “Other impairment losses”. There are no income recognized for investments in associates accounted under equity method of accounting.

##### 4.3.6.3 Income or loss from transactions with companies and individuals in the Bank’s risk group

The related disclosure is presented in details in note 4.8.

#### **4.3.7 Provision for taxes on income**

##### **4.3.7.1 Current period tax charge/credit and deferred tax income/expense**

As of 30 September 2005, the Bank recorded a tax expense of YTL 143,103 thousands and a deferred tax expense of YTL 56,047 thousands in the current period. YTL 8,452 thousands of the current period tax expense comprise of withholding tax to be paid in 2006 for the incentive utilized on the investment incentive certificate in 2005.

##### **4.3.7.2 Deferred tax income/expense on timing differences**

<b>Deferred tax income/(expense) on timing difference</b>	<b>Current Period</b>
Increase in tax deductible timing differences	24,026
Decrease in tax deductible timing differences	51,574
Increase in taxable timing differences	8,786
Decrease in taxable timing differences	2,398
<b>Total</b>	<b>-33,936</b>

##### **4.3.7.3 Deferred tax income/expense in the income statement arising on timing differences, tax losses and tax deductions and exemptions**

<b>Deferred tax income/(expense) arising on timing differences, tax losses and tax deductions and exemptions</b>	<b>Current Period</b>
Increase/(decrease) in tax deductible timing differences	-27,548
(Increase)/decrease in taxable timing differences	-6,388
Increase/(decrease) in tax losses	-14,704
Increase/(decrease) in tax deductions and exemptions	-7,407
<b>Total</b>	<b>-56,047</b>

#### **4.3.8 Net profit and loss**

##### **4.3.8.1 Any further explanation on operating results needed for proper understanding of the Bank's performance**

None.

##### **4.3.8.2 Any changes in estimations that might have a material effect on current and subsequent period results**

None.

##### **4.3.9 Quantification of any changes in accounting estimates that had material effect in current period and may materially affect subsequent periods**

None.

#### 4.4 Off-balance Sheet Items

##### 4.4.1 Off-balance sheet contingencies

###### 4.4.1.1 Non-cash loans

	Current Period	Prior Period
Non-Cash Loans against Cash Loan Risks	398,087	365,712
<i>With Original Maturity of 1 Year or Less</i>	82,528	64,238
<i>With Original Maturity of More Than 1 Year</i>	315,559	301,474
Other Non-Cash Loans	7,191,980	6,325,974
<b>Total</b>	<b>7,590,067</b>	<b>6,691,686</b>

###### 4.4.1.2 Other disclosures on non-cash loans

Not prepared in compliance with Article 51 of the statement no.17 of “Regulation on Accounting Standards”.

###### 4.4.1.3 Irrevocable credit commitments

	Current Period	Prior Period
Letters of Guarantee in Foreign Currency	3,539,018	3,085,217
Letters of Guarantee in YTL	1,895,929	1,516,757
Letters of Credit	1,313,787	1,185,029
Bank Acceptances	331,878	357,269
Prefinancing	-	-
<b>Total</b>	<b>7,080,612</b>	<b>6,144,272</b>

###### 4.4.1.4 Possible losses from off-balance sheet items

None.

###### 4.4.1.5 Pledges, mortgages, other restrictions and acquisition commitments on tangible assets

None.

###### 4.4.1.6 Explanation for the following matters separately from other conditional commitments

###### *The Bank’s share in commitments for joint venture:*

None.

###### *Accounting method of commitments:*

The Bank has capital commitments amounting to YTL 12,000 thousands for its subsidiaries and associates. Furthermore, there are letters of guarantee amounting to YTL 5,535 thousands issued for several entities for the Bank’s own business. These commitments are included in the Bank’s off-balance sheet accounts.

#### 4.4.2 Financial derivative instruments

Not prepared in compliance with Article 51 of the statement no.17 of “Regulation on Accounting Standards”.

#### 4.4.3 Services rendered on behalf of third parties

Not prepared in compliance with Article 51 of the statement no.17 of “Regulation on Accounting Standards”.

