

Anadolubank Anonim Şirketi and Its Subsidiaries

Condensed Consolidated Interim Financial Information

As of 30 June 2007

With Independent Auditors' Review Report

Akis Bağımsız Denetim ve Serbest
Muhasebeci Mali Müşavirlik AŞ
3 September 2007

*This report contains the "Independent Auditors'
Report on Review of Condensed Consolidated
Interim Financial Information" comprising 1 page
and the "Condensed Consolidated Interim
Financial Statements and their explanatory notes"
comprising 14 pages.*

Anadolubank Anonim Şirketi and Its Subsidiaries

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Independent Report on Review of Condensed Consolidated Interim Financial Information

To the Board of Directors of
Anadolubank Anonim Şirketi

Introduction

We have reviewed the accompanying condensed consolidated interim balance sheet of Anadolubank Anonim Şirketi (“the Bank”) and its subsidiaries (collectively “the Group”) as of 30 June 2007 and the related condensed consolidated interim statements of income, changes in equity and cash flows for the six-month period then ended (interim financial information). Management is responsible for the preparation and presentation of this interim financial information in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting.

Istanbul, Turkey
3 September 2007

Anadolubank Anonim Şirketi and Its Subsidiaries
Condensed Consolidated Interim Balance Sheet
As of 30 June 2007

Currency – Thousands of New Turkish Lira (YTL)

	<u>Notes</u>	<u>30 June 2007</u>	<u>31 December 2006</u>
ASSETS			
Cash and balances with the Central Bank		14,835	19,967
Deposits with banks and other financial institutions		142,249	277,991
Interbank money market placements		101,918	146,286
Reserve deposits at the Central Bank		256,418	217,169
Financial assets designated at fair value through profit or loss		16,541	25,413
Derivative financial instruments held for trading		5,146	791
Investment securities	8	629,672	651,201
Loans and receivables		1,799,031	1,486,416
Property and equipment	9	18,006	16,961
Intangible assets	10	2,492	2,819
Deferred tax assets		2,224	--
Other assets		12,619	8,529
Total assets		<u>3,001,151</u>	<u>2,853,543</u>
LIABILITIES AND EQUITY			
Deposits from other banks		1,426	37,456
Customers' deposits		1,736,718	1,700,423
Other money market deposits		138,801	126,430
Funds borrowed	11	695,772	623,923
Derivative financial instruments held for trading		31,073	15,889
Other liabilities and provisions		46,405	35,088
Income taxes payable		8,999	5,795
Deferred tax liabilities		--	2,394
Total liabilities		<u>2,659,194</u>	<u>2,547,398</u>
Share capital issued	13	227,619	227,619
Revaluation of available for sale financial assets	13	(7,048)	(6,928)
Currency translation adjustment		(126)	(1,290)
Other reserves and accumulated profits		120,302	85,645
Total equity attributable to equity holders of the Bank		<u>340,747</u>	<u>305,046</u>
Minority interest		1,210	1,099
Total equity		<u>341,957</u>	<u>306,145</u>
Total liabilities and equity		<u>3,001,151</u>	<u>2,853,543</u>
Commitments and contingencies		1,756,482	1,604,289

The notes on pages 5 to 14 are an integral part of these condensed consolidated interim financial statements.

Anadolubank Anonim Şirketi and Its Subsidiaries
Condensed Consolidated Interim Statement of Income
For the Six-Month Period Ended 30 June 2007

Currency – Thousands of New Turkish Lira (YTL)

