

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.****Consolidated Balance Sheets as of December 31, 2007 and December 31, 2006**

(In Thousand of New Turkish Lira)

ASSETS	Note Ref.	Audited			Audited		
		CURRENT PERIOD			PRIOR PERIOD		
		December 31, 2007			December 31, 2006		
		TRY	FC	TOTAL	TRY	FC	TOTAL
<b>I. CASH AND BALANCES WITH THE CENTRAL BANK</b>	(1)	<b>308</b>	<b>3,915</b>	<b>4,223</b>	<b>222</b>	<b>872</b>	<b>1,094</b>
<b>II. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS (Net)</b>	(2)	<b>122,014</b>	<b>14,459</b>	<b>136,473</b>	<b>43,920</b>	<b>6,945</b>	<b>50,865</b>
2.1 Trading financial assets		104,609	398	105,007	43,414	122	43,536
2.1.1 Public sector debt securities		87,139	398	87,537	27,515	-	27,515
2.1.2 Share certificates		15,120	-	15,120	14,013	-	14,013
2.1.3 Other marketable securities		2,350	-	2,350	1,886	122	2,008
2.2 Financial assets at fair value through profit and loss		-	-	-	-	-	-
2.2.1 Public sector debt securities		-	-	-	-	-	-
2.2.2 Share certificates		-	-	-	-	-	-
2.2.3 Other marketable securities		-	-	-	-	-	-
2.3 Derivative financial assets held for trading		17,405	14,061	31,466	506	6,823	7,329
<b>III. BANKS</b>	(3)	<b>38,765</b>	<b>12,126</b>	<b>50,891</b>	<b>22,725</b>	<b>90,292</b>	<b>113,017</b>
<b>IV. MONEY MARKET PLACEMENTS</b>		<b>11,858</b>	<b>-</b>	<b>11,858</b>	<b>28,489</b>	<b>-</b>	<b>28,489</b>
4.1 Interbank money market placements		79	-	79	15,851	-	15,851
4.2 Istanbul Stock Exchange money market placements		22	-	22	-	-	-
4.3 Receivables from reverse repurchase agreements		11,757	-	11,757	12,638	-	12,638
<b>V. FINANCIAL ASSETS AVAILABLE FOR SALE (Net)</b>	(4)	<b>1,350,428</b>	<b>322,121</b>	<b>1,672,549</b>	<b>879,798</b>	<b>343,487</b>	<b>1,223,285</b>
5.1 Share certificates		20,380	2,957	23,337	18,206	1,702	19,908
5.2 Public sector debt securities		1,327,045	253,189	1,580,234	843,983	277,341	1,121,324
5.3 Other marketable securities		3,003	65,975	68,978	17,609	64,444	82,053
<b>VI. LOANS</b>	(5)	<b>953,273</b>	<b>1,570,781</b>	<b>2,524,054</b>	<b>726,318</b>	<b>1,465,192</b>	<b>2,191,510</b>
6.1 Loans		953,273	1,570,781	2,524,054	726,318	1,465,192	2,191,510
6.1.1 Loans to Risk Group of the Bank		13,942	64,697	78,639	5,756	80,869	86,625
6.1.2 Other		939,331	1,506,084	2,445,415	720,562	1,384,323	2,104,885
6.2 Non-performing loans		16,187	3,233	19,420	30,642	2,888	33,530
6.3 Specific provisions (-)		(16,187)	(3,233)	(19,420)	(30,642)	(2,888)	(33,530)
<b>VII. FACTORING RECEIVABLES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>VIII. HELD TO MATURITY INVESTMENTS (Net)</b>	(6)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
8.1 Public sector debt securities		-	-	-	-	-	-
8.2 Other marketable securities		-	-	-	-	-	-
<b>IX. INVESTMENTS IN ASSOCIATES (Net)</b>	(7)	<b>96,934</b>	<b>-</b>	<b>96,934</b>	<b>84,623</b>	<b>-</b>	<b>84,623</b>
9.1 Accounted for under equity method		88,654	-	88,654	69,710	-	69,710
9.2 Unconsolidated associates		8,280	-	8,280	14,913	-	14,913
9.2.1 Financial investments		-	-	-	-	-	-
9.2.2 Non-financial investments		8,280	-	8,280	14,913	-	14,913
<b>X. INVESTMENTS IN SUBSIDIARIES (Net)</b>	(8)	<b>319</b>	<b>-</b>	<b>319</b>	<b>319</b>	<b>-</b>	<b>319</b>
10.1 Unconsolidated financial subsidiaries		-	-	-	-	-	-
10.2 Unconsolidated non-financial subsidiaries		319	-	319	319	-	319
<b>XI. ENTITIES UNDER COMMON CONTROL (Net)</b>	(9)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
11.1 Consolidated under equity method		-	-	-	-	-	-
11.2 Unconsolidated		-	-	-	-	-	-
11.2.1 Financial subsidiaries		-	-	-	-	-	-
11.2.2 Non-financial subsidiaries		-	-	-	-	-	-
<b>XII. LEASE RECEIVABLES (Net)</b>	(10)	<b>2,707</b>	<b>228,055</b>	<b>230,762</b>	<b>4,874</b>	<b>281,215</b>	<b>286,089</b>
12.1 Finance lease receivables		3,203	267,492	270,695	6,049	331,163	337,212
12.2 Operating lease receivables		-	-	-	-	-	-
12.3 Other		-	-	-	-	-	-
12.4 Unearned income ( - )		(496)	(39,437)	(39,933)	(1,175)	(49,948)	(51,123)
<b>XIII. DERIVATIVE FINANCIAL ASSETS FOR HEDGING PURPOSES</b>	(11)	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
13.1 Fair value hedge		-	-	-	-	-	-
13.2 Cash flow hedge		-	-	-	-	-	-
13.3 Hedge of net investment risks in foreign operations		-	-	-	-	-	-
<b>XIV. TANGIBLE ASSETS (Net)</b>	(12)	<b>81,251</b>	<b>7</b>	<b>81,258</b>	<b>44,421</b>	<b>11</b>	<b>44,432</b>
<b>XV. INTANGIBLE ASSETS (Net)</b>	(13)	<b>1,591</b>	<b>-</b>	<b>1,591</b>	<b>843</b>	<b>-</b>	<b>843</b>
15.1 Goodwill		1,005	-	1,005	366	-	366
15.2 Other		586	-	586	477	-	477
<b>XVI. INVESTMENT PROPERTY (Net)</b>	(14)	<b>4,945</b>	<b>-</b>	<b>4,945</b>	<b>3,651</b>	<b>-</b>	<b>3,651</b>
<b>XVII. TAX ASSET</b>	(15)	<b>28,424</b>	<b>-</b>	<b>28,424</b>	<b>7,671</b>	<b>-</b>	<b>7,671</b>
17.1 Current tax asset		22,174	-	22,174	6,300	-	6,300
17.2 Deferred tax asset		6,250	-	6,250	1,371	-	1,371
<b>XVIII. ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (Net)</b>	(16)	<b>10,510</b>	<b>-</b>	<b>10,510</b>	<b>-</b>	<b>-</b>	<b>-</b>
18.1 Assets held for sale		10,510	-	10,510	-	-	-
18.2 Assets of discontinued operations		-	-	-	-	-	-
<b>XIX. OTHER ASSETS</b>	(17)	<b>48,971</b>	<b>49,726</b>	<b>98,697</b>	<b>79,422</b>	<b>47,703</b>	<b>127,125</b>
<b>TOTAL ASSETS</b>		<b>2,752,298</b>	<b>2,201,190</b>	<b>4,953,488</b>	<b>1,927,296</b>	<b>2,235,717</b>	<b>4,163,013</b>