#### 4.4.4 The Bank’s latest international risk ratings

##### **MOODY’S (February 2005\*)**

Long Term FC Deposit	B2
Long Term YTL Deposit	Baa2
Short Term YTL Deposit	Prime-2
Long Term FC Deposit Outlook	Positive
FSR	D+
FSR Outlook	Stable

##### **STANDARD AND POORS (January 2005\*)**

Long Term FC Obligations	BB-
Outlook	Stable

##### **FITCH RATINGS (January 2005\*)**

<b>Foreign Currency</b>	
Long Term	BB-
Short Term	B
Outlook	Stable
Individual	C/D
Support	4
<b>Turkish Lira</b>	
Long Term	BB-
Short Term	B
Outlook	Stable
<b>National</b>	
Outlook	Stable

##### **CAPITAL INTELLIGENCE (August 2005\*)**

Long Term FC Obligations	BB-
Short Term FC Obligations	B
Domestic Strength	BBB
Support	2
Outlook	Stable

(\* Latest dates in risk notes or outlooks.

## **4.5 Statement of changes in shareholders' equity**

### **4.5.1 Any increases arising from application of accounting for financial instruments**

#### **4.5.1.1 Increases from valuation of investment securities available-for-sale**

As of 30 September 2005, the revaluation of investment securities available-for-sale at fair value netted with the related deferred tax liability effect has resulted in a gain of YTL 25,183 thousands that is presented as the current period increase in "securities value increase fund" in the statement of changes in shareholders' equity. The amounts transferred to Net Profit from "securities value increase fund" were YTL 147,830 thousands and YTL 53,472 thousands for the first half of 2004 and 2005, respectively.

#### **4.5.1.2 Increases due to cash flow hedges**

In 2004, the Bank entered into swap contracts to convert variable interest rates on its borrowings to fixed interest rates for cash flow hedging purposes. A gain of YTL 1,226 thousands on such effective hedging contracts were classified directly under shareholders' equity within "Other Profit Reserves" in the prior period. At the current period end, such gains amounted to YTL 8,699 thousands after netting with the related deferred tax liability effect.

#### **4.5.1.3 Reconciliation of foreign exchange differences at beginning and end of current period**

The reconciliation has been completed.

### **4.5.2 Any decreases arising from application of accounting for financial instruments**

#### **4.5.2.1 Decreases from valuation of investment securities available-for-sale**

None.

#### **4.5.2.2 Decreases due to cash flow hedges**

None.

### **4.5.3 Dividends**

#### **4.5.3.1 Any dividends declared after date of balance sheet but before publishing financial statements:**

There is not any declaration.

#### **4.5.3.2 Earnings per share to be distributed to shareholders after balance sheet date**

During the Annual General Assembly on 4 April 2005, it has been decided not to distribute any dividends.

#### **4.5.3.3 Suggestions to general assembly for timing of profit distribution and if it is decided not to distribute any profits, reasons for such a decision**

None.

### **4.5.4 Transfers to legal reserves**

	<b>Current Period</b>	<b>Prior Period</b>
Transfer from retained earnings to legal reserves	23,511	25,144



#### **4.5.5 Issuance of share certificates**

According to the Articles of Association of the Bank, there are 370 founder shares. It is required in the Articles of Association to distribute 10% of the distributable profit to the holders of these founder shares after allocating 5% to legal reserves, distributing dividend at an amount equal to 5% of the capital and allocating 5% of the remaining to extraordinary reserves.

In accordance with the Share Purchase Agreement signed between Doğuş Holding AŞ and General Electric, it has been agreed to sell 182 founder shares composing 49.2% of all existing founder shares at a selling price of US\$ 250 millions.

#### **4.5.6 Effects of prior years' corrections to beginning balances of current period**

On the Regulation issued by BRSA, BDDK.DZM.2/13/1-a-2, it is required that in cases where the fair values of the investments in quoted companies are below the book values restated for the effects of inflation, then taking into account certain criterias like whether the value decreases are temporary or permanent, the proportions of value decreases, the book values are adjusted for provisions to cover the impairments down to fair values and impairment losses are posted through statement of income. The effect of this regulation on the prior period results is adjusted through retained earnings under the heading of "Effect of changes in accounting policies" in the statement of changes in shareholders' equity as of 30 September 2004 in compliance with the Article 10 of the statement no.12 "Material Errors and Accounting for Changes in Accounting Policies" of the "Regulation on Accounting Standards". Accordingly, the effect of this change on the net profit of the nine-month period ended 30 September 2005 and 2004 and the year 2003 were YTL 62,532 thousands, YTL 28,793 thousands and YTL 37,147 thousands, respectively.