	<u>Notes</u>	<u>30 June 2007</u>	<u>30 June 2006</u>
Interest income			
Interest on loans and receivables		140,886	85,556
Interest on securities		38,795	40,158
Interest on deposits with banks and other financial institutions		14,501	7,760
Interest on other money market placements		3,366	1,842
Other interest income		2,036	537
Total interest income		199,584	135,853
Interest expense			
Interest on deposits		(86,494)	(67,806)
Interest on other money market deposits		(8,662)	(9,011)
Interest on funds borrowed		(20,408)	(11,879)
Other interest expense		(1,141)	(142)
Total interest expense		(116,705)	(88,838)
Net interest income		82,879	47,015
Fees and commissions income		35,740	26,977
Fees and commissions expense		(6,401)	(6,103)
Net fees and commissions income		29,339	20,874
Other operating income			
Trading income		--	5,973
Foreign exchange gains		413	--
Other income		3,786	6,890
Total other operating income		4,199	12,863
Other operating expense			
Trading loss		(9,985)	--
Salaries and employee benefits		(37,396)	(26,592)
Foreign exchange loss		--	(7,619)
Provision for possible loan losses, net of recoveries		(4,436)	--
Depreciation and amortization	9,10	(2,716)	(2,504)
Taxes other than on income		(1,222)	(1,653)
Other expenses		(16,768)	(17,667)
Total other operating expense		(72,523)	(56,035)
Income from operations		43,894	24,717
Income tax provision	12	(9,124)	(7,457)
Net income for the period		34,770	17,260
Net income for the period attributable to:			
Equity holders of the Bank		34,657	17,245
Minority interest		113	15

The notes on pages 5 to 14 are an integral part of these condensed consolidated interim financial statements.

Anadolubank Anonim Şirketi and Its Subsidiaries
Condensed Consolidated Interim Statement of Changes in Equity
As of and for the Six-Month Period Ended 30 June 2007

Currency – Thousands of New Turkish Lira (YTL)

	Notes	Share capital	Minority Interest	Currency translation adjustment	Revaluation of available for sale financial assets	Legal reserves and accumulated profits	Total
Balances at 1 January 2006		100,976	1,035	(1,726)	25,411	107,966	233,622
Net market value losses from available for sale financial assets, net off tax	13	--	--	--	(31,611)	--	(31,611)
Currency translation differences		--	--	(471)	--	--	(471)
Net income for the six-month period		--	15	--	--	17,245	17,260
At 30 June 2006		100,976	1,050	(2,197)	(6,200)	125,211	218,840
Transfer from unappropriated earnings		71,643	--	--	--	(71,643)	--
Share capital increase		55,000	--	--	--	--	55,000
Net market value losses from available for sale financial assets, net off tax		--	--	--	(728)	--	(728)
Currency translation differences		--	--	907	--	--	907
Net income for the six-month period		--	49	--	--	32,077	32,126
At 31 December 2006		227,619	1,099	(1,290)	(6,928)	85,645	306,145
Balances at 1 January 2007		227,619	1,099	(1,290)	(6,928)	85,645	306,145
Net gains on available for sale financial assets transferred to the income statement on disposal, net off tax	13	--	--	--	(120)	--	(120)
Currency translation adjustment		--	(2)	1,164	--	--	1,162
Net income for the six-month period		--	113	--	--	34,657	34,770
At 30 June 2007		277,619	1,210	(126)	(7,048)	120,302	341,957

The notes on pages 5 to 14 are an integral part of these condensed consolidated interim financial statements.

Anadolubank Anonim Şirketi and Its Subsidiaries
Condensed Consolidated Interim Statement of Cash Flows
For the Six-Month Period Ended 30 June 2007

Currency – Thousands of New Turkish Lira (YTL)