The accompanying notes form an integral part of these financial statements.

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**

**Consolidated Balance Sheets as of December 31, 2007 and December 31, 2006**  
(In Thousand of New Turkish Lira)

LIABILITIES	Note Ref.	Audited			Audited		
		CURRENT PERIOD			PRIOR PERIOD		
		December 31, 2007			December 31, 2006		
		TRY	FC	TOTAL	TRY	FC	TOTAL
<b>I. DEPOSITS</b>	(1)	-	-	-	-	-	-
1.1 Deposits from Risk Group of the Bank		-	-	-	-	-	-
1.2 Other		-	-	-	-	-	-
<b>II. DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING</b>	(2)	31,780	13,432	45,212	10,248	1,452	11,700
<b>III. FUNDS BORROWED</b>	(3)	58,186	3,067,988	3,126,174	11,742	2,861,670	2,873,412
<b>IV. MONEY MARKET BALANCES</b>	(4)	779,827	67,670	847,497	402,803	77,441	480,244
4.1 Interbank money market takings		79	-	79	-	-	-
4.2 İstanbul Stock Exchange money market takings		3,169	-	3,169	16,482	-	16,482
4.3 Funds provided under repurchase agreements		776,579	67,670	844,249	386,321	77,441	463,762
<b>V. MARKETABLE SECURITIES ISSUED (Net)</b>		-	-	-	-	-	-
5.1 Bills		-	-	-	-	-	-
5.2 Asset backed securities		-	-	-	-	-	-
5.3 Bonds		-	-	-	-	-	-
<b>VI. FUNDS</b>		72	-	72	147	-	147
6.1 Borrower funds		-	-	-	-	-	-
6.2 Others		72	-	72	147	-	147
<b>VII. SUNDRY CREDITORS</b>		48,185	17,743	65,928	77,155	5,624	82,779
<b>VIII. OTHER LIABILITIES</b>	(5)	-	-	-	-	-	-
<b>IX. FACTORING PAYABLES</b>		-	-	-	-	-	-
<b>X. LEASE PAYABLES (Net)</b>	(6)	129	351	480	436	444	880
10.1 Finance lease payables		154	367	521	486	471	957
10.2 Operating lease payables		-	-	-	-	-	-
10.3 Other		-	-	-	-	-	-
10.4 Deferred finance lease expenses ( - )		(25)	(16)	(41)	(50)	(27)	(77)
<b>XI. DERIVATIVE FINANCIAL LIABILITIES FOR HEDGING PURPOSES</b>	(7)	-	-	-	-	-	-
11.1 Fair value hedge		-	-	-	-	-	-
11.2 Cash flow hedge		-	-	-	-	-	-
11.3 Hedge of net investment in foreign operations		-	-	-	-	-	-
<b>XII. PROVISIONS</b>	(8)	31,805	-	31,805	20,361	-	20,361
12.1 General loan loss provisions		18,814	-	18,814	14,099	-	14,099
12.2 Restructuring provisions		-	-	-	-	-	-
12.3 Reserve for employee benefits		3,699	-	3,699	3,427	-	3,427
12.4 Insurance technical reserves (Net)		-	-	-	-	-	-
12.5 Other provisions		9,292	-	9,292	2,835	-	2,835
<b>XIII. TAX LIABILITY</b>	(10)	38,662	-	38,662	19,314	-	19,314
13.1 Current tax liability		38,662	-	38,662	19,314	-	19,314
13.2 Deferred tax liability		-	-	-	-	-	-
<b>PAYABLES RELATED TO ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS</b>	(11)	-	2,252	2,252	-	-	-
14.1 Held for sale		-	2,252	2,252	-	-	-
14.2 Discontinued operations		-	-	-	-	-	-
<b>XV. SUBORDINATED LOANS</b>	(9)	-	59,624	59,624	-	73,199	73,199
<b>XVI. SHAREHOLDERS' EQUITY</b>	(12)	735,925	(143)	735,782	599,517	1,460	600,977
16.1 Paid-in capital		400,000	-	400,000	300,000	-	300,000
16.2 Capital reserves	(15)	28,488	(143)	28,345	52,753	1,460	54,213
16.2.1 Share premium		43	-	43	43	-	43
16.2.2 Share cancellation profits		-	-	-	-	-	-
16.2.3 Marketable securities value increase fund	(12)	12,071	(143)	11,928	(13,764)	1,460	(12,304)
16.2.4 Tangible assets revaluation differences		-	-	-	-	-	-
16.2.5 Intangible assets revaluation differences		-	-	-	-	-	-
16.2.6 Investment property revaluation differences		-	-	-	-	-	-
16.2.7 Bonus shares obtained from associates, subsidiaries and jointly controlled entities (Joint Vent.)		-	-	-	100	-	100
16.2.8 Hedging funds (Effective portion)		-	-	-	-	-	-
16.2.9 Accumulated valuation differences from assets held for sale and from discontinued operations		-	-	-	-	-	-
16.2.10 Other capital reserves		16,374	-	16,374	66,374	-	66,374
16.3 Profit reserves		141,311	-	141,311	76,329	-	76,329
16.3.1 Legal reserves	(13)	29,568	-	29,568	20,160	-	20,160
16.3.2 Statutory reserves		14,861	-	14,861	9,541	-	9,541
16.3.3 Extraordinary reserves	(14)	93,962	-	93,962	43,284	-	43,284
16.3.4 Other profit reserves		2,920	-	2,920	3,344	-	3,344
16.4 Profit or loss		136,943	-	136,943	142,862	-	142,862
16.4.1 Prior years' income/losses		20,413	-	20,413	33,148	-	33,148
16.4.2 Current year income/loss		116,530	-	116,530	109,714	-	109,714
16.5 Minority shares	(16)	29,183	-	29,183	27,573	-	27,573
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>1,724,571</b>	<b>3,228,917</b>	<b>4,953,488</b>	<b>1,141,723</b>	<b>3,021,290</b>	<b>4,163,013</b>