The Bank decided to allocate provision for bonus points on Bonus credit cards, a banking product in the period that are earned by the customers. The related points earned amounted to YTL 25,020 thousands as of 31 December 2004. Accordingly, the effect of this change in accounting policy on the prior period's net profit amounted to YTL 17,514 thousands net of deferred tax asset effect of YTL 7,506 thousands as of 31 December 2004 and recorded through a correction to the opening balances of the current period under the effect of changes in accounting policies line. The effect of this accounting policy change on the last quarter profit was YTL 7,341 thousands.

#### **4.5.7 Compensation of prior period losses**

None.

## 4.6 Statement of cash flows

### 4.6.1 Disclosures for “other” items in statement of cash flows and effect of change in foreign currency rates cash and cash equivalents

In the first half of 2005, the net cash inflows arising from banking operations amount to YTL 1,601,823 thousands. YTL 430,709 thousands of this amount is generated from the change in operating assets and liabilities and YTL 1,171,114 thousands from operating profit. The net cash outflow from investing activities is YTL 931,609 thousands. The major item is the outflows arising from new investments in securities available-for-sale. Cash and cash equivalents increased to YTL 2,318,820 thousands at the end of the current period in comparison to YTL 1,534,117 thousands at the beginning of the current period also with the favorable effect of changes in foreign currency exchange rates by YTL 117,589 thousands.

### 4.6.2 Cash outflows from acquisition of investments, associates, subsidiaries and other investments

Please refer to sections 4.1.9.2 and 4.1.10.2.

### 4.6.3 Cash inflows from disposal of investments, associates, subsidiaries and other investments

Please refer to sections 4.1.9.2 and 4.1.10.2.

### 4.6.4 Cash and cash equivalents at beginning of period

	Current Period	Prior Period
Cash on Hand	189,528	181,487
<i>Cash in YTL</i>	62,013	41,664
<i>Cash in Foreign Currency</i>	127,515	139,823
Cash Equivalents	1,344,589	735,203
<i>Other</i>	1,344,589	735,203
<b>TOTAL</b>	<b>1,534,117</b>	<b>916,690</b>

### 4.6.5 Cash and cash equivalents at end of period

	Current Period	Prior Period
Cash on Hand	173,338	120,649
<i>Cash in YTL</i>	88,125	48,565
<i>Cash in Foreign Currency</i>	85,213	72,084
Cash Equivalents	2,145,482	1,821,203
<i>Other</i>	2,145,482	1,821,203
<b>TOTAL</b>	<b>2,318,820</b>	<b>1,941,852</b>

### 4.6.6 Restricted cash and cash equivalents due to legal requirements or other reasons

Not prepared in compliance with Article 51 of the statement no.17 of “Regulation on Accounting Standards”.

### 4.6.7 Additional information

Not prepared in compliance with Article 51 of the statement no.17 of “Regulation on Accounting Standards”.

#### **4.7 Accounting for entities acquired through mergers and acquisitions**

Not prepared in compliance with Article 51 of the statement no.17 of “Regulation on Accounting Standards”.

## 4.8 Related party risks

### 4.8.1 Volume of transactions with the Bank's risk group, lendings and deposits outstanding at period end and income and expenses from transactions incurred during the period

#### 4.8.1.1 Current Period

Bank's Risk Group (1)	Investments, Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
Balance at beginning of period	97,433	17,146	235,828	197,965	-	-
Balance at end of period	52,686	22,464	247,833	179,744	-	-
Interest and Commission Income	3,075	83	6,816	1,307	-	-

(1) As described in the Article 20, clause (2) of Regulation on Establishment and Operations of Banks

#### 4.8.1.2 Prior Period

Bank's Risk Group (1)	Investments, Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Cash	Non-cash	Cash	Non-cash	Cash	Non-cash
Loans and Other Receivables						
Balance at beginning of period	158,647	30,599	376,268	334,387	-	-
Balance at end of period	97,433	17,146	235,828	197,965	-	-
Interest and Commission Income	4,311	77	9,056	2,746	-	-

(1) As described in the Article 20, clause (2) of Regulation on Establishment and Operations of Banks

#### 4.8.1.3 Other related party balances

##### Deposits:

Bank's Risk Group (1)	Investments, Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Deposits						
Balance at beginning of period	65,484	98,358	152,702	139,985	-	-
Balance at end of period	142,401	65,484	188,741	152,702	-	-
Interest Expenses	11,326	8,371	4,122	14,487	-	-

(1) As described in the Article 20, clause (2) of Regulation on Establishment and Operations of Banks