	Notes	30 June 2007	30 June 2006
Cash flows from operating activities			
Income before minority interest		34,770	17,260
Deferred taxation		(4,667)	7,405
Provision for loan losses		4,149	--
Depreciation and amortization	9,10	2,716	2,504
Provision for retirement pay liability		1,103	375
Other various expense accruals		973	3,393
Currency translation differences		(126)	(471)
		38,918	30,466
Changes in operating assets and liabilities			
Deposits with banks and other financial institutions		(12,573)	(13,515)
Reserve deposits at the Central Bank		66,498	(29,253)
Financial assets designated at fair value through profit or loss		8,872	180,167
Loans and receivables		(316,764)	(240,189)
Derivative financial instruments		10,829	(27)
Other assets		(4,090)	(11,555)
Deposit with other banks and customers		265	98,029
Other liabilities and provisions		10,863	6,642
Income taxes payable		3,204	(4,305)
		(193,978)	16,460
Cash (used in)/provided by operating activities			
Cash flows from investing activities			
Net investment in property and equipment, and intangible assets		(3,434)	(1,512)
Net decrease/(increase) in security investments		21,182	(414,102)
		17,692	(415,614)
Cash provided/(used in) by investing activities			
Cash flows from financing activities			
Net increase in funds borrowed		84,220	324,819
		84,220	324,819
Cash provided by financing activities			
Net decrease in cash and cash equivalents		(92,010)	(74,335)
Cash and cash equivalents at the beginning of the period		460,432	415,772
		368,422	341,437
Cash and cash equivalents at the end of the period			
Interest paid		85,366	95,808
Interest received		201,994	82,746
Income taxes paid		10,497	6,189

The notes on pages 5 to 14 are an integral part of these condensed consolidated interim financial statements.

Anadolubank Anonim Şirketi and Its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements As of and for the Six-Month Period Ended 30 June 2007

(Currency – Thousands of New Turkish Lira (YTL))

1. Overview of the Bank

Anadolubank AŞ (“the Bank”), has commenced operations pursuant to the permit of Turkish Undersecretariat of Treasury dated 25 August 1997 and numbered 39692 and started its operations on 25 September 1997 in Turkey under the Turkish Banking and Commercial Codes. The Bank provides corporate, commercial and retail banking services through a network of 71 domestic branches. The address of the headquarters and registered office of the Bank is Cumhuriyet Mahallesi Silahşör Cad. No: 77 80260 Bomonti-Şişli / Istanbul-Turkey. The parent and the ultimate parent of the Bank is Habaş Sınai ve Tıbbi Gazlar İstihsal Endüstrisi AŞ.

The Bank has four consolidating subsidiaries which are Anadolu Off-shore Limited (“Anadolu Offshore”), Anadolu Yatırım Menkul Kıymetler AŞ (“Anadolu Yatırım”), Anadolu Finansal Kiralama AŞ (“Anadolu Leasing”), and Anadolu Niderland NV (“Anadolu Niderland”).

The Bank has 99.4% ownership in Anadolu Offshore, established in the Turkish Republic of Northern Cyprus. Anadolu Offshore is licensed to undertake all commercial banking transactions.

The Bank has 82% ownership in Anadolu Yatırım, a brokerage and investment company, located in Istanbul. Anadolu Yatırım was established on 21 September 1998 and mainly involved in trading of and investing in securities, stocks, treasury bills and government bonds provided from capital markets; the management of mutual funds and performing intermediary services.

The Bank has 99.92% ownership in Anadolu Leasing, located in Istanbul. Anadolu Leasing was established on 8 December 2005 by obtaining the leasing license which is required to operate in the financial leasing sector.

The Bank has 100% ownership in Anadolu Niderland, located in Amsterdam. The Bank aims to engage in banking operations in the Netherlands.

For the purposes of the condensed consolidated interim financial statements, the Bank and its consolidated subsidiaries are referred to as “the Group”.

Anadolubank Anonim Şirketi and Its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

As of and for the Six-Month Period Ended 30 June 2007

(Currency – Thousands of New Turkish Lira (YTL))

2. Statement of compliance

The Bank and its Turkish subsidiaries maintain their books of account and prepare their statutory financial statements in New Turkish Lira (“YTL”) in accordance with the Accounting Practice Regulations as promulgated by the Banking Regulation and Supervision Agency (“BRSA”), regulations promulgated by the Capital Market Board of Turkey and also the Turkish Commercial Code; The Bank’s foreign subsidiaries maintain their books of account and prepare their statutory financial statements in US Dollar and in EUR in accordance with the regulations of the countries in which they operate.