The accompanying notes form an integral part of these financial statements.

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**
**Consolidated Statement of Off-Balance Sheet Contingencies and Commitments as of December 31, 2007 and December 31, 2006**

(In Thousand of New Turkish Lira)

	Note Ref.	Audited			Audited		
		CURRENT PERIOD			PRIOR PERIOD		
		December 31, 2007			December 31, 2006		
		TRY	FC	TOTAL	TRY	FC	TOTAL
<b>A. OFF BALANCE SHEET CONTINGENCIES AND COMMITMENTS (I+II+III)</b>		<b>3,743,549</b>	<b>4,258,482</b>	<b>8,002,031</b>	<b>635,408</b>	<b>1,140,091</b>	<b>1,775,499</b>
<b>I. GUARANTEES AND COLLATERALS</b>	(1)	<b>69,344</b>	<b>415,387</b>	<b>484,731</b>	<b>28,503</b>	<b>344,087</b>	<b>372,590</b>
1.1. Letters of guarantee		69,336	147,718	217,054	28,495	246,177	274,672
1.1.1. Guarantees subject to State Tender Law		-	-	-	-	-	-
1.1.2. Guarantees given for foreign trade operations		-	-	-	-	-	-
1.1.3. Other letters of guarantee		69,336	147,718	217,054	28,495	246,177	274,672
1.2. Bank loans		-	77	77	-	-	-
1.2.1. Import letters of acceptance		-	77	77	-	-	-
1.2.2. Other bank acceptances		-	-	-	-	-	-
1.3. Letters of credit		-	176,439	176,439	-	97,910	97,910
1.3.1. Documentary letters of credit		-	176,439	176,439	-	97,910	97,910
1.3.2. Other letters of credit		-	-	-	-	-	-
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. Securities issue purchase guarantees		-	-	-	-	-	-
1.7. Factoring guarantees		-	-	-	-	-	-
1.8. Other guarantees		8	91,153	91,161	8	-	8
1.9. Other collaterals		-	-	-	-	-	-
<b>II. COMMITMENTS</b>	(1)	<b>228,599</b>	<b>377,856</b>	<b>606,455</b>	<b>249,298</b>	<b>321,236</b>	<b>570,534</b>
2.1. Irrevocable commitments		38,590	159,827	198,417	30,795	73,182	103,977
2.1.1. Forward asset purchase and sales commitments		10,494	159,827	170,321	2,867	26,898	29,765
2.1.2. Forward deposit purchase and sales commitments		-	-	-	-	46,284	46,284
2.1.3. Share capital commitment to associates and subsidiaries		-	-	-	-	-	-
2.1.4. Loan granting commitments		-	-	-	-	-	-
2.1.5. Securities underwriting commitments		-	-	-	-	-	-
2.1.6. Commitments for reserve deposit requirements		-	-	-	-	-	-
2.1.7. Payment commitment for checks		-	-	-	-	-	-
2.1.8. Tax and fund liabilities from export commitments		-	-	-	-	-	-
2.1.9. Commitments for credit card expenditure limits		-	-	-	-	-	-
2.1.10. Commitments for promotions related with credit cards and banking activities		-	-	-	-	-	-
2.1.11. Receivables from short sale commitments		-	-	-	-	-	-
2.1.12. Payables for short sale commitments		-	-	-	-	-	-
2.1.13. Other irrevocable commitments		28,096	-	28,096	27,928	-	-
2.2. Revocable commitments		190,009	218,029	408,038	218,503	248,054	466,557
2.2.1. Revocable loan granting commitments		190,009	215,000	405,009	218,503	245,609	464,112
2.2.2. Other revocable commitments		-	3,029	3,029	-	2,445	2,445
<b>III. DERIVATIVE FINANCIAL INSTRUMENTS</b>	(2)	<b>3,445,606</b>	<b>3,465,239</b>	<b>6,910,845</b>	<b>357,607</b>	<b>474,768</b>	<b>832,375</b>
3.1. Derivative financial instruments for hedging purposes		-	-	-	-	-	-
3.1.1. Fair value hedge		-	-	-	-	-	-
3.1.2. Cash flow hedge		-	-	-	-	-	-
3.1.3. Hedge of net investment in foreign operations		-	-	-	-	-	-
3.2. Held for trading transactions		3,445,606	3,465,239	6,910,845	357,607	474,768	832,375