##### Derivative transactions:

Bank's Risk Group (1)	Investments, Associates and Subsidiaries		Bank's Direct and Indirect Shareholders		Other Components in Risk Group	
	Current Period	Prior Period	Current Period	Prior Period	Current Period	Prior Period
Trading Transactions:						
Beginning of Period	222	161,005	680	-	-	-
End of Period	9,118	222	217	680	-	-
Total Profit/Loss	7	-19	-	-	-	-
Hedging Transactions:						
Beginning of Period	-	-	-	-	-	-
End of Period	-	-	-	-	-	-
Total Profit/Loss	-	-	-	-	-	-

(1) As described in the Article 20, clause (2) of Regulation on Establishment and Operations of Banks

## **4.8.2 The Bank's risk group**

### **4.8.2.1 *Relations with companies in risk group of/or controlled by the Bank regardless of nature of current transactions***

Transactions with the risk group, are held under arm's-length conditions; terms are set according to the market conditions and in compliance with the Banking Law. The Bank's policy is to keep the balances and transaction volumes with the risk group at reasonable levels preventing any high concentration risk on balance sheet.

### **4.8.2.2 *Concentration of transaction volumes and balances with risk group and pricing policy***

The cash loans of the risk group compose 1.78% of the Bank's total cash loans and 0.80% of the Bank's total assets. The non-cash loans of the risk group compose 2.66% of the Bank's total non-cash loans. The deposits of the risk group compose 1.65% of the Bank's total deposits. The pricing of transactions with the risk group companies is set in compliance with the market prices.

### **4.8.2.3 *Other matters not required to be disclosed***

None.

### **4.8.2.4 *Transactions accounted under equity method***

Please refer to sections 4.1.9 and 4.1.10.

### **4.8.2.5 *All kind of agreements signed like asset purchases/sales, service rendering, agencies, leasing, research and development, licences, funding, guarantees, management services***

The Bank has agency contracts with Garanti Yatırım Menkul Kıymetler AŞ, Garanti Sigorta AŞ, Garanti Emeklilik ve Hayat AŞ. Accordingly, all the branches of the Bank serve as agencies to sell the products of these entities to customers. Agency services for trading of securities are rendered by the Bank's specialised branches (Investment Centers).

Purchase of equipments for the Bank's internal use are partly arranged through financial leasing.

## 4.9 Accounting in hyperinflationary economies

According to the Article 14 of “Regulation on Accounting Standards”; “Accounting Standard for Financial Reporting in Hyperinflationary Economies”, if general population prefers to keep its wealth in foreign currencies, prices are quoted in foreign currencies, interest rates, wages and prices are linked to a general price index, sales and purchases on credit take place at prices that compensate for the expected loss of purchasing power during the credit period, even if the period is short, the cumulative three-year inflation rate is equal to or over 100% and the current year inflation rate is equal to or over 10% according to the State Institute of Statistics, this confirms the existence of a hyperinflationary economy.

In BRSA’s Circular no.BDDK.DZM.2/13/-d-5 on 28 April 2005, it is stated that as of January 2005, the banking sector datas confirm that the YTL deposits has the majority in total deposit stock, the foreign currency deposits have a decreasing trend, in short-term transactions prices are determined disregarding any losses of purchasing power during the period and the issuance of government securities are not dependent on price indices, and the Turkish nation-wide wholesale price indices published by the State Institute of Statistics, have been 57.83% and 8.16% for the last three-year and twelve months, respectively as of 31 March 2005, and therefore the majority of the criterias confirming the existence of a hyperinflationary economy are not valid anymore. Accordingly, by the decision no.1623 of BRSA on 21 April 2005, it is announced that the application of inflation accounting in banking sector has ceased.

### 4.9.1 Other disclosures

The Bank’s accompanying unconsolidated interim financial statements are not adjusted for the effect of inflation as of 30 September 2005. The financial statements as of 31 December 2004 and the income statement for the nine-month period ended 30 September 2004, are adjusted for the effects of inflation as of 31 December 2004. In the current period, the non-monetary items are not adjusted for the effects of inflation. Therefore in the income statement there are no gains/losses calculated for the monetary position.

In compliance with BRSA’s Circular on 28 April 2005 on ceasing the inflation accounting application, any accounting entries made to the accounts used for booking of the adjustments for inflation accounting were cancelled, and the balances resulted from the inflation accounting application as of 31 December 2004 and booked according to the Uniform Chart of Accounts and the related Articles, are transferred to the main accounts that were subject to the inflation accounting adjustments except for “capital reserves from inflation adjustments”. The balance of “capital reserves from inflation adjustments” account is transferred to “other supplementary capital” account.