The accompanying condensed consolidated interim financial statements are based on the statutory records with adjustments and reclassifications for the purpose of fair presentation in accordance with International Financial Reporting Standard (“IFRS”) IAS 34 *Interim Financial Reporting*. The Group adopted all IFRS, which were mandatory as of 30 June 2007. The accompanying condensed consolidated interim financial statements are authorized for issue by the directors on 3 September 2007.

3. Basis of preparation

The accompanying condensed consolidated interim financial statements are presented in thousands of YTL.

The condensed consolidated interim financial statements are prepared on the historical cost basis as adjusted for the effects of inflation that lasted until 31 December 2005, except that the following assets and liabilities are stated at their fair value if reliable measures are available: derivative financial instruments, financial assets and liabilities held for trading, available for sale financial assets and tangible assets held for sale. Recognized assets and liabilities that are hedged are stated at fair value in respect of the risk that is hedged.

The accounting policies have been consistently applied by the Bank and its affiliates and are consistent with those used in previous years.

4. Basis of consolidation

i) Methodology

The accompanying condensed consolidated interim financial statements include the accounts of the Bank and its subsidiaries on the basis set out in section below. The financial statements of the subsidiaries included in the consolidation have been prepared as of the date of the consolidated financial statements.

For the purposes of the accompanying condensed consolidated interim financial statements, the subsidiaries are those companies over which the Bank has a controlling power on their operating and financial policies through having more than 50% of the ordinary shares held by the Bank and/or its other subsidiaries.

The major principles of consolidation are as follows:

- The balance sheets and income statements are consolidated on a line-by-line basis.
- All intercompany investments, receivables, payables, dividends received and paid and other intercompany transactions reflected in the balance sheets and income statements are eliminated.
- The results of the subsidiaries are included in or excluded from the consolidation from their effective dates of acquisition or disposal, respectively.
- Minority interests in the shareholders’ equity and net income of the consolidated subsidiaries are separately classified in the consolidated balance sheets and consolidated income statements.

Anadolubank Anonim Şirketi and Its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

As of and for the Six-Month Period Ended 30 June 2007

(Currency – Thousands of New Turkish Lira (YTL))

4. Basis of consolidation (continued)

ii) Subsidiaries

The subsidiaries included in the consolidation and their ownership percentages are as follows:

	Place of Incorporation	Principal Activities	Effective Shareholding and Voting Rights (%)	
			30 June 2007	31 December 2006
Anadolu Yatırım	Istanbul / Turkey	Brokerage	82.00	82.00
Anadolu Offshore	Turkish Republic of Northern Cyprus	Banking	99.40	99.40
Anadolu Leasing	Istanbul / Turkey	Leasing	99.92	99.92
Anadolu Nederland	Amsterdam / the Netherlands	Banking	100.00	100.00

5. Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2006.

6. Estimates

The preparation of interim financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2006.

Anadolubank Anonim Şirketi and Its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

As of and for the Six-Month Period Ended 30 June 2007

(Currency – Thousands of New Turkish Lira (YTL))

7. Financial risk management

The Group's financial risk management objectives and policies are consistent with that disclosed in the consolidated financial statements as at and for the year ended 31 December 2006.

The Group's currency risk and interest rate risk sensitivity are presented below:

Currency risk sensitivity

The Group is exposed to currency risk on its financial assets and financial liabilities denominated in US Dollar and Euro other than YTL, functional currency, within the normal course of its banking activities.

A 10 percent devaluation of the YTL against the following currencies as at 30 June 2007 and 31 December 2006 would have increased equity and profit or loss (without tax effects) by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for the year ending 31 December 2006.

30 June 2007	Equity (*)	Profit or loss
US Dollar	(27,147)	(27,147)
Euro	2,510	2,510
Others	1,138	1,138
31 December 2006	Equity (*)	Profit or loss
US Dollar	(27,676)	(27,676)
Euro	(1,498)	(1,498)
Others	(237)	(237)

(*) Equity effect also includes profit or loss effect of 10% deviation of the YTL against related currencies.