3.2.1. Forward foreign currency buy/sell transactions		40,849	117,323	158,172	55,897	59,166	115,063
3.2.1.1. Forward foreign currency transactions-buy		40,672	40,360	81,032	55,897	1,839	57,736
3.2.1.2. Forward foreign currency transactions-sell		177	76,963	77,140	-	57,327	57,327
3.2.2. Swap transactions related to f.c. and interest rates		144,786	342,409	487,195	146,805	236,364	383,169
3.2.2.1. Foreign currency swaps-buy		27,203	211,543	238,746	-	191,588	191,588
3.2.2.2. Foreign currency swaps-sell		117,583	130,097	247,680	146,805	44,168	190,973
3.2.2.3. Interest rate swaps-buy		-	396	396	-	306	306
3.2.2.4. Interest rate swaps-sell		-	373	373	-	302	302
3.2.3. Foreign currency, interest rate and securities options		2,843,007	2,526,917	5,369,924	90,822	86,010	176,832
3.2.3.1. Foreign currency options-buy		97,600	2,308,149	2,405,749	29,766	56,400	86,166
3.2.3.2. Foreign currency options-sell		2,721,599	128,666	2,850,265	61,056	29,610	90,666
3.2.3.3. Interest rate options-buy		-	60,071	60,071	-	-	-
3.2.3.4. Interest rate options-sell		-	-	-	-	-	-
3.2.3.5. Securities options-buy		23,808	30,031	53,839	-	-	-
3.2.3.6. Securities options-sell		-	-	-	-	-	-
3.2.4. Foreign currency futures		8,504	8,490	16,994	44,123	43,362	87,485
3.2.4.1. Foreign currency futures-buy		8,241	256	8,497	44,123	-	44,123
3.2.4.2. Foreign currency futures-sell		263	8,234	8,497	-	43,362	43,362
3.2.5. Interest rate futures		-	394,754	394,754	-	-	-
3.2.5.1. Interest rate futures-buy		-	-	-	-	-	-
3.2.5.2. Interest rate futures-sell		-	394,754	394,754	-	-	-
3.2.6. Other		408,460	75,346	483,806	19,960	49,866	69,826
<b>B. CUSTODY AND PLEDGED SECURITIES (IV+V+VI)</b>		<b>3,857,973</b>	<b>5,004,453</b>	<b>8,862,427</b>	<b>2,814,914</b>	<b>3,514,194</b>	<b>6,329,108</b>
<b>IV. ITEMS HELD IN CUSTODY</b>		<b>3,675,482</b>	<b>128,462</b>	<b>3,803,945</b>	<b>2,596,215</b>	<b>228,869</b>	<b>2,825,084</b>
4.1. Assets under management		6,800	4,557	11,357	10,500	24,171	34,671
4.2. Investment securities held in custody		2,199,253	123,905	2,323,158	1,558,831	204,698	1,763,529
4.3. Checks received for collection		185	-	185	-	-	-
4.4. Commercial notes received for collection		-	-	-	-	-	-
4.5. Other assets received for collection		-	-	-	-	-	-
4.6. Assets received for public offering		-	-	-	-	-	-
4.7. Other items under custody		453,704	-	453,704	446,032	-	446,032
4.8. Custodians		1,015,540	-	1,015,540	580,852	-	580,852
<b>V. PLEDGED ITEMS</b>		<b>182,491</b>	<b>4,875,991</b>	<b>5,058,482</b>	<b>218,699</b>	<b>3,285,325</b>	<b>3,504,024</b>
5.1. Marketable securities		1,554	294,119	295,673	307	17,860	18,167
5.2. Guarantee notes		25,829	1,372,667	1,398,496	25,687	1,236,796	1,262,483
5.3. Commodity		-	-	-	-	-	-
5.4. Warranty		-	-	-	-	-	-
5.5. Properties		97,240	1,906,684	2,003,924	97,994	1,709,784	1,807,778
5.6. Other pledged items		57,868	1,302,521	1,360,389	94,711	320,885	415,596
5.7. Pledged items-depository		-	-	-	-	-	-
<b>VI. ACCEPTED INDEPENDENT GUARANTEES AND WARRANTIES</b>		-	-	-	-	-	-
<b>TOTAL OFF BALANCE SHEET ACCOUNTS (A+B)</b>		<b>7,601,522</b>	<b>9,262,935</b>	<b>16,864,458</b>	<b>3,450,322</b>	<b>4,654,285</b>	<b>8,104,607</b>

The accompanying notes form an integral part of these financial statements.