The Turkish countrywide wholesale price indices and conversion factors published by the State Institute of Statistics, used in restatement of the financial statements are as follows:

<u>Date</u>	<u>Index</u>	<u>Conversion Factor</u>
31 December 2004	8,403.8	1.000
30 September 2004	8,069.7	1.041
31 December 2003	7,382.1	1.138

#### **4.10 Domestic, foreign and off-shore branches and foreign representative offices**

Not prepared in compliance with Article 51 of the statement no.17 of “Regulation on Accounting Standards”.

#### **4.11 Significant events and matters arising subsequent to balance sheet date**

None.



## **5 Other disclosures and footnotes**

### **5.1 Other disclosures on activities of the Bank**

#### **5.1.1** Doğuş Holding AŞ, has signed a Share Purchase Agreement with General Electric (GE) on 24 August 2005 for the sale of 53,550,000,000 shares composing 25.5% of the Bank issued share capital.

Accordingly, the total value of the Bank's all shares amounts to US\$ 6.1 billions and the total value of 53,550,000,000 shares amounts to US\$ 1,555,500,000. Furthermore, GE has decided to acquire 182 founder shares (49.2%) of the Bank from Somtaş Tarım ve Ticaret AŞ, a participation of Doğuş Holding AŞ at a price of US\$ 250 millions. The payment for the shares will be immediate cash at closing.

According to the agreement, certain non-financial participations and real estates will be taken over by Doğuş Holding AŞ at a total price of YTL 958 millions calculated based on the financial statements as of 31 March 2005 of which 50% will be paid at the closing date and 25% at the first anniversary and the remaining at the second anniversary.

The completion of the sale is dependent on receiving the necessary permissions from BRSA, Antimonopoly Authority and other related regulatory bodies. Furthermore, the share transfer will be realized upon the legal legislation on the transfer of the banks' pension funds to Social Security Foundation comes into force.

#### **5.1.2** A Share Purchase Agreement has been signed between Koç Holding AŞ and its participation Migros Türk Ticaret AŞ, and Doğuş Holding AŞ, certain Doğuş Group of companies and also the Bank on 18 August 2005 including the Bank's shares in Tansaş Perakende Mağazacılık Ticaret AŞ (Tansaş) which increased to 27.21% together with the shares received from Ana Konut Danışmanlık AŞ following their merger, as recorded at its market value of YTL 192,893 thousands. Accordingly, Tansaş shares owned by Doğuş Group of companies in total representing 70.77% of the company's shares are subject to sell.

According to the Share Purchase Agreement, the total value of the company amounts to US\$ 547 millions and the value of the shares held by the Bank amounts to US\$ 148,850,326. US\$ 122,454,564 of the sale price will be collected immediately in cash at closing and the remaining US\$ 26,395,762 in ten equal installments in five years semi-annually taking into account the interest due to term payments. The purchase price may be subject to change based on the due diligence findings on Tansaş.

The completion of the sale is dependent on receiving permission from Antimonopoly Authority.

As of the reporting date, the process has continued and the necessary permissions have not been taken yet.

#### **5.1.3** The registration of the merger of the Bank with Ana Konut Danışmanlık AŞ as per the general assembly meetings of the Bank and the company held on 26 September 2005 and 14 September 2005 respectively, have been completed at the İstanbul Trade Registry Office on 28 September 2005 and Ana Konut Danışmanlık AŞ included in the Bank's non-financial subsidiaries with a net book value of YTL 297,597 thousands and a participation ratio of 100% was taken over by the Bank with all the rights, assets, liabilities and obligations of the company ceasing its legal corporate existence after merger.

#### **5.1.4** As per the resolution no.2151 of the Board of Directors dated 5 May 2005, it has been decided to sell the Bank's share in Akarnet Konaklama Tesisleri Yatırım ve İşletmeleri AŞ recorded at a net book value of YTL 21,879 thousands and classified under investment securities available for sale to third parties. As of the reporting date, the selling procedures have not been completed yet.

## **6 Independent Auditor’s Review Report**

### **6.1 Disclosure on Independent Auditor’s Review Report**

The Bank’s unconsolidated interim financial statements as of 30 September 2005, have been subject to review by Akis Serbest Muhasebeci Mali Müşavirlik AŞ (the member firm of KPMG International). It was noted in their review report dated 27 October 2005 that nothing material has come to their attention that caused them to believe that the accompanying unconsolidated interim financial statements do not give a true and fair view of the Bank’s financial position and results of its operations as of 30 September 2005.