Interest rate sensitivity

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. The Board has established limits on the interest rate gaps for stipulated periods. Positions are monitored periodically, and hedging strategies are used to ensure positions are maintained within the established limits.

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was:

	Carrying amount	
	30 June 2007	31 December 2006
Fixed rate instruments:		
<i>Financial assets</i>		
Financial assets designated at fair value through profit or loss	14,233	23,079
Floating rate instruments:		
<i>Financial assets</i>		
Financial assets designated at fair value through profit or loss	2,308	2,333
Held to maturity investment securities	109,908	116,915
<i>Financial liabilities</i>		
Funds borrowed	420,988	377,764

Anadolubank Anonim Şirketi and Its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

As of and for the Six-Month Period Ended 30 June 2007

(Currency – Thousands of New Turkish Lira (YTL))

7. Financial risk management (continued)

Exposure to interest rate risk - trading portfolios

The Group accounts some financial assets at fair value through profit or loss, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. The Group's trading portfolios are subject to fair value exposure due to changes in interest rates. Profit or loss and equity effects (without tax effects) of 100 bp changes in interest rate are shown below:

	30 June 2007			
	100 bp increase		100 bp decrease	
	Equity (*)	Profit or loss	Equity (*)	Profit or loss
Financial assets designated at fair value through profit or loss	(211)	(211)	219	219
	100 bp increase		100 bp decrease	
	Equity (*)	Profit or loss	Equity (*)	Profit or loss
Financial assets designated at fair value through profit or loss	(622)	(622)	650	650

(*) Equity effect also includes profit or loss effect of 100 bp increase or decrease in interest rates.

Exposure to interest rate risk - non-trading portfolios

The sensitivity of the income statement is the effect of the assumed changes in interest rates on the net interest income for the period based on the floating rate non-trading financial assets and liabilities held at 30 June 2007. The Group has not available for sale financial asset, so the income statement effect of change in interest rates also represents the effect on equity. A change of 100 basis points in interest rates at the reporting date would have increased (decreased) equity (without tax effects) by the amounts as shown below:

	30 June 2007			
	100 bp increase		100 bp decrease	
	Equity (*)	Profit or loss	Equity (*)	Profit or loss
Held to maturity investment securities	535	535	(535)	(535)
Borrowings	(2,081)	(2,081)	2,081	2,081
Net effect	(1,556)	(1,556)	1,556	1,556
	100 bp increase		100 bp decrease	
	Equity (*)	Profit or loss	Equity (*)	Profit or loss
Held to maturity investment securities	575	575	(575)	(575)
Borrowings	(1,865)	(1,865)	1,865	1,865
Net effect	(1,300)	(1,300)	1,300	1,300

(*) Equity effect also includes profit or loss effect of 100 bp increase or decrease in interest rates.

Anadolubank Anonim Şirketi and Its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

As of and for the Six-Month Period Ended 30 June 2007

(Currency – Thousands of New Turkish Lira (YTL))

8. Investment securities

As at 30 June 2007 and 31 December 2006, investment securities comprised the following:

	30 June 2007	31 December 2006
Available for sale investment securities	--	--
Held to maturity investment securities	629,672	651,201
Total investment securities	629,672	651,201

The Bank has reclassified the available for sale investment securities to held to maturity investment securities having fair value of YTL 375,941 as at transfer date, by the 8 May 2006 dated decision of Board of Directors. The previous losses, net off taxes from these reclassified securities amounting to YTL 7,840 has been recognized directly in equity and has been accounted to be amortized through income statement over the remaining life of the transferred securities using the effective interest rate method.

The Bank has also reclassified certain available for sale investment securities with the fair value of YTL 265,420 as of reclassification date to the held to maturity investment securities on 31 December 2006. The previous losses, net off taxes amounting to YTL 793 has been recognized directly in equity and has been accounted to be amortized through income statement over the remaining life of the transferred securities using the effective interest rate method.