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**

**Consolidated Income Statements for the years ended December 31, 2007 and December 31, 2006**

(In Thousand of New Turkish Lira)

			Audited	Audited
INCOME / (LOSS) ACCOUNTS		Note Ref.	CURRENT PERIOD December 31, 2007	PRIOR PERIOD December 31, 2006
<b>I.</b>	<b>INTEREST INCOME</b>	(1)	<b>413,026</b>	<b>321,516</b>
1.1	Interest on loans		166,427	151,060
1.2	Interest received from reserve deposits		1,129	776
1.3	Interest received from banks		10,845	9,406
1.4	Interest received from money market placements		272	1,464
1.5	Interest received from marketable securities portfolio		209,963	137,597
1.5.1	Held-for-trading financial assets		5,910	1,701
1.5.2	Financial assets at fair value through profit and loss		-	-
1.5.3	Available-for-sale financial assets		204,053	135,829
1.5.4	Investments held-to-maturity		-	67
1.6	Finance lease income		17,163	17,048
1.7	Other interest income		7,227	4,165
<b>II.</b>	<b>INTEREST EXPENSES</b>	(2)	<b>(269,895)</b>	<b>(174,216)</b>
2.1	Interest on deposits		-	-
2.2	Interest on funds borrowed		(150,216)	(138,446)
2.3	Interest on money market borrowings		(119,319)	(34,804)
2.4	Interest on securities issued		-	-
2.5	Other interest expense		(360)	(966)
<b>III.</b>	<b>NET INTEREST INCOME (I - II)</b>		<b>143,131</b>	<b>147,300</b>
<b>IV.</b>	<b>NET FEES AND COMMISSIONS INCOME</b>		<b>22,057</b>	<b>24,073</b>
4.1	Fees and commissions received		22,764	25,551
4.1.2	Non-cash loans		2,174	3,082
4.1.3	Other		20,590	22,469
4.2	Fees and commissions paid		(707)	(1,478)
4.2.1	Non-cash loans		(2)	(3)
4.2.2	Other		(705)	(1,475)
<b>V.</b>	<b>DIVIDEND INCOME</b>	(3)	<b>8,090</b>	<b>3,441</b>
<b>VI.</b>	<b>NET TRADING INCOME</b>	(4)	<b>12,079</b>	<b>(6,601)</b>
6.1	Securities trading gains/ (losses)		27,752	(689)
6.2	Foreign exchange gains/(losses) (net)		(15,673)	(5,912)
<b>VII.</b>	<b>OTHER OPERATING INCOME</b>	(5)	<b>20,567</b>	<b>21,819</b>
<b>VIII.</b>	<b>TOTAL OPERATING INCOME (III+IV+V+VI+VII)</b>		<b>205,924</b>	<b>190,032</b>
<b>IX.</b>	<b>PROVISION FOR LOAN LOSSES AND OTHER RECEIVABLES (-)</b>	(6)	<b>(13,790)</b>	<b>(7,242)</b>
<b>X.</b>	<b>OTHER OPERATING EXPENSES (-)</b>	(7)	<b>(62,365)</b>	<b>(55,723)</b>
<b>XI.</b>	<b>NET OPERATING INCOME/(LOSS) (VIII-IX-X)</b>		<b>129,769</b>	<b>127,067</b>
<b>XII.</b>	<b>AMOUNT IN EXCESS RECORDED AS GAIN AFTER MERGER</b>		-	-
<b>XIII.</b>	<b>PROFIT / (LOSS) ON EQUITY METHOD</b>		<b>15,023</b>	<b>8,139</b>
<b>XIV.</b>	<b>GAIN / (LOSS) ON NET MONETARY POSITION</b>		-	-
<b>XV.</b>	<b>PROFIT/(LOSS) FROM CONTINUED OPERATIONS BEFORE TAXES (XI+XII+XIII+XIV)</b>	(8)	<b>144,792</b>	<b>135,206</b>
<b>XVI.</b>	<b>TAX PROVISION FOR CONTINUED OPERATIONS (±)</b>	(9)	<b>(24,903)</b>	<b>(24,787)</b>
16.1	Provision for current income taxes		(35,511)	(17,453)
16.2	Provision for deferred taxes		10,608	(7,334)
<b>XVII.</b>	<b>NET PROFIT/(LOSS) FROM CONTINUED OPERATIONS (XV±XVI)</b>	(11)	<b>119,889</b>	<b>110,419</b>
<b>XVIII.</b>	<b>INCOME ON DISCONTINUED OPERATIONS</b>		-	-
18.1	Income on assets held for sale		-	-
18.2	Income on sale of associates, subsidiaries and jointly controlled entities (Joint vent.)		-	-
18.3	Income on other discontinued operations		-	-
<b>XIX.</b>	<b>LOSS FROM DISCONTINUED OPERATIONS (-)</b>		-	-
19.1	Loss from assets held for sale		-	-
19.2	Loss on sale of associates, subsidiaries and jointly controlled entities (Joint vent.)		-	-
19.3	Loss from other discontinued operations		-	-
<b>XX.</b>	<b>PROFIT / (LOSS) ON DISCONTINUED OPERATIONS BEFORE TAXES (XVIII-XIX)</b>		-	-
<b>XXI.</b>	<b>TAX PROVISION FOR DISCONTINUED OPERATIONS (±)</b>		-	-
21.1	Provision for current income taxes		-	-
21.2	Provision for deferred taxes		-	-
<b>XXII.</b>	<b>NET PROFIT/LOSS FROM DISCONTINUED OPERATIONS (XX±XXI)</b>	(10)	-	-
<b>XXIII.</b>	<b>NET PROFIT/LOSS (XVII+XXII)</b>	(11)	<b>119,889</b>	<b>110,419</b>
23.1	Group's profit/loss		116,530	109,714
23.2	Minority shares		3,359	705
	Earnings/(losses) per share		0.300	0.276