9. Property and equipment

Movement in tangible assets as of and for the period ended 30 June 2007 is as follows:

	1 January 2007	Additions	Disposals	30 June 2007
Cost				
Buildings	4,742	--	--	4,742
Motor vehicles	3,678	654	(26)	4,306
Furniture, office equipment and leasehold improvements	48,483	2,457	--	50,940
	56,903	3,111	(26)	59,988
Accumulated Depreciation				
Buildings	776	47	--	823
Motor vehicles	2,384	180	(26)	2,538
Furniture, office equipment and leasehold improvements	36,782	1,839	--	38,621
	39,942	2,066	(26)	41,982
Net Book Value	16,961			18,006

As of 30 June 2007, the cost of fully depreciated property and equipment are still in active use amounting to YTL 35,193 (31 December 2006 – YTL 33,667).

As of 30 June 2007, tangible assets were insured to the extent of YTL 42,563 (31 December 2006: YTL 37,681) in total.

Anadolubank Anonim Şirketi and Its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

As of and for the Six-Month Period Ended 30 June 2007

(Currency – Thousands of New Turkish Lira (YTL))

10. Intangible assets

Movement in intangible assets as of and for the period ended 30 June 2007 is as follows:

	1 January 2007	Additions	Disposals	30 June 2007
Cost				
Software	9,915	323	--	10,238
Other intangibles	1,381	--	--	1,381
	11,296	323	--	11,619
Accumulated Amortization				
Software	7,155	607	--	7,762
Other intangibles	1,322	43	--	1,365
	8,477	650	--	9,127
Net Book Value	2,819			2,492

11. Funds borrowed

	30 June 2007			
	Amount		Effective Interest Rate (%)	
	YTL	Foreign currency	YTL	Foreign Currency
Short-term	78,362	598,778		
Fixed interest rate	78,362	177,969	12.45 - 22.00	4.17 – 6.43 Euribor + (1.2-2.5)
Variable interest rate	--	420,810	--	Libor + (0.30-1.1)
Medium/long term	1,962	16,670		
Fixed interest rate	1,962	16,670	20.51	5.38 - 6.89
Variable interest rate	--	--	--	--
Total	80,324	615,448		
	31 December 2006			
	Amount		Effective Interest Rate (%)	
	YTL	Foreign Currency	YTL	Foreign Currency
Short-term	12,544	503,280		
Fixed interest rate	12,544	125,517	22.00	4.28 – 6.96 Euribor + (1.2-2.5)
Variable interest rate	--	377,764	--	Libor + (0.35-0.40)
Medium/long term	66,907	41,192		4.63-6.96
Fixed interest rate	66,907	41,192	12.45	4.60 – 7.00
Variable interest rate	--	--	--	--
Total	79,451	544,472		

On 19 April 2007, the Bank has obtained YTL 197,205 (YTL equivalent of USD 150,000,000) syndication loan with a maturity of one year. The arranger of the loan was West LB AG and the interest rate on such loan is Libor+0.40%.

Anadolubank Anonim Şirketi and Its Subsidiaries

Notes to the Condensed Consolidated Interim Financial Statements

As of and for the Six-Month Period Ended 30 June 2007

(Currency – Thousands of New Turkish Lira (YTL))

12. Income taxes

The Group's consolidated effective tax rate in respect of continuing operations for the six-month period ended 30 June 2007 was 21 percent (for the year ended 31 December 2006: 26 percent; for the six-month period ended 30 June 2006: 30 percent). Changes in effective tax rate among the periods can be explained by the decreases in income tax rates. While the applicable tax rates was 33% and 30% for the year ended 31 December 2004 and 31 December 2005, respectively it has been decreased to 20% starting from 1 January 2006.