The accompanying notes form an integral part of these financial statements.

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**

**Consolidated Statement of Profit-Loss Items Accounted for under Shareholders' Equity for the years ended December 31, 2007 and December 31, 2006**  
(In Thousand of New Turkish Lira)

	<b>Audited</b>	
	<b>CURRENT PERIOD</b>	<b>PRIOR PERIOD</b>
<b>PROFIT AND LOSS ITEMS ACCOUNTED FOR UNDER SHAREHOLDERS' EQUITY</b>	<b>December 31, 2007</b>	<b>December 31, 2006</b>
<b>I. ADDITIONS TO MARKETABLE SECURITIES REVALUATION DIFFERENCES FOR AVAILABLE FOR SALE FINANCIAL ASSETS</b>	22,926	(30,275)
<b>II. TANGIBLE ASSETS REVALUATION DIFFERENCES</b>	-	-
<b>III. INTANGIBLE ASSETS REVALUATION DIFFERENCES</b>	-	-
<b>IV. TRANSLATION DIFFERENCES FOR TRANSACTIONS IN FOREIGN CURRENCIES</b>	-	-
<b>V. GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR CASH FLOW HEDGES (effective portion of fair value differences)</b>	-	-
<b>VI. GAIN/LOSS ON DERIVATIVE FINANCIAL ASSETS HELD FOR HEDGES OF NET INVESTMENT IN FOREIGN OPERATIONS (effective portion)</b>	-	-
<b>VII. EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS OF ERRORS</b>	-	-
<b>VIII. OTHER PROFIT/LOSS ITEMS ACCOUNTED FOR UNDER SHAREHOLDERS' EQUITY AS PER TAS</b>	3,410	-
<b>IX. DEFERRED TAX OF VALUATION DIFFERENCES</b>	(2,104)	3,625
<b>X. NET PROFIT/LOSS ACCOUNTED FOR DIRECTLY UNDER SHAREHOLDERS' EQUITY (I+II+...+IX)</b>	24,232	(26,650)
<b>XI. CURRENT YEAR PROFIT/LOSS</b>	12,275	13,183
1.1 Net changes in fair value of securities (Recycled to Profit/Loss)	12,275	13,183
1.2 Reclassification of and recycling derivatives accounted for cash flow hedge purposes to Income Statement	-	-
1.3 Recycling hedge of net investments in foreign operations to Income Statement	-	-
1.4 Other	-	-
<b>XII. TOTAL PROFIT/LOSS ACCOUNTED FOR THE CURRENT PERIOD (X±XI)</b>	<b>36,507</b>	<b>(13,467)</b>

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY OF TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.																				
IN THOUSAND OF NEW TURKISH LIRA																				
CHANGES IN SHAREHOLDER'S EQUITY		Note Ref.	Paid in Capital	Effect of Inflation on Paid in Capital	Share Premiums	Share certificate cancellation profits	Legal Reserves	Statutory Reserves	Extraordinary Reserves	Other Reserves	Current Period Net Income / (Loss)	Prior Period Net Income / (Loss)	Marketable Securities Value Increase Fund	Tangible and Intangible Assets Revaluation Differences	Bonus shares obtained from Associates	Hedging Funds	Acc. valuation diff. from assets held for sale and from disc. op	Total Equity Attributable to Parent	Minority Shares	Total Shareholders' Equity
PRIOR PERIOD (01/01 - 31/12/2006)																				
I.	Prior Period Balance		200,000	109,153	13	-	9,695	4,540	11,980	2,926	-	137,889	14,346	2,221	100	-	-	492,863	21,649	514,512
II.	Corrections according to TAS 8		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1	The effect of corrections of errors		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2	The effects of changes in accounting policy.		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	New Balance (I-II)		200,000	109,153	13	-	9,695	4,540	11,980	2,926	-	137,889	14,346	2,221	100	-	-	492,863	21,649	514,512
	Changes in period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IV.	Increase/Decrease related to merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Investments securities available for sale		-	-	-	-	-	-	-	-	-	-	(26,650)	-	-	-	-	(26,650)	-	(26,650)
VI.	Hedging Transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1	Cash-flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2	Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Tangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Intangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	Bonus shares obtained from associates, subsidiaries and jointly controlled entities (Joint Vent.)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	Foreign exchange differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	The disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	The reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIII.	Effect of change in equities of associates on bank's equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Capital increase		100,000	(42,779)	30	-	-	-	-	-	-	(55,000)	-	(2,221)	-	-	-	30	-	30
14.1	Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14.2	Internal sources		100,000	(42,779)	30	-	-	-	-	-	-	(55,000)	-	(2,221)	-	-	-	30	-	30
XV.	Share issuance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Capital reserves from inflation adjustments to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVIII.	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,193	5,193
XIX.	Period net income/loss		-	-	-	-	-	-	-	-	109,714	-	-	-	-	-	-	-	-	-
XX.	Profit distribution		-	-	-	-	10,465	5,001	31,304	418	-	(49,741)	-	-	-	-	-	(2,553)	5,219	110,419
20.1	Dividends		-	-	-	-	-	-	-	-	-	(2,527)	-	-	-	-	-	(2,527)	-	2,666
20.2	Transfers to reserves		-	-	-	-	10,465	5,001	31,304	418	-	(47,214)	-	-	-	-	-	(26)	26	-
20.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing Balance (III+IV+V+...+XVIII+XIX+XX)			300,000	66,374	43	-	20,160	9,541	43,284	3,344	109,714	33,148	(12,304)	-	100	-	-	573,404	27,573	600,977
Audited CURRENT PERIOD (01/01 - 31/12/2007)																				
I.	Prior Period Balance		300,000	66,374	43	-	20,160	9,541	43,284	3,344	-	142,862	(12,304)	-	100	-	-	573,404	27,573	600,977
	Changes in period		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
II.	Increase/Decrease related to merger		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
III.	Marketable securities value increase fund		-	-	-	-	-	-	-	-	-	-	24,232	-	-	-	-	24,232	(150)	24,082
IV.	Hedging funds (Effective portion)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1	Cash-flow hedge		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2	Hedge of net investment in foreign operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
V.	Tangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VI.	Intangible assets revaluation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VII.	Bonus shares obtained from associates, subsidiaries and jointly controlled entities (Joint Vent.)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VIII.	Translation differences		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IX.	The disposal of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
X.	The reclassification of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XI.	The effect of change in equities of associates on bank's equity		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XII.	Capital increase		100,000	(50,000)	-	-	-	-	-	-	-	(50,000)	-	-	-	-	-	-	-	-
12.1	Cash		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2	Internal sources		100,000	(50,000)	-	-	-	-	-	-	-	(50,000)	-	-	-	-	-	-	-	-
XIII.	Share issuance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XIV.	Share cancellation profits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XV.	Capital reserves from inflation adjustments to paid-in capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVI.	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
XVII.	Period net income/(loss)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(1,410)	(1,410)
XVIII.	Profit distribution		-	-	-	-	9,408	5,320	50,678	(424)	116,530	(72,449)	-	-	(100)	-	-	116,430	3,359	119,789
18.1	Dividends distributed		-	-	-	-	-	-	-	-	-	(2,724)	-	-	-	-	-	(7,467)	(189)	(7,656)
18.2	Transfers to reserves		-	-	-	-	9,408	5,320	50,678	(424)	-	(69,725)	-	-	-	-	-	(2,724)	-	(2,724)
18.3	Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,743)	(189)	(4,932)
Closing Balance (I-II+III+...+XVI+XVII+XVIII)			400,000	16,374	43	-	29,568	14,861	93,962	2,920	116,530	20,413	11,928	-	-	-	-	706,599	29,183	735,782

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**Consolidated Statement of Cash Flows for the years ended December 31, 2007 and December 31, 2006**  
(In Thousand of New Turkish Lira)

	Note Ref	Audited	Audited
		CURRENT PERIOD	PRIOR PERIOD
		January 1-December 31, 2007	January 1-December 31, 2006
<b>A. CASH FLOWS FROM BANKING OPERATIONS</b>			
<b>1.1 Operating profit before changes in operating assets and liabilities</b>		<b>106,348</b>	<b>55,769</b>
1.1.1 Interest received		424,040	217,862
1.1.2 Interest paid		(253,975)	(129,474)
1.1.3 Dividends received		2,667	3,442
1.1.4 Fees and commissions received		22,234	31,967
1.1.5 Other income	(1)	32,490	769
1.1.6 Collections from previously written off loans		(2,905)	1,160
1.1.7 Payments to personnel and service suppliers		(41,212)	(45,427)
1.1.8 Taxes paid		(28,367)	(20,385)
1.1.9 Others		(48,624)	(4,145)
<b>1.2 Changes in operating assets and liabilities</b>		<b>322,809</b>	<b>51,910</b>
1.2.1 Net (increase) decrease in financial assets		(35,231)	8,860
1.2.2 Net (increase) decrease in financial assets at fair value through profit or loss		-	-
1.2.3 Net (increase) decrease in due from banks and other financial institutions		-	-
1.2.4 Net (increase) decrease in loans		(242,690)	(608,260)
1.2.5 Net (increase) decrease in other assets		2,042	(43,449)
1.2.6 Net increase (decrease) in bank deposits		-	-
1.2.7 Net increase (decrease) in other deposits		-	-
1.2.8 Net increase (decrease) in funds borrowed		588,268	665,361
1.2.9 Net increase (decrease) in matured payables		-	-
1.2.10 Net increase (decrease) in other liabilities		10,420	29,398
<b>I. Net cash provided from banking operations</b>		<b>429,157</b>	<b>107,679</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>II. Net cash provided from investing activities</b>		<b>(508,094)</b>	<b>(120,224)</b>
2.1 Cash paid for purchase of entities under common control, associates and subsidiaries	(2)	(665)	(10,696)
2.2 Cash obtained from sale of entities under common control, associates and subsidiaries	(3)	7,046	50
2.3 Fixed assets purchases	(2)	(46,945)	(6,156)
2.4 Fixed assets sales	(3)	6,628	2,208
2.5 Cash paid for purchase of financial assets available for sale		(477,812)	(105,630)
2.6 Cash obtained from sale of financial assets available for sale		3,519	-
2.7 Cash paid for purchase of investment securities		-	-
2.8 Cash obtained from sale of investment securities		-	-
2.9 Others		135	-
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>III. Net cash provided from financing activities</b>		<b>19,052</b>	<b>20,833</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		(2,724)	(2,527)
3.5 Payments for finance leases		(538)	163
3.6 Other		22,314	23,197
<b>IV. Effect of change in foreign exchange rate on cash and cash equivalents</b>	(1)	<b>(15,673)</b>	<b>(5,912)</b>
<b>V. Net increase / (decrease) in cash and cash equivalents</b>		<b>(75,558)</b>	<b>2,376</b>
<b>VI. Cash and cash equivalents at beginning of the period</b>	(4)	<b>142,525</b>	<b>140,149</b>
<b>VII. Cash and cash equivalents at end of the period</b>	(4)	<b>66,967</b>	<b>142,525</b>