13. Share capital

Share capital

	30 June 2007	31 December 2006
Number of common shares , YTL 1 (in full YTL), par value		
Authorized, issued and outstanding 225.000 thousand;	225,000	225,000

The authorized nominal share capital of the Bank amounted to YTL 225,000 thousands as of 30 June 2007. As per the resolution of the Board of Directors on 30 October 2006, it was decided to increase the Bank's statutory share capital from YTL 66,000 thousands to YTL 225,000 thousands by cash contribution amounting to YTL 55,000 and through appropriation of capital reserves from inflation adjustments to paid in capital of YTL 32,357 thousands, legal reserves and accumulated profits of YTL 71,643 thousands. The increase was registered on 29 December 2006.

As of 30 June 2007 and 31 December 2006, the composition of shareholders and their respective percentage of ownership can be summarized as follows:

	30 June 2007		31 December 2006	
	Amount	%	Amount	%
Habaş Sınai ve Tıbbi Gazlar İstihsal Endüstrisi AŞ	152,714	67.87	152,714	67.87
Mehmet Rüştü Başaran	65,799	29.24	65,799	29.24
Other shareholders	6,487	2.89	6,487	2.89
Historical amount	225,000	100.00	225,000	100.00
Restatement effect	2,619		2,619	
Total	227,619		227,619	

Revaluation of available-for-sale assets

Revaluation of available-for-sale assets is detailed as follows:

	30 June 2007	31 December 2006
Balance at the beginning of the period/year	(6,928)	25,411
Net gains/(losses) from changes in fair value	--	(35,080)
Related deferred and current income taxes	--	9,446
Net (gains)/losses transferred to the income statement on disposal and impairment	(150)	(9,881)
Related deferred and current income taxes	30	3,176
Balance at the end of the period/year	(7,048)	(6,928)

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14. Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Group is controlled by Habaş Sınai ve Tıbbi Gazlar İstihsal Endüstrisi AŞ which owns 67.87% (31 December 2006: 67.87%) of ordinary shares, and included in Habaş Group of companies. For the purpose of these consolidated financial information, shareholders and Habaş Group companies are referred to as related parties. Related parties also include individuals that are principal owners and management and members of the Group's Board of Directors and their families.

In the course of conducting its banking business, the Group conducted various business transactions with related parties on commercial terms.

The following significant balances exist and transactions have been entered into with related parties:

Outstanding balances

	30 June 2007	31 December 2006
Cash loans	15,272	13,816
Non-cash loans	11,361	24,724
Deposits taken	85,778	68,308
Notional amount of derivative transactions	--	20,667

Transactions

	30 June 2007	31 December 2006
Interest income	580	166
Interest expense	927	818
Other operating income	492	1,445
Other operating expense	823	1,326

Directors' Remuneration

The key management (nine executives including the general manager) and the members of the Board of Directors received remuneration and fees totaling YTL 2,713 for the six month period ended 30 June 2007 (30 June 2006: YTL 1,473).

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15. Commitment and contingencies

Litigations

- i) A lawsuit was filed against the Bank by a correspondent bank during the previous reporting periods claiming the collection of USD 3,250,000 (initially USD 14,750,000, USD 11,500,000 of which was dropped) plus of any accrued interest thereon since the legal proceedings were instituted. The Bank's lawyers have advised that they do not consider that the suit has merit and they have contested it. No provision has been made in the financial statements as the Group's management does not consider that there will be any probable loss.
- ii) In addition to the above mentioned cases, there are 45 other law cases opened against the Group, claims of which in total amount to YTL 8,388. At 30 June 2007, the Bank management recorded the provision of YTL 262 for such cases.

16. Significant events

As per the resolution no.2007/39 of the Board of Directors, held on 28 May 2007, the Bank decided to begin and execute the legal procedures for obtaining subordinated loan to reach required equity capital in order to sustain growth. As of reporting date, this process is in progress.

17. Subsequent events

As per the resolution no.2007/56 of the Board of Directors held on 16 July 2007, the Bank decided to increase the share capital of Anadolu Nederland from 500,000 Euro to 15,000,000 Euro.