The accompanying notes form an integral part of these financial statements.

**TÜRKİYE SİNAİ KALKINMA BANKASI A.Ş.**  
**Statement of Profit Distribution for the years ended December 31, 2007 and December 31, 2006**  
(In Thousand of New Turkish Lira)

	Audited	
	CURRENT PERIOD	PRIOR PERIOD
	January 1-December 31, 2007	January 1-December 31, 2006
<b>I. DISTRIBUTION OF CURRENT YEAR INCOME</b>		
1.1 CURRENT YEAR INCOME	170,622	129,948
1.2 TAXES AND DUTIES PAYABLE (-)	(23,141)	(23,546)
1.2.1 Corporate Tax (Income Tax)	(23,141)	(23,546)
1.2.2 Income withholding tax	-	-
1.2.3 Other taxes and duties	-	-
<b>A. NET INCOME FOR THE YEAR (1.1-1.2)</b>	<b>147,481</b>	<b>106,402</b>
1.3 PRIOR YEARS' LOSSES (-)	-	-
1.4 FIRST LEGAL RESERVES (-)	-	5,320
1.5 OTHER STATUTORY RESERVES (-)	-	5,320
<b>B. NET INCOME AVAILABLE FOR DISTRIBUTION [(A)-(1.3+1.4+1.5)]</b>		<b>95,762</b>
1.6 FIRST DIVIDEND TO SHAREHOLDERS (-)	-	(18,000)
1.6.1 To owners of ordinary shares	-	(18,000)
1.6.2 To owners of preferred shares	-	-
1.6.3 To owners of preferred shares (preemptive rights)	-	-
1.6.4 To profit sharing bonds	-	-
1.6.5 To holders of profit and loss sharing certificates	-	-
1.7 DIVIDENDS TO PERSONNEL (-)	-	(2,335)
1.8 DIVIDENDS TO BOARD OF DIRECTORS (-)	-	(389)
1.9 SECOND DIVIDEND TO SHAREHOLDERS (-)	-	(32,000)
1.9.1 To owners of ordinary shares	-	(32,000)
1.9.2 To owners of preferred shares	-	-
1.9.3 To owners of preferred shares (preemptive rights)	-	-
1.9.4 To profit sharing bonds	-	-
1.9.5 To holders of profit and loss sharing certificates	-	-
1.10 SECOND LEGAL RESERVES (-)	-	(3,773)
1.11 STATUTORY RESERVES (-)	-	-
1.12 EXTRAORDINARY RESERVES	-	(39,265)
1.13 OTHER RESERVES	-	-
1.14 SPECIAL FUNDS	-	-
<b>II. DISTRIBUTION OF RESERVES</b>	-	-
2.1 DISTRIBUTED RESERVES	-	-
2.2 SECOND LEGAL RESERVES (-)	-	-
2.3 DIVIDEND TO SHAREHOLDERS (-)	-	-
2.3.1 To owners of ordinary shares	-	-
2.3.2 To owners of preferred shares	-	-
2.3.3 To owners of preferred shares (preemptive rights)	-	-
2.3.4 To profit sharing bonds	-	-
2.3.5 To holders of profit and loss sharing certificates	-	-
2.4 DIVIDEND TO PERSONNEL (-)	-	-
2.5 DIVIDEND TO BOARD OF DIRECTORS (-)	-	-
<b>III. EARNINGS PER SHARE</b>		
3.1 TO OWNERS OF ORDINARY SHARES	-	106,402
3.2 TO OWNERS OF ORDINARY SHARES (%)	-	26.60
3.3 TO OWNERS OF PREFERRED SHARES	-	-
3.4 TO OWNERS OF PREFERRED SHARES (%)	-	-
<b>IV. DIVIDEND PER SHARE</b>		
4.1 TO OWNERS OF ORDINARY SHARES	-	50,000
4.2 TO OWNERS OF ORDINARY SHARES (%)	-	12.50
4.3 TO OWNERS OF PREFERRED SHARES	-	-
4.4 TO OWNERS OF PREFERRED SHARES (%)	-